

ASX ANNOUNCEMENT

29 April 2015



Quarterly Activities Report for the Period Ended 31 March 2015

Riedel Resources Limited (**ASX: RIE**, “**Riedel**” or “**the Company**”) is pleased to present its 2015 March Quarter Activities Report:

HIGHLIGHTS

Marymia Project

Australian Mines Limited Earning Up to 80%

- Six priority nickel, copper and gold drill targets identified in MLEM data review.
- **1,800 metres of RC drilling commenced in April 2015.**

Charteris Creek Project

FMG Resources Pty Ltd Earning Up to 80%

- Petrological results from rock chip samples collected in 2014 received.
- Results from 14 samples from the broader Lightning Ridge area indicate the presence of pervasive sericite and chlorite alteration and late-stage clay and carbonate alteration overprinted parts of the alteration system, confirming field observations.
- This type of **alteration is common in the late-stage overprinting of porphyry copper systems.**

Cheritons Find Project

- 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.

Corporate

- Cash at 31 March 2015 - **\$0.216M**

COMPANY DIRECTORS

Mr Ian Tchacos
Non-Executive Chairman

Mr Jeffrey Moore
Managing Director

Mr Ed Turner
Technical Director

Mr Andrew Childs
Non-Executive Director

COMPANY SECRETARY

Ms Sue Symmons

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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 – (copper, gold, nickel and base metals) Australian Mines earning up to 80% by project expenditure of up to \$3.3M;
- Charteris Creek – (copper, molybdenum, gold and base metals) FMGR earning up to 80% by project expenditure of up to \$1.0M;
- Cheritons Find (gold - Inferred Resources of 1.4Mt @ 2.4g/t Au for 108,000 oz);
- Millrose (gold - ⁱ*Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz).

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



Figure 1: Western Australia Project locations

* Phil Jones (AI 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.**

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 Sandfire'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 Earraheedy Groups. The project is prospective for copper, gold and nickel mineralisation and Riedel has delineated numerous high priority targets for each of these commodities.

Activities for the Quarterly period ended 31 March 2015

Australian Mines recently completed a detailed review of the 2014 MLTEM survey data and subsequently planned 11 RC drill holes for approximately 1,800 metres to test six nickel, copper and gold targets. **Drilling has now commenced.**

The 2014 MLTEM surveys covered many areas of interest identified by reinterpreting previous EM surveys as well as historical drilling, soil geochemistry anomalies and project scale aeromagnetic interpretation.

The targets warranting RC drill testing in this program includes the EM Conductor Cluster, the Burton Prospect and the Wyman Prospect (see *Figure 2*).

