**ASX ANNOUNCEMENT**
15 April 2015

# Cheritons Find Gold Project Update & Independent Review

- ***Independent review of the Cheritons Find Gold Project completed by Amec Foster Wheeler.***
- ***The Redwing gold deposit has potential to be developed into a viable toll treatment, open-pit operation, which could generate significant value from the modest capital investment that is required to support Feasibility Study and Ore Reserve estimation work.***
- ***Redwing is nearby an operating processing plant and the currently defined Mineral Resources are shallow. Both of these aspects significantly enhance Riedel's conceptual toll-treatment, open-pit development strategy.***

## Recent Project Activities Summary

Since January 2015 Riedel Resources Limited **(ASX: RIE, "Riedel or the Company")** has significantly progressed conceptual studies into the development of the Redwing gold deposit as a potential toll treatment project.

Redwing is located within Riedel's wholly-owned Cheritons Find Gold Project, which is located in the Forrestania-Southern Cross Greenstone Belt in the Eastern Goldfields Region of Western Australia *(see Figure 1)*. Importantly, Redwing is only ≈45 kilometres to the south of Hanking Gold Mining Pty Ltd's ("Hanking") gold processing plant at Marvel Loch, which has been recently recommissioned.

Based on 121 RC drill holes completed by Sons of Gwalia in the late 1990s and subsequent Mineral Resource estimation work, Redwing contains an Inferred Mineral Resource of ***1.4Mt @ 2.4g/t Au for 108,000 oz.***, that can be reported in accordance with requirements of the 2012 Edition of the JORC Code.

Riedel considers that, given current market contract mining and toll treatment processing costs, and assuming a toll treatment agreement can be negotiated, ***Redwing has potential to generate significant value from an open-pit mining operation for a relatively low initial capital investment.***



**CONTACT DETAILS**
Principal & Registered Office
Suite 1
6 Richardson Street
West Perth
Western Australia 6005

**Postal Address**
PO Box 1559
West Perth
Western Australia 6872

**Website**
www.riedelresources.com.au

**Email**
admin@riedelresources.com.au

**Phone**
+61 8 9226 0866

**Facsimile**
+61 8 9486 7375

ABN: 91 143 042 022
ASX CODE: RIE

The opportunity to develop the Cheritons Find (Redwing) gold deposit is substantially de-risked by the recent (2015) re-commissioning of Hanking's Marvel Loch processing facility located only 45 kilometres to the north of Cheritons Find. Hanking has indicated to Riedel a willingness to discuss proposals from third parties in the area who may wish to make use of the Marvel Loch processing facilities and other infrastructure (including camp and admin buildings where required).

In January 2015 Riedel engaged Amec Foster Wheeler to provide an independent review of the Cheritons Find Project and to best establish realistic options to bring the gold project into production. The review concentrated on establishing and assessing the key pre-development components which need to be satisfactorily completed, including establishing timelines and order of magnitude costs, to facilitate development of the Cheritons Find project.

***In summary, Amec Foster Wheeler concluded that Riedel's Redwing toll treatment strategy appears to offer reasonable returns at reasonable risk for the initial drilling investment of ≈A$500,000 to improve the Mineral Resource confidence to a level that will support a Feasibility Study.***

## Amec Foster Wheeler Review

### *Scope of Work and Deliverables*

The scope of work and deliverables from Amec Foster Wheeler's project review comprised:

- Review of the Redwing Mineral Resource Estimates ("MREs") database and MREs model with respect to the requirements of the JORC Code 2012 Edition. From this review Amec Foster Wheeler provided:
  - Recommendations on the steps Riedel will need to take to upgrade the MREs so that it can be used for Ore Reserve estimation in accordance with the JORC Code (2012) requirements.
  - An assessment of the drill hole in fill spacing that will be required to allow Mineral Resource estimation to at least an Indicated Resource category along with a plan and budget estimate to upgrade the MREs.
- Review of the mining assumptions and basis for a pit optimisation study including:
  - Geotechnical (and if necessary hydrogeological) assumptions.
  - Order of magnitude estimates of:
    - Contract mining (ore and waste) and road-train haulage costs.
    - Mine capital costs associated with mine set up, road-train haulage and development approvals.
    - Cost associated with converting the mine area to a Mining Lease and other statutory approvals.
    - Cost to prepare an Ore Reserve estimate in accordance with the JORC Code 2012.
    - Preparation of a conceptual a project development schedule with key milestones that must be achieved for the project to continue.

- Review of ore processing assumptions including:
  - Reasonableness of assumptions regarding metallurgical recovery and/or recommendations and cost estimates for metallurgical tests.
  - Order of magnitude estimates regarding processing costs and reasonable toll treatment rates for the target toll treatment operations.
  - Costs to carry out metallurgical tests (if needed) to confirm the expected metallurgical recovery and other process characteristics of the ore.

***Key Findings***

In April 2015 Amec Foster Wheeler completed a high-level review of information provided by Riedel relating to the prior MREs, metallurgical testing and mining studies completed for the project by Sons of Gwalia Ltd ("SOG") in 2000, and by Annett Consulting ("Annett") in 2011.

Amec Foster Wheeler's key findings from the study are as follows:

- The prior MREs prepared by SOG and Annett are sufficiently robust to prepare a Public Report as defined in the current (2012) edition of the JORC Code.
- Prior mining studies indicate that the Redwing deposit could be profitably exploited using current contract mining and ore toll treatment assumptions, however:
  - Amec Foster Wheeler cautions that these are order of magnitude estimates of net value and are additionally sensitive to the geological risks discussed below.
- Amec Foster Wheeler's review of the metallurgical testing completed by SOG has found:
  - The tests completed are positive with high CIL extractions (>90%) and with low reagent consumption.
  - Coarse gold is present and this needs to be considered in any toll treatment arrangements.
- The Redwing style of gold mineralisation currently has a number of geological risks which need to be addressed as follows:
  - The mineralised gold bearing lodes are narrow, and moderately dipping, and will be subject to relatively high dilution during mining.
  - Much of the value in the deposit is associated with ≈ 20 very high grade assay results (>10 ppm Au up to 100 ppm Au). The continuity of these high grade zones is not well understood, or confirmed, in the currently available drilling.
  - The direction of grade continuity is not clear on the current drill hole spacing with geological information suggesting a general NNW to SSE strike, while the grade data suggests a more NNE to SSW strike.
- To mitigate these geologic risks Amec Foster Wheeler proposes that:
  - Infill drilling will be required on a 20 m by 20 m collar spacing for MRE purposes and that one high grade area of the deposit should also be tested on a 10 m by 10 m grid.

- The estimated cost of proposed drilling to mitigate geological risk and ***define Mineral Resources to Measured Mineral Resource class is estimated to be in the order of A$500,000.***

- To progress the Redwing project to development Riedel will need to:
  - Prepare a mineralisation report that can be used to support a mining lease application (MLA) over the immediate deposit area.
  - Instigate the MLA process and associated survey works.
  - Complete the infill drilling, prepare an MRE, complete a Feasibility Study and mine plan to develop a toll treatment project.
  - Amec Foster Wheeler estimates an order of magnitude cost ***to reach a decision point to proceed to be in the order of A$1.0 million***.

***From the analyses described above, Amec Foster Wheeler considers that Riedel's Redwing toll treatment strategy appears to offer reasonable returns at reasonable risk for the initial drilling investment.***


***Figure 1: Cheritons Find Project Location***

Given the encouraging nature of these outcomes, Riedel plans to progress all necessary field activities, including drilling, and requisite studies and approvals to prepare the Redwing deposit for future gold production and milling, subject to suitable agreements being reached with Hanking and mining contractors and availability of finance.

## Project Summary

### *Geological Setting*

Exploration Licence 77/1793 covers a west-north-west striking sequence of mafic and ultramafic rocks, flanking the south-western part of the Parker Range Dome (*see Figure 2*).

At the Redwing deposit, significant gold mineralisation has been discovered along a strike length of 500 metres and to a vertical depth of 160 metres. The mineralised deformation zone dips shallowly to the south and has a true thickness of between 5 metres and 30 metres although the host rock sequence and associated structural deformation zone extends for at least a further 2,500 metres to the south of Redwing.

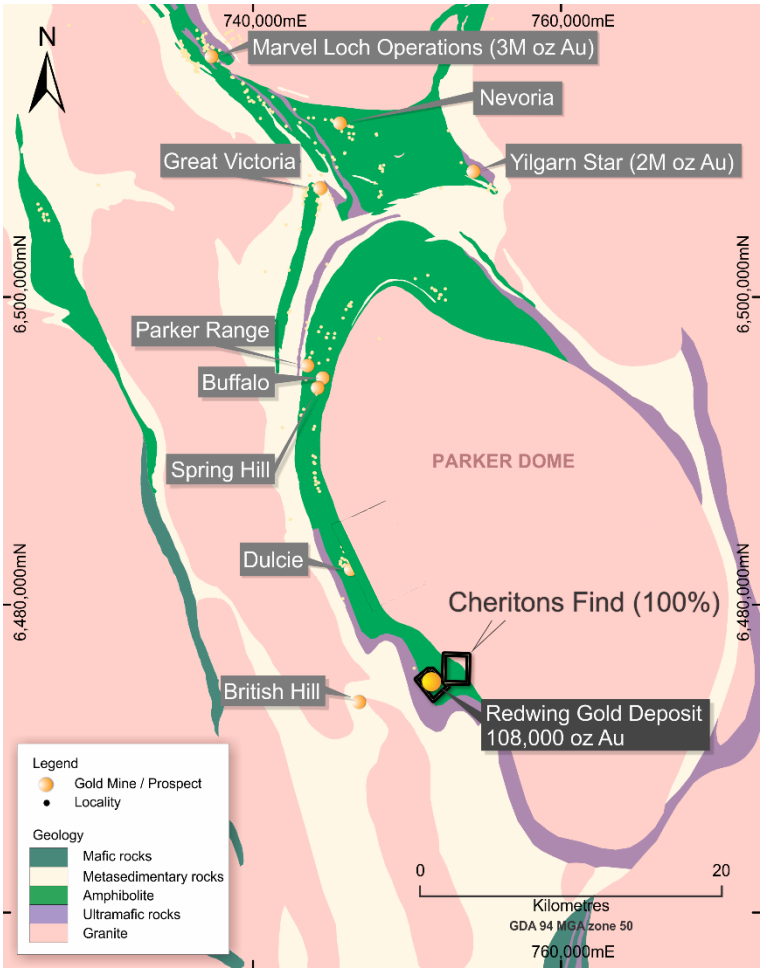


***Figure 2: Cheritons Find Project and Redwing Gold Deposit – Location and regional geological map***

Within the overall mineralised/deformation zone, free gold is hosted by a series of stacked, sheeted quartz veins ranging in thickness from one to four metres within alteration halos which are characterised by calc-silicate, carbonate, garnet and pyrite assemblages *(see Figure 3)*.