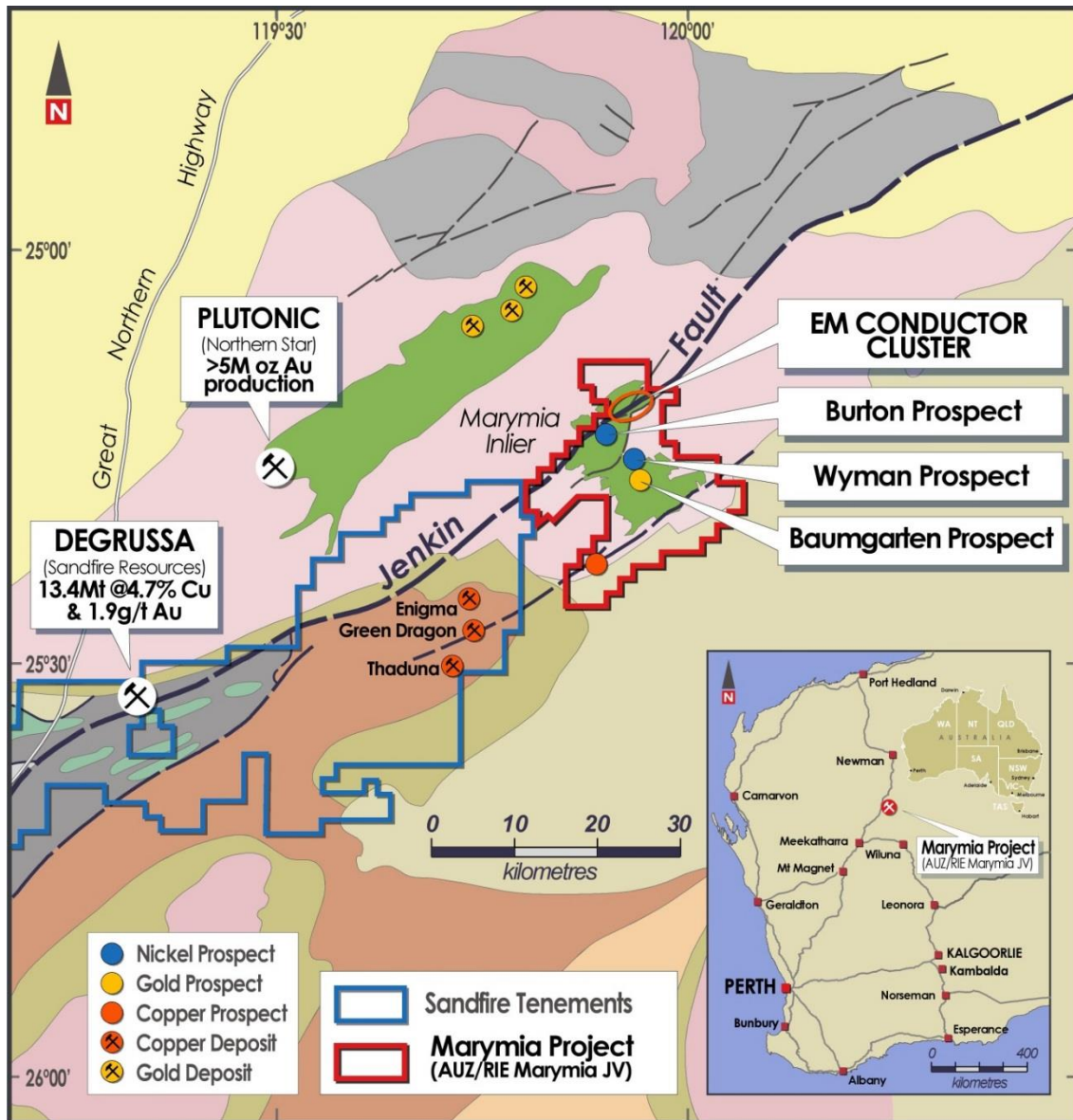


Figure 2: Marymia Project region - Schematic geological map showing Burton, Wyman, Baumgarten Prospects, EM Conductor Cluster

The EM Conductor Cluster is also coincident with the Jenkin Fault and historic wide-spaced reconnaissance rotary air blast (RAB) drilling had identified an area of extensive base metals anomalism within this area*.

* Plutonic Operations Limited, Annual Technical Report for tenement E52/533, period 03/07/1995 to 02/07/1996

Assay results returned from this historic drilling included 1 metre @ 1% lead + 0.1% zinc + 220ppm copper from 18 metres (drill hole PYRB363) in addition to broader base metal anomalies including 12 metres @ 950ppm lead (drill hole PYRB359), 8 metres @ 1,450ppm lead (drill hole PYRB373) and 12 metres @ 1,011ppm zinc (drill hole PYRB376)*.

The Burton Prospect has a strong conductor beneath a historic significant RAB intersection of **4 metres @ 1.07% nickel** within 22 metres @ 0.58% nickel (see Figure 3). This lies within a high magnesium ultramafic sequence which represents prerequisite geology for Kambalda-style nickel deposits.