***Inferred Mineral Resources***

In 2000, Sons of Gwalia Limited ("SOG") estimated an Inferred Mineral Resource Estimate for Redwing of **1.4 Mt @ 2.4g/t Au for 108,000 ounces of gold** *(see Table 1 below)*. Amec Foster Wheeler has completed a high-level review of the data methodology supporting SOG estimate and considers the SOG Inferred Resource Estimate can be reported in accordance with the requirements of the JORC Code 2012. A JORC Table 1 for the estimate in appended to this release.

***TABLE 1: Redwing Gold Deposit – Inferred Mineral Resources***

| Material | Resource Category | Lower Gold Cutoff (g/t Au) | Top Gold Cut (g/t Au) | Tonnes | Gold Grade (g/t Au) | Contained Gold (oz Au) |
|---|---|---|---|---|---|---|
| Oxide | Inferred | 0.5 | 20 | 30,000 | 2.3 | 2,200 |
| Transition | Inferred | 0.5 | 20 | 100,000 | 2.0 | 6,400 |
| Primary | Inferred | 0.5 | 20 | 1,270,000 | 2.5 | 102,000 |
| TOTAL | Inferred | 0.5 | 20 | 1,400,000 | 2.4 | 108,000 |

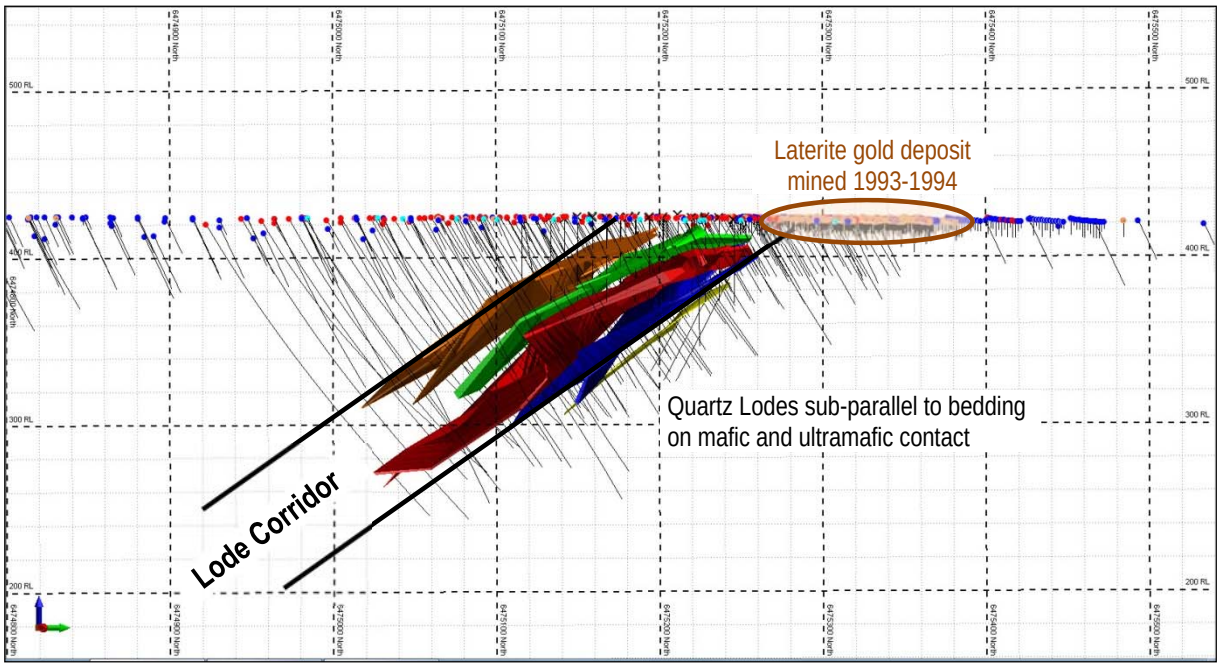


***Figure 3: Cheritons Find – Redwing Gold Deposit Cross-Section – All lodes projected to single section looking west.***

During 2011 Riedel carried out a peer review of the SOG Resource Estimate using independent expert Bob Annett Consulting. This work has validated the overall geological and structural methodology adopted by SOG and the general tenor of the tonnage, grade and metal (ounces) estimates which resulted from SOG's work. Sample locations, drilling sample recoveries and analytical methods are deemed acceptable for resource estimation purposes.

**For further information please contact:**

Ed Turner
Technical Director
Riedel Resources Limited
Tel: +61 8 9226 0866
Email: ed.turner@riedelresources.com.au

Jeffrey Moore
Managing Director
Riedel Resources Limited
Tel: +61 8 9226 0866
Email: j.moore@riedelresources.com.au

**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.*

**About Riedel Resources Limited**

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

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. The Marymia and Charteris Creek Projects are being actively explored under joint venture arrangements whereby farminees are earning interests by sole funding exploration expenditure until agreed milestones are reached.

Gold Projects (Riedel 100%):

- Cheritons Find *(gold - Inferred Resources of 1.4Mt @ 2.4g/t Au for 108,000 oz)*;
- Millrose *(gold - [1]Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz)*.

Joint Venture Projects (Farminees earning up to 80%):

- Marymia – Australian Mines Ltd earning up to 80% *(copper, gold, nickel and base metals)*;
- Charteris Creek – FMG Resources Pty Ltd earning up to 80% *(copper, molybdenum, gold and gold);*

[1] *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.*

| JORC Table 1<br>Section 1: Sampling Techniques and Data | | |
|---|---|---|
| **Item** | **JORC Code Comments** | **Amec Foster Wheeler Comments** |
| Sampling techniques | • The Cheritons Find deposit has been tested using:<br>o RC drilling (121 holes)<br>o Diamond drilling (1 hole)<br>o RAB drilling but these holes have not been used for the MRE. | • RC drilling is an acceptable method for definition of mineral resources (see below) in the deposit type under consideration.<br>• Riedel's planned infill drilling can be used to verify SOG's prior MRE drilling.<br>• Riedel should investigate whether the core from the one diamond drill hole is available for competent person (CP) review. |
| Drilling techniques | • SOG reports for the RC drill holes (61 drill holes for 8,264 m) with a CFC prefix were drilled by Drillex using a RCD250S rig with an auxiliary compressor and booster for additional air capacity on deeper holes. Cubic feet minute values are recorded as being between 350 and 1,800 CFM and pressure is recorded as being between 350 and 900 psi. The size and type of the drill bit is not documented. All drill holes are angled.<br>• No information is available for the RC drill holes prefixed PC. These 60 drill holes represent 33% of the total RC drilled length. These drill holes are mostly drilled as angled with only two vertical holes.<br>• The single angled diamond drill hole was drilled by Drillcorp-Western Deephole using a Sandvik UDR1000 rig. The hole was drilled with 21.1 m of RC pre-collar and then 156.49 m of NQ-sized core (47.6 mm diameter). No documentation is available regarding use (or not) of triple tube, wireline drilling, or core orientation. | • SOG's documented descriptions of RC and diamond core drilling are consistent with good industry standards prevailing at the time of the original MRE drilling.<br>• While the drill bit and size is not documented it is unlikely that cross-over subs (which are prone to downhole smearing) were in use at the time of this drilling.<br>• Drilling of angled holes is appropriate for the style of mineralisation under consideration. The angled holes plunge nominally 60°→10° (magnetic), which is approximately normal to the strike and dip of the lode structures.<br>• Amec Foster Wheeler recommends infill drilling using angled RC holes using a RC rig fitted with a face sampling bit.<br>• As drilling is likely to target only the oxide/transitional portion of the mineralisation, diamond core drilling is likely not required, especially if the SOG diamond core, or at least the core photographs, can be found. |
| Drill sample recovery | • No information is currently available regarding the sample recovery from the RC drill holes.<br>• Recoveries are available for the diamond drill hole (CFD614) with an average recovery of 99.2% over the total length. The recoveries range from 12% to 113%.<br>• The relationship between recovery and grade is not documented. | • The CP should review the original RC drill logs to determine if any, even qualitative, sample recovery information is available.<br>• Sample recovery measurements should be collected for planned infill, through marking and recording the degree of fill of sample reject bags and through recording the weights of laboratory despatch samples<br>• The relationship between recovery and grade (if any) should be assessed by the CP as part of a MRE update study. |