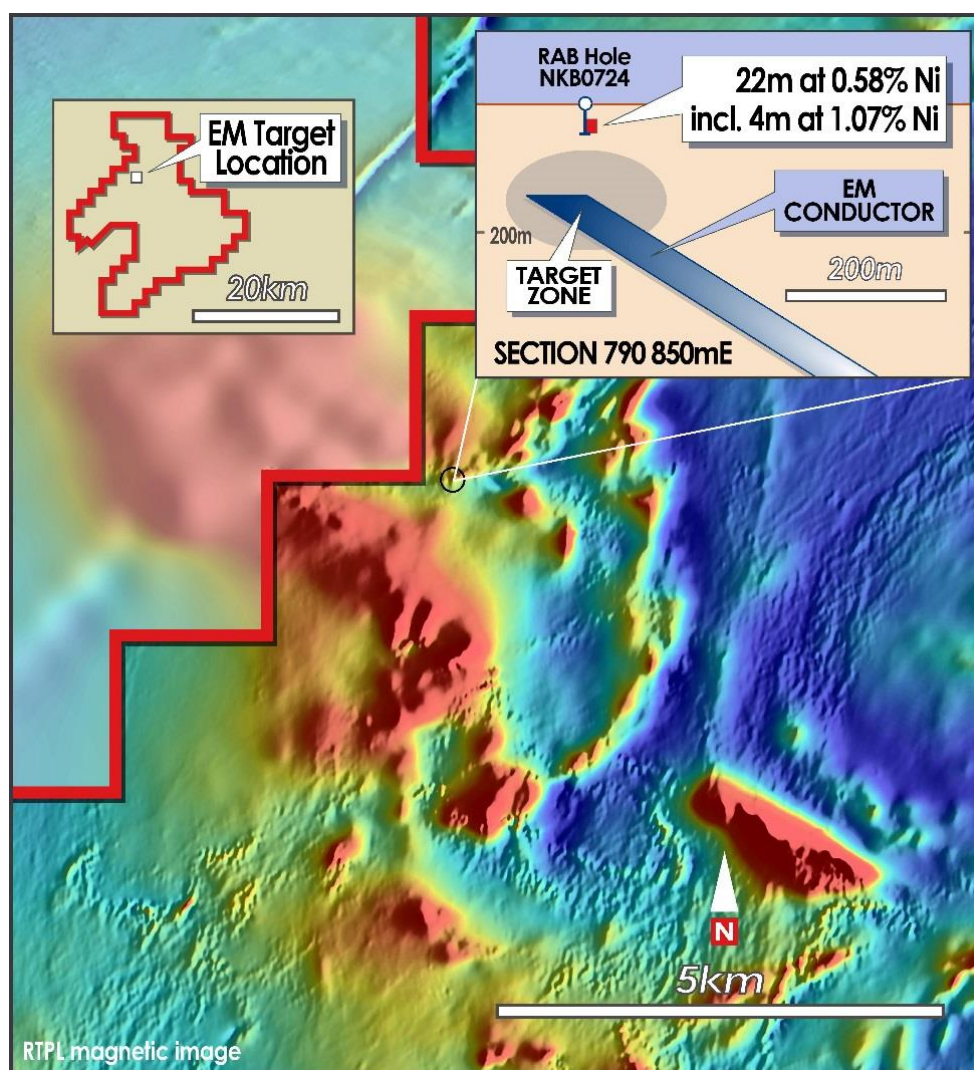


Figure 3. EM conductor beneath significant historic nickel intersection at the Burton Prospect

* Plutonic Operations Limited, Annual Technical Report for tenement E52/533, period 03/07/1994 to 02/07/1995

CHARTERIS CREEK PROJECT JOINT VENTURE

FMG Resources Pty Ltd earning interests up to 80%

In January 2014 FMG Resources Pty Ltd (“FMGR”), a wholly-owned subsidiary of Fortescue Metals Group Ltd, entered into a Farm In and Joint Venture Agreement with the Company worth up to \$1M over Exploration Licence 45/2763.

Riedel’s 100%-owned tenement is 131km² 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 4 for project location*).