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| Logging | • The total length of the RC drill holes have been logged for geology in a qualitative manner (refer SOG, 2011 for a description of the codes used).<br>• The total length of the drill core has been logged for geology and geotechnical structure in a qualitative manner for geology and a semi-quantitative manner for geotechnical structure.<br>• All drill core is reported to have been photographed. | • From SOG's reports chip and core logging appears to be in good order and consistent with good industry standards prevailing at the time of the MRE drilling.<br>• The CP should inspect the original physical (or digital) logs if they can be located.<br>• As part of any Mineral Resource update the original physical (or digital) logs should be checked against those in the database (recommend at least 20% randomly selected).<br>• Infill drilling should be logged using the same coding scheme as the existing logging codes to ensure database consistency. |
| Sub sampling and sample preparation | • RC drilling (CFC prefixed holes) was sub sampled by:<br>o Spear samples of 3 m composite samples collected to first identify zones of mineralisation (no mass specified)<br>o If 3 m composite sample returned assays ≥ 0.1 ppm Au, 1 m sub samples (no mass specified) were subsequently collected from the rejects using a riffle splitter (actual equipment not specified) and despatched for analysis.<br>o There are 64 samples from seven drill holes labelled as repeats in the database. No information is documented regarding these samples or analysis of the results.<br>• RC drilling (PC prefixed holes) has no documentation available regarding sub-sampling and sample preparation.<br>• Diamond drill core was cut (?) and half core samples taken over 1 m intervals.<br>• SOG considered the sample method was reasonable for the type of mineralisation under consideration, but did note some duplicate results were suggestive of coarse free gold in some areas of the deposit. | • The sub sampling methods described by SOG are generally consistent with good industry standards prevailing at the time of the original MRE drilling, albeit the documentation is lacking in many respects.<br>• As part of an MRE update the CP should review the duplicate and laboratory cross check samples available in the SOG database.<br>• Quality control samples should be included in the planned infill drilling (at a frequency of 1 in 25 which should give 5 quality control samples in each sample despatch) including:<br>o Two certified reference materials (CRMs) of different tenor (one high grade and one near the cut-off grade)<br>o A rig split duplicate<br>o A blank (very low grade).<br>• Riedel should also prepare a detailed sampling protocol for infill drilling and document, and photograph, the sampling process. Ideally, the CP should visit site while the drilling and sub sampling programme is in progress.<br>• Duplicate sampling will confirm (or not) whether the sample size is reasonable for the grain size under consideration.<br>• Given SOG's observations regarding possible coarse gold, a 5 kg field split for laboratory despatch is recommended. |

| JORC Table 1<br>Section 1: Sampling Techniques and Data | | |
|---|---|---|
| **Item** | **JORC Code Comments** | **Amec Foster Wheeler Comments** |
| Quality of assay data and laboratory tests | • The CFC prefixed RC drill holes samples have been analysed for Au, Cu, Pb, Ni, Sb and Zn by Ultra Trace Analytical Laboratories in Perth, Western Australia.<br>• For Au, Cu, Pb, Ni and Sb a 40 g sample was analysed using aqua regia digest with Inductively Coupled Plasma Mass Spectrometry (ICP-MS) used as the method for final measurement.<br>• For subsequent samples, identified as having potentially ≥ 0.1 ppm Au, a 40 g sample analysed using fire assay with Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) used as the method of measurement.<br>• Drill hole CFD614 samples were analysed at Ultra Trace Analytical Laboratories in Perth, Western Australia for Au, Pt and Pd using fire assay with ICP-OES used as the method of measurement.<br>• There is no documentation available for PC prefixed drill holes.<br>• A proportion (13%) of the accepted gold assay data is the result of averaging multiple gold assay results. The majority are averaged from two gold assay values. There is a very small proportion of the data (<0.1%) that is the result of averaging four or five results. | • The assaying methods described by SOG are consistent with good industry standards prevailing at the time of the original MRE drilling.<br>• The laboratory used by SOG has a good reputation in Western Australia for quality and accuracy.<br>• The accepted gold assays derived from the averaging of multiple gold assays for the single interval should be reviewed.<br>• The primary (first) gold assay should be used as the accepted gold assay for MRE purposes.<br>• Riedel should only need to assay for gold in the infill drilling programme. A 50 g fire assay is recommended, with laboratory replicate assays at a 1 in 25 frequency.<br>• The degree of bias and precision for gold should be investigated and documented as part of a MRE update. The CP should review this analysis. |

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|---|---|---|
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| Verification of sampling and assaying | • SOG's report states that selected samples were sent to an alternative laboratory (ALS in Malaga, Western Australia) with 3 m composite samples being assayed for gold using an aqua regia digestion followed by flame AAS determination to identify mineralisation zones, and then 1 m re-split samples assayed for gold by fire assay. The results showed good reproducibility.<br>• The presence of coarse gold is suggested for duplicate pairs with more variable comparisons. The number of samples submitted and the actual results are not documented. The current database contains 613 samples from 7 drill holes identified as repeats (replicates).<br>• No twin drill holes have been drilled.<br>• No documentation relating to data entry, data verification, data storage protocols is available.<br>• No documentation regarding adjustments (or not) to assay data is available, albeit there seems to be no reason for any such adjustments in SOG's documentation. | • The verification methods described by SOG are consistent with good industry standards prevailing at the time of the original MRE drilling.<br>• As part of a MRE update, the results from the ALS laboratory should be reviewed to confirm the positive comments in the SOG report.<br>• If original pulp rejects can be located, a random sample of key intercepts should be re-assayed (ideally 30 to 50 pulps, along with 3 to 5 CRMs).<br>• Three to five twin drill holes should be drilled as part of the MRE infill programme if past assay accuracy cannot be determined from pulp re-assays. Otherwise one or two twin holes are recommended. |