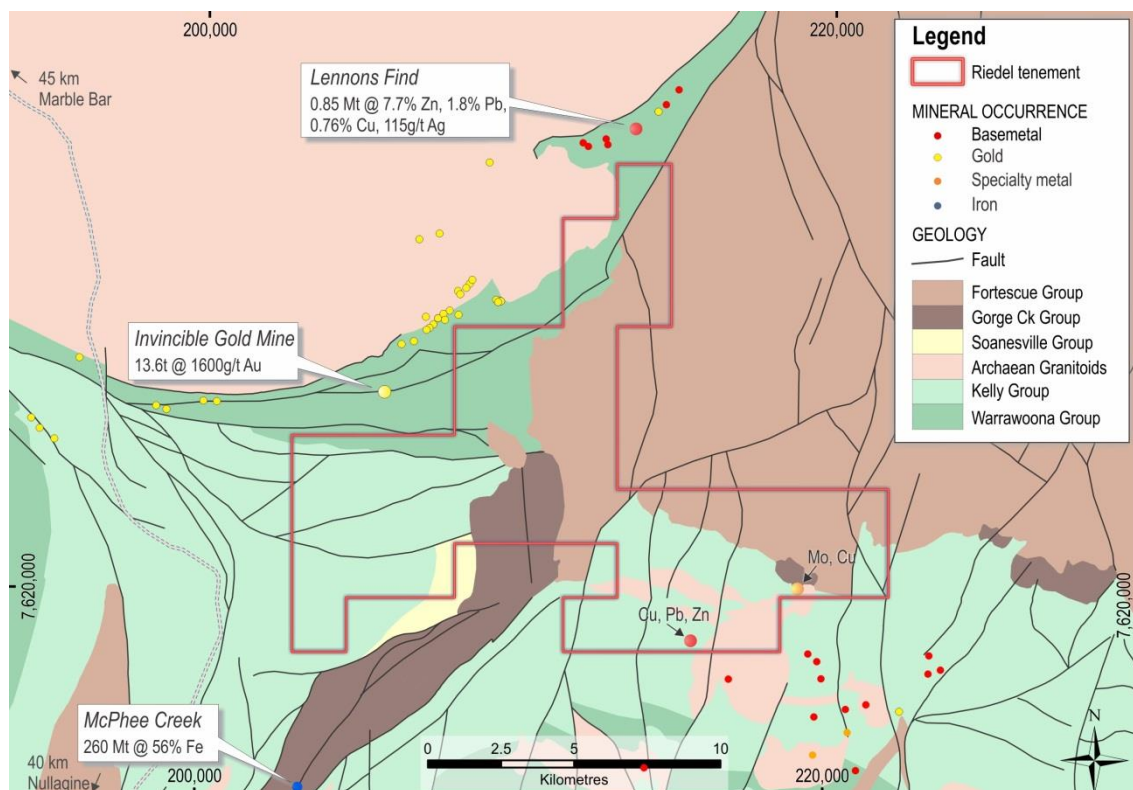


Figure 4: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits

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.

Activities for the period ended 31 March 2015

During the Quarter, FMGR received the outstanding petrological reports for rock chip samples collected in 2014. Petrology reports for 14 samples from the broader Lightning Ridge area indicate the presence of pervasive sericite and chlorite alteration. Late-stage clay and carbonate alteration overprinted parts of the alteration system, which also confirms field observations.

Table 1 summarises observed alteration from petrographic analysis from the broader Lightning Ridge area. Of particular interest is the description of sericite alteration in petrology samples located north of the mapped alteration, including one sample with additional chlorite- and carbonate-alteration (see *Figure 5*). Elevated gold and molybdenum assay values were returned from rock chips in the same area, either sampling a ferruginous overprint of the host rock or samples containing quartz veining.

Table 1 – Summary of alteration described in petrology reports for broader Lightning Ridge area

Sample No.	Rock Type Description	Sericite Altn	Chlorite Altn	Clay Altn	Quartz Altn	Carbonate Altn
D167414	rhyolitic volcanic	yes	yes	yes	pervasive	no
D167415	rhyolitic volcanic	yes	yes	yes	no	no
D167416	rhyolitic volcanoclastic	yes	yes	yes	no	no
D167417	rhyolitic volcanic	yes	yes	no	pervasive	no
D167422	rhyolitic volcanic	yes	yes	no	yes vein	no
D167423	tholeiitic basalt	yes	yes	no	no	yes
D167430D	quartzite	yes	no	yes	no	no
D167507	microgranite	yes	yes	yes	no	no
D167510	rhyolitic volcanic	yes	yes	no	yes vein	no
D167518	meta-mudstone	no	yes	no	yes vein	no
D167519	feldspathic arenite	no	no	yes	yes vein	no
D167520	metasiltstone/chert	no	no	no	no	no
D167522	rhyolitic/dacitic volcanic	yes	yes	yes	yes vein	yes
D167524	greywacke	yes	yes	no	no	yes