| JORC Table 1<br>Section 1: Sampling Techniques and Data | | |
|---|---|---|
| **Item** | **JORC Code Comments** | **Amec Foster Wheeler Comments** |
| Location of data points | • The grid system used for the SOG 2000 MRE is assumed to be based on the Geocentric Datum of Australia 1994 Map Grid of Australia zone 50. There is no documentation available regarding the grid system used other than reference to the aforementioned grid system in Riedel (2013). The collar database contains three different sets of easting and northing fields.<br>• In the collar database there are three codes for the LOCMETHOD field (refer SOG, 2001 for codes but the code SV is not listed): CT, DG and SV. The accuracy of the particular method is included in the database field LOCACC with values of 1, 2 or 5. In summary:<br>o CT (compass and tape) 51 drill holes with an accuracy of ±5 m; the PC prefixed drill holes are all located using CT<br>o DG (differential GPS) 13 drill holes with an accuracy of 2 m and 5 holes with an accuracy of ±5 m<br>o SV (unknown method) 22 drill holes with an accuracy of 1 m and 20 drill holes with an accuracy of ±2 m.<br>• The downhole surveys of the CFC prefixed RC holes and the diamond hole were collected using a downhole gyroscope survey instrument by Surtron Technologies. The instrument accuracy is ±1° azimuth. The accuracy in dip is not documented.<br>• The PC prefixed drill holes do not have downhole surveys with only the orientation at the collar in the database. The reliability of the orientations is not documented other than an 'X' in the RELIANCE field in the survey database which represents 'unspecified or unknown'. | • SOG's descriptions of surveying are consistent with average industry standards prevailing at the time of the original MRE drilling.<br>• The codes used in the collar database for location method and accuracy should be reviewed and drill holes considered to have poor location reliability flagged to be higher risk (and possibly excluded from any future MRE if they cannot be verified within reasonable expectations).<br>• The CP should complete hand-held GPS spot checks on past collar drill hole locations (if they can be located) to confirm the grid system and data coordinates in the database.<br>• The accuracy of the collar survey measurements should be documented and considered as part of the Mineral Resource classification. |

| JORC Table 1<br>Section 1: Sampling Techniques and Data | | |
|---|---|---|
| **Item** | **JORC Code Comments** | **Amec Foster Wheeler Comments** |
| Data spacing and distribution | • The majority of the drill holes are angled and drilled on nominal 80 m spaced sections aligned along 010° (magnetic) and 40 m within the section. In the central part of the deposit there is an area of 40 m spaced sections. The spacing increases to approximately 160 m spaced sections at depth (below approximately 300 mRL).<br>• The drilled depth is shallower in the northern part of the deposit with drill hole lengths of approximately 60 m. The drill hole lengths in the southern part of the deposit are approximately 180 m.<br>• The sample spacing is either 3 m or 1 m downhole for assaying purposes. | • Notwithstanding considerations regarding data quality, Amec Foster Wheeler considers the data spacing is adequate to define an Inferred Mineral Resource under JORC 2012 requirements. Parts of the closer spaced drilling volumes are likely to be acceptable for acceptable for Indicated Mineral Resource.<br>• The geological continuity of the lode package appears to be reasonably well defined but closer spaced drilling will be required (overall) to define the Mineral resource to a high level of confidence for Ore Reserve estimation |
| Orientation of data in relation to geological structure | • The majority of the available MRE drill holes are angled with a few vertical holes. The majority of the drill holes are angled to normally intersect the interpretation of the lodes. | • The direction and angle of the majority of drilling provides a quasi-normal intersection of the lode package. This approach is correct to prevent any orientation biases in the drilling results<br>• Infill drilling should be oriented in a similar manner. |
| Sample security | • No documentation regarding sample security or storage of any retained samples or pulps. | • Details of the sample security for infill drilling should be part of the MRE update. |
| Audits and reviews | • Annett Consulting reviewed the drill hole database in 2011. However, no documentation is available on any major findings of this work. | • Any major findings from the review should be documented as part of a Mineral Resource update. |

| JORC Table 1<br>Section 2: Reporting of Exploration Results | | |
|---|---|---|
| **item** | **JORC Comments** | **Other Comments** |
| Mineral tenure and land tenure status | • Redwing is located on tenement EL77/1793.<br>• The tenement is owned by Audax Minerals Pty Ltd which is a wholly owned subsidiary of Riedel Resources. The expiry date of the tenement is 3 May 2017.<br>• The Redwing gold deposit is subject to a 3.5% gross proceeds royalty payable to Hanking Gold Mining Pty. Ltd.<br>• The tenement is located within the Jilbadji Nature Reserve, which is a national A Class nature reserve and, as such, is subject to both federal and state legislation. | • Riedel will need to apply and have granted a mining lease prior to any mining activity. |