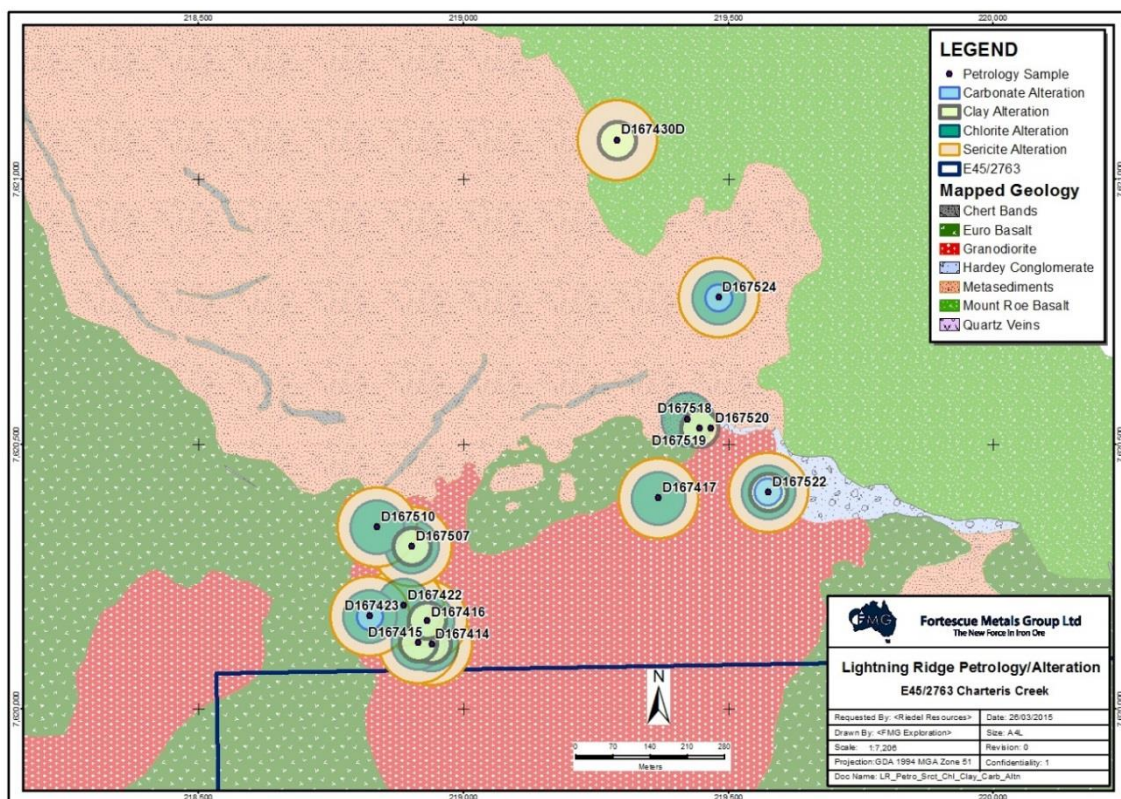


Figure 5 – Alteration observed in petrology samples, broader Lightning Ridge area

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

Hydrothermal alteration at Lightning Ridge is characterised by mafic mineral-destructive quartz-clay-mica-pyrite (i.e. phyllic) alteration. The sites of the magmatic mafic minerals (e.g., biotite, hornblende and pyroxene) have been obscured and the feldspars replaced by sericite and clay. This type of alteration is common in the late-stage overprinting of porphyry copper systems. Next to the phyllic alteration zones, sericite and chlorite alteration as well as silicification can be observed in the adjacent basalt. Mafic minerals in the basalt are commonly replaced by chlorite and/or leucoxene.

Porphyry-style alteration, together with copper mineralisation, was also observed northeast of the main historic prospect, with high densities of 'B-type' quartz veins (5-20%) which are commonly described in proximal locations of known porphyry deposits. Alteration and quartz veining disappears under later Archaean cover to the north of Lightning Ridge, suggesting the continuation of the alteration system may be hidden under Archaean metasediments and volcanic rocks. It is interpreted that alteration seen in the field could be the peripheral alteration halo to a much broader concealed system.

This observation is backed by open copper-molybdenum anomalies in soil samples to the north, with the highest anomalies located in previously untested areas.

Future work will be focussing on the area north of the known mineralisation. More evidence for a potential concealed alteration system is needed, which will include additional petrology, geochemical sampling (rock chips, soils) and reconnaissance mapping. In addition high-powered IP may be used to aid in the search for chargeable bodies below cover and at depth.

CHERITONS FIND PROJECT

Since January 2015 Riedel 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 *Figures 1 and 6*). 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.***

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.

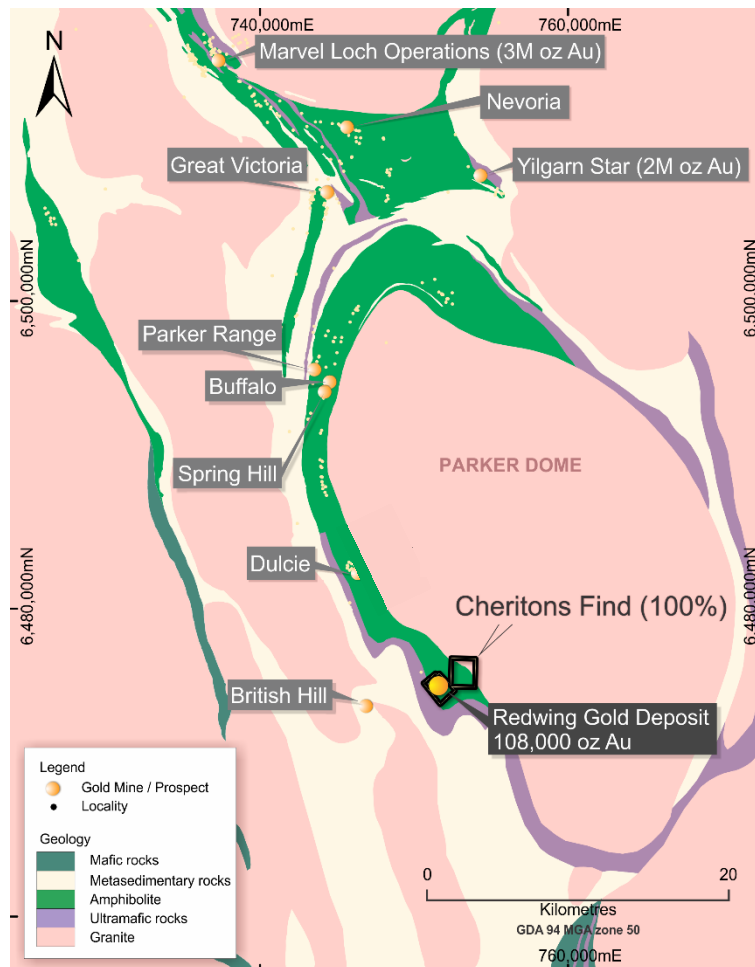


Figure 6: Cheritons Find Project and Redwing Gold Deposit – Location and regional geological map

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 Ore 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 execution 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.

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 6).

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.

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 7).

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 2 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 is appended to this release.

TABLE 2 - 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

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.

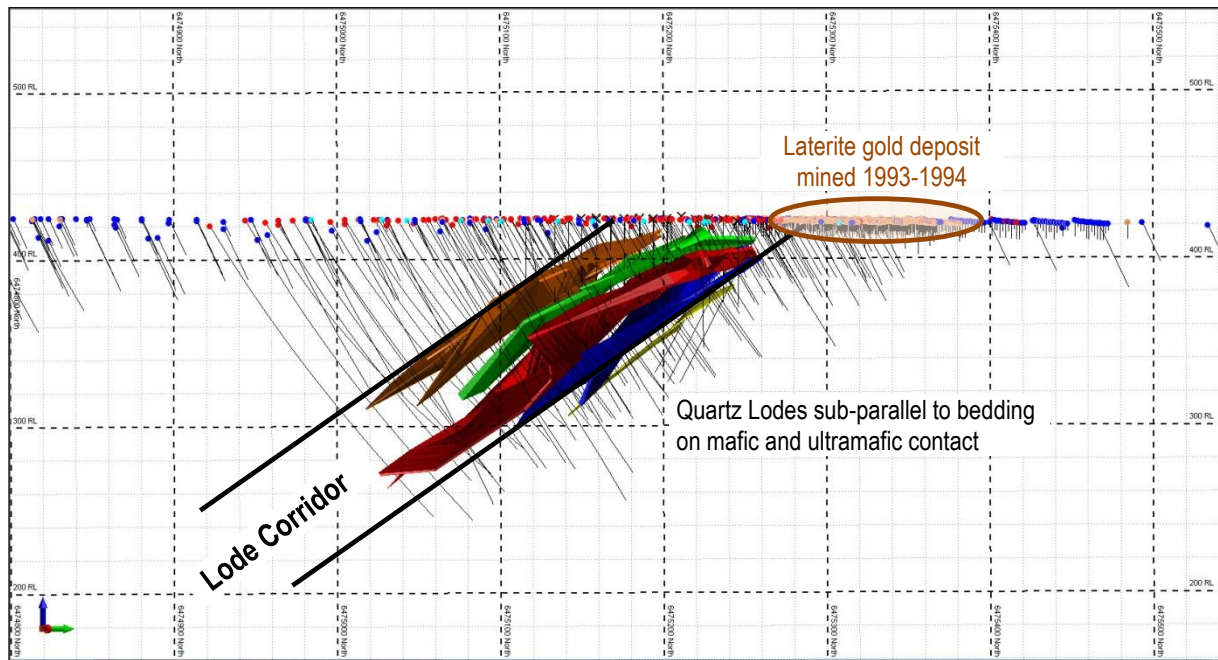


Figure 7: Cheritons Find – Redwing Gold Deposit Cross-Section – All lodes projected to single section looking west.

MILLROSE PROJECT

During the Quarter, following further advice from the DMP, Retention Status was applied for over part of the existing Exploration Licence 53/1304 that includes the Millrose Gold Deposit (*Inferred Resource of 4.0Mt @ 2.4g/t Au for 309,000 oz*) and the Retention Licence application was withdrawn.

The objective of the Retention Status application is the same as for the Retention Licence and that is to protect the gold resources already defined until such time as studies determine that an economically viable gold mining operation can be established at Millrose.

Millrose Exploration Licence E53/1305, which does not host defined gold resources, was relinquished during the quarter.

OTHER PROJECTS

During the quarter the Dulcie Project tenements P77/3727, P77/3728 and P77/3729 were relinquished. The Dulcie Project Joint Venture was managed by Gondwana Resources Ltd.

CORPORATE

The Company held Cash Reserves at 31 March 2015 of **\$0.216M**.

In the last week of March 2015, Riedel moved its corporate office to Unit 1, 6 Richardson Street, West Perth.

TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 31 March 2015.

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%
Porphyry	M31/157	Royalty	0%
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

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.

Appendix 1: JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p><u>Marymia Project</u></p> <p>No sampling completed during the quarter.</p> <p>MLEM results refer to Gem Geophysics ground-based moving loop electromagnetic survey over the Marymia Project on behalf of Australian Mines between October and December 2014.</p> <p>The transmitters for this geophysical survey were 200 metre by 200 metre single turn loops (decreasing to 100 metre by 100 metre loops for the in-fill survey) with a SMARTem 24 system used as the receiver.</p> <p>The line spacing for this survey was 100 to 200 metres. The along line station spacing for the initial survey was 100 metres. This station spacing tightened to 50 metres for the in-fill survey lines.</p> <p>At least two readings were acquired at each station in order to ensure data repeatability.</p> <p>Quality assurance and quality control (QA/QC) of the electromagnetic data was independently verified by Southern Geoscience Consultants in Perth.</p> <p><u>Charteris Creek Project</u></p> <p>No samples taken during the quarter.</p> <p>Rock samples that underwent petrological analysis were taken as part of a reconnaissance mapping and sampling program in 2014.</p> <p><u>Cheritons Find Project</u></p> <p>The Redwing deposit has been tested using 121 RC drill holes, 1 Diamond drill hole</p> <p>RC drilling is an acceptable method for definition of mineral resources (see below) in the deposit type under consideration.</p> <p>Riedel's planned infill drilling can be used to verify SOG's prior MRE drilling.</p>

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

No drilling completed during this quarter. Drill data referred to in this report is rotary air blast (RAB).

Charteris Creek Project

No drilling undertaken during the quarter.

Cheritons Find Project

SOG reports for the RC drill holes (61 drill holes for 8,264 m) with a CFC prefix were drilled by Drilllex 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.

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.

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.

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.

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.

Drill sample recovery

- Method of recording and assessing core and chip sample recoveries and results assessed.

Marymia Project

Australian Mines is unable to comment on the method of recording and assessing RAB drill

	<ul style="list-style-type: none"> 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. 	<p>chips, and sample recoveries from historic drilling at Marymia.</p> <p>Based on available reports, it is assumed that the historic drill samples referenced in this report were taken at one metre intervals.</p> <p>No records of sample recoveries were identified in previous reports and it is not possible to determine if a relationship exists between recovery and grade.</p> <p><u>Charteris Creek Project</u></p> <p>No drilling undertaken during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>No information is currently available regarding the sample recovery from the RC drill holes.</p> <p>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%.</p> <p>The relationship between recovery and grade is not documented.</p>
Logging	<ul style="list-style-type: none"> 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. The total length and percentage of the relevant intersections logged. 	<p><u>Marymia Project</u></p> <p>Historic drill chips at Marymia were geologically logged at one metre intervals.</p> <p>Drill chips were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage.</p> <p>Logging of rotary air blast drill chips is considered to be semi-quantitative given the nature of rock chip fragments and the inability to obtain detailed geological information.</p> <p>From the available historic reporting, 100% of the rotary air blast drill chips were logged.</p> <p><u>Charteris Creek Project</u></p> <p>No drilling undertaken during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>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).</p> <p>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.</p> <p>All drill core is reported to have been</p>

	<p>photographed.</p> <p>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.</p>
<p>Sub-sampling techniques and sample preparation</p> <ul style="list-style-type: none"> • 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. 	<p><u>Marymia Project</u></p> <p>Australian Mines is unable to comment on the manner in which historic RAB drill chips were sampled, or the preparation techniques applied during collection.</p> <p>Australian Mines is unable to comment on quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Australian Mines is unable to comment if field duplicates were collected, or whether sample sizes were appropriate to the grain size of the material being sampled.</p> <p><u>Charteris Creek Project</u></p> <p>No sampling completed during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>RC drilling (CFC prefixed holes) was sub sampled by:</p> <ul style="list-style-type: none"> ○ Spear samples of 3 m composite samples collected to first identify zones of mineralisation (no mass specified) ○ 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. ○ 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. <p>RC drilling (PC prefixed holes) has no documentation available regarding sub-sampling and sample preparation.</p> <p>Diamond drill core was cut and half core samples taken over 1 m intervals.</p> <p>SOG considered the sample method was reasonable for the type of mineralisation under consideration, but did note some duplicate results</p>

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.

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 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.