| JORC Table 1<br>Section 2: Reporting of Exploration Results | | |
|---|---|---|
| **item** | **JORC Comments** | **Other Comments** |
| Exploration done by other parties | • A summary of the exploration activities pertaining to Cheritons Find is included in Riedel's annual report (2013). | • Details of exploration by prior tenement holders (specific to the Redwing deposit) should be included in a Mineral Resource update report. |
| Geology | • The Redwing deposit is located within the Southern Cross province of the Archean Yilgarn Craton. The deposit lies within a sequence of west-northwest striking, and shallow westerly dipping, amphibolites, ultramafics, sediments and banded iron formation units that occur along the southern margin of the Parker Dome intrusive. The units are metamorphosed to upper greenschist to lower amphibolite facies.<br>• The Redwing gold mineralisation is hosted by a medium grained metasediment and associated with quartz veining. Alteration zoning about the veins are characterised by a distal potassic and garnet halo around a silica-diopside-biotite-disseminated pyrite and magnetite alteration proximal zone.<br>• The gold mineralisation is hosted within two to three quartz vein arrays, which are shallowly west dipping and are up to 4 m in true thickness.<br>• Sporadic supergene mineralisation occurs near surface and is associated with ferruginous, quartz veined saprolite. | • The gross geology of the deposit appears to be reasonably well understood but the direction of continuity of high grade is not clear. Infill drilling will provide information on pre-mining short range geological variability.<br>• The current geological model of multiple grade lode structures is somewhat subjective due to the current wider spacing of drilling and may not necessarily improve with closer spaced drilling. Preliminary investigations by Amec Foster Wheeler suggests an approach of modelling the whole lode package using a > 0.1 ppm Au threshold may be more reliable for mine planning. |
| Drill hole information | • A tabulation of the collar locations, interval and gold grades for significant intercepts for the CFC prefixed drill holes and the diamond drill hole are included in the SOG Mineral Resource report. | • A future Mineral Resource update documentation should include a list of collar locations of the drill holes used.<br>• A detailing listing for public reporting is not required as a Mineral Resource has been estimated |
| Data aggregation methods | • A proportion (13%) of the accepted gold assay data is derived by averaging multiple gold assays for the interval. The majority of the averaged data is from two gold assays but a very small proportion (<0.1%) are averaged from four or five assay results. | • The primary gold assay should be used as the accepted gold assay for MRE purposes<br>• Replicate results should be part of quality analysis work<br>• The Mineral Resource should be estimated from 1 m sample interval support. |
| Relationship between mineralised grade and intercept widths | • No documentation is currently available regarding any relationship between mineralised grade and intercept width. | • A future Mineral Resource update should assess the relationships (or not) between grade of intercepts and intercepts lengths. |

| JORC Table 1<br>Section 2: Reporting of Exploration Results | | |
|---|---|---|
| **item** | **JORC Comments** | **Other Comments** |
| Diagrams | • Plans and cross-sections of the drill hole data and mineralisation interpretations are included in the SOG MRE report.<br>• Plans and cross-sections of drill hole data, mineralisation interpretations and block model are included in the Annett Consulting reports | • The body public report contains representative images depicting the extent of drilling and mineralised lode interpretations |
| Balanced reporting | • The Mineral Resource estimate includes both low and high grade intercepts and is considered balance | • Future Mineral Resource updates should consider the effects of mining dilution in the estimation process |
| Other substantive exploration data | • Downhole gamma density collected from four drill holes.<br>• Four 30 kg composite samples from four RC drill holes (CFC597, CFC615, CFC444 and CFC623) evaluated using gravity leach test work. Documentation regarding the test work results is included in the SOG MRE report. | • SOG has addressed estimation of bulk density, which is important for MRE estimation. This is discussed further below.<br>• Metallurgical testing is evaluated by Amec Foster Wheeler in this review. |
| Further work | • Infill RC drilling to close the current drill spacing to 40 m by 40 m is planned.<br>• The planned RC drill holes are all vertical and 50 m in length. | • Recommend that five existing drill holes are twinned to both verify the existing data and provide information on short range variability.<br>• A number of close spaced holes (perhaps on a 10 m by 10 m grid) should be drilled as a pre-grade control test and to help resolve the trend of high grade mineralisation, which will be critical to the MRE estimate.<br>• Planned drill holes should be drilled inclined at approximately 60°.<br>• The locations of the planned drill holes should be reviewed in context of pit optimisation work completed by Annett Consulting in 2011. |

| JORC Table 1<br>Section 3: Estimation and Reporting of Mineral Resources | | |
|---|---|---|
| **Item** | **JORC Comments** | **Other Comments** |
| Database integrity | • Drill hole data is currently in a number of unverified Microsoft Access databases. | • The integrity of the drill hole database should verified by random checks of original records (where available) for at least 20% of the digital data. This work should be completed as part of a Mineral Resource update. |
| Site visits | • A site visit was made by the Competent Person in January 2012. | |