Marymia Project

The survey parameters and geophysical equipment used by Gem Geophysics for the moving loop electromagnetic survey at Marymia in 2014 includes:

Survey Parameters

Survey direction: northwest-southeast

Station spacing: 200 metres (first-pass)

50 metres (in-fill lines)

Receiver

Receiver: SMARTem 24

dB/dt sensor: 3-component B-field magnetometer

Component: X,Y,Z

Transmitter

Transmitter: Zonge ZT-3 (modified)

Transmitter loop: 200 metres (first pass)

Transmitter frequency: 1 Hertz

Transmitter current: 28 Amps

At least two readings were acquired at each station in order to ensure data repeatability.

The moving loop system is fully calibrated and daily tests were carried out to ensure data quality.

Charteris Creek Project

No samples submitted for assay or laboratory testing during quarter.

Cheritons Find Project

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.

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.

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.

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.

There is no documentation available for PC prefixed drill holes.

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.

The laboratory used by SOG has a good reputation in Western Australia for quality and accuracy.

The accepted gold assays derived from the averaging of multiple gold assays for the single interval should be reviewed.

The primary (first) gold assay should be used as the accepted gold assay for MRE purposes.

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.
- Discuss any adjustment to assay data.

Marymia Project

All primary analytical data acquired by Gem Geophysics during the 2014 moving loop electromagnetic surveys were recorded digitally and sent in electronic format to Southern Geoscience Consultants in Perth for independent quality control and evaluation.

Australian Mines is unable to comment on the documentation, data entry procedures and data storage protocols used by the previous explorers during their drilling programs.

No twinned hole drilling is proposed by Australian Mines at this stage.

Only historic assay data released by previous explorers have been used by Australian Mines. No adjustments have been made to historic assay values.

Charteris Creek Project

No additional assay data collected or reviewed during the quarter.

Cheritons Find Project

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.

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).

No twin drill holes have been drilled.

No documentation relating to data entry, data verification, data storage protocols is available.

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.

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

The data points of Gem Geophysics' 2014 moving loop electromagnetic survey were located using standard GPS positioning.

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 rock sample points were located using a hand held GPS.

Data captured in GDA 94, Zone 51.

Cheritons Find Project

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.

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:

- CT (compass and tape) 51 drill holes with an accuracy of ± 5 m; the PC prefixed drill holes are all located using CT
- DG (differential GPS) 13 drill holes with an accuracy of 2 m and 5 holes with an accuracy of ± 5 m
- SV (unknown method) 22 drill holes with an accuracy of 1 m and 20 drill holes with an accuracy of ± 2 m.

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 $\pm 1^\circ$ azimuth. The accuracy in dip is not documented.

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.

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).

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

Marymia Project

The line spacing for the 2014 moving loop electromagnetic survey was 100 to 200 metres. The along line station spacing for the initial survey was 100 metres. This station spacing tightened to 50 metres for the in-fill survey lines.

Historic drill data is not being used for estimating

	<p>applied.</p> <ul style="list-style-type: none"> Whether sample compositing has been applied. <p>a Mineral Resource or modelling of grade at this stage in exploration.</p> <p>Based on the information contained within historic ASX announcements of previous explorers, it is assumed that no sample compositing was applied to the historic drill samples.</p> <p><u>Charteris Creek Project</u></p> <p>No samples were taken during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>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).</p> <p>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.</p> <p>The sample spacing is either 3 m or 1 m downhole for assaying purposes.</p> <p>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.</p> <p>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</p>
<p>Orientation of data in relation to geological structure</p>	<p><u>Marymia Project</u></p> <p>Australian Mines is targeting komatiite-hosted nickel sulphide, DeGrussa-style copper-gold and Plutonic-style gold mineralisation at Marymia.</p> <p>The orientations of any drilling planned by Australian Mines are designed to intersect the proposed target at right angles in an attempt to minimise the risk of biased sampling.</p> <p>The orientation of the drilling is deemed sufficient at this stage of exploration.</p>

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		<p><u>Charteris Creek Project</u></p> <p>No sample data collected during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>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.</p> <p>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</p>
<hr/>		
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p><u>Marymia Project</u></p> <p>No samples collected during the quarter.</p> <p><u>Charteris Creek Project</u></p> <p>No samples collected during the quarter.</p> <p><u>Cheritons Find Project</u></p> <p>No documentation regarding sample security or storage of any retained samples or pulps.</p>
<hr/>		
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p><u>Marymia Project</u></p> <p>All data acquired from the 2014 Marymia moving loop electromagnetic survey was independently reviewed by an experienced geophysicist at Southern Geoscience Consultants.</p> <p>No independent audit of the historic drilling assays has been completed to date.</p> <p><u>Charteris Creek Project</u></p> <p>No sample data available during the quarter for audit