| JORC Table 1<br>Section 3: Estimation and Reporting of Mineral Resources | | |
|---|---|---|
| **Item** | **JORC Comments** | **Other Comments** |
| Geological interpretation | • The SOG 2000 MRE is based on 29 individual, generally shallow west dipping, lodes interpreted using a 0.5 ppm Au cut-off with a minimum drill hole intercept of 2 m. A maximum of 2 m internal dilution was incorporated if the overall grade criteria is maintained.<br>• The SOG 2000 MRE is subdivided into oxide, transitional and primary zones but there is no documentation regarding the basis of the subdivision. The subdivisions are shown on the cross-sections in the MRE report.<br>• The Annett Consulting 2011 MRE is based on six individual, shallow south dipping, lodes interpreted as sub-parallel to bedding on the contact of mafic and ultramafic units. | • The interpretation of weathering zones to will need to be completed as part of a Mineral Resource update.<br>• Amec Foster Wheeler recommends that the Mineral Resource model be based on modelling the full lode package at a nominal >0.1 ppm Au sample cut-off grade as the connectivity of lode structure from section to section is subjective.<br>• Infill drilling will be critical to the precision of the Mineral Resource going forward. |
| Dimensions | • The deposit has extents in the horizontal plane of approximately 500 m north to south and 800 m east to west.<br>• The deposit has been drill tested to a maximum depth in the order of 160 m below surface. | • No comments required. |
| Estimation and modelling parameters | • SOG estimated the MRE using length weighting in average polygons. SOG applied a top-cut of 20 ppm Au to the input gold assay data. The software used for estimating the MRE is not documented. | • As discussed above, Amec Foster wheeler recommend that the mineralisation envelope is developed by estimating a 0.1 ppm Au indicator and using the results as the basis for interpretation.<br>• Statistical analyses should be completed to determine the boundary treatment for weathering subdivisions and also any top-cuts to be applied.<br>• Grade estimation is recommended to be completed using ordinary kriging within this envelope as Amec Foster Wheeler has found the current data has determinable ranges of continuity in test variography inside a 0.1 ppm Au envelope. |
| Moisture | • All tonnages are estimated as dry tonnages.<br>• SOG reported that hypersaline ground waters were encountered between 70 m and 80 m vertical depth. This is supported by comments in the database for 14 intervals from 6 drill holes. | • Original logs, should be investigated to determine the depth to water table in past drilling.<br>• Depth to water table tests should be completed as part of planned infill drilling.<br>• Water quality sampling may be required if the likely pit depths result in any dewatering discharges. |

| JORC Table 1<br>Section 3: Estimation and Reporting of Mineral Resources | | |
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| **Item** | **JORC Comments** | **Other Comments** |
| Cut-off parameters | • The SOG 2000 is reported at a 0.5 ppm Au cut-off. | • The cut-off grade needs to be assessed from economic parameters, which are determined partly in this review.<br>• The MRE should also be limited to a realistic optimistic gold price rather than to the total depth of drilling and modelling. |
| Mining factors and assumptions | • An assumption of conventional truck (50 t) and backhoe excavators is reasonable for the style of mineralisation under consideration.<br>• Ore will be hauled by triple trailer road train to the mill for toll treatment. | • A mining bench height of 3 m may be required to deal with the shallow dip of the lode structures. Blasting heights of 6 m should be reasonable for mine planning assumptions. |
| Metallurgical factors or assumptions | • Four composite samples from four RC drill holes (CFC597, CFC615, CFC444 and CFC623) evaluated using gravity leach test work. | • Amec Foster Wheeler has reviewed the SOG's metallurgical tests and has found no issues with the estimated recovery and metallurgical performance. |
| Environmental factors and assumptions | • The deposit is wholly contained within the Jilbadji Nature Reserve.<br>• Exploration activities must be conducted with approval to reduce environmental impact to significant flora and fauna. A Conservation Management Plan has been submitted to the Department of Environment and Conservation by Riedel. | • Environmental assessment is being completed by consultants. This will be necessary to progress to a mining lease status.<br>• Riedel will need to submit a New Program of Work to the Department of Mines and Petroleum for the proposed infill drilling programme.<br>• Riedel has completed an environmental survey for the drilling of 22 drill holes through consultants RPS of Subiaco. Riedel may need to carry out further surveys for additional drill holes recommended in this report.<br>• Riedel has received a consultants proposal to identify the (minimum) environmental studies that will need to be completed to satisfy the DMP, DER, EPA, DPaW and DAA for project progression.<br>• Riedel can initiate the application for a Mining Lease with much of the documentation currently at hand and the various approvals studies should progress in parallel with other project development studies (MRE, ORE and so on). |

| JORC Table 1<br>Section 3: Estimation and Reporting of Mineral Resources | | |
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| **Item** | **JORC Comments** | **Other Comments** |
| Bulk Density | • In 2000 SOG estimated average in situ density values from downhole gamma-density logging from three RC drill holes (CFC637, CFC642 and CFC644) and diamond drill hole CFD614. These drill holes are located 5 km to the south of Cheritons Find. The values used by SOG are:<br>o 2.0 t/m$^3$ for oxide mineralisation<br>o 2.5 t/m$^3$ for transitional mineralisation<br>o 2.8 t/m$^3$ for primary mineralisation.<br>• A dry bulk density of 2.5 t/m$^3$ used for lode mineralisation in 2011. No documentation is available for the basis of this value. | • The remaining half core for the diamond drill hole CFD614 should be located and density samples measurements using the water displacement method. The results should be compared with the density values estimated from by downhole geophysics.<br>• As part of the MRE update that the down hole density data be reviewed statistically, with respect to weathering and mineralisation domains. |
| Classification | • The MRE is classified as Inferred Mineral Resources (JORC, 2012). | |
| Audits and reviews | • Annett Consulting reviewed the SOG 2000 Mineral Resource in 2011.<br>• AMEC completed a high-level review of both SOG and Arnett Consulting's work in 2015. | • Any major findings from the review should be documented. |
| Discussion of Relative accuracy and confidence | • No studies have been completed to determine the relative accuracy or confidence in the Mineral Resource estimate. | • AMEC considers the estimate is reasonable for an Inferred Mineral Resource classification under JORC 2012 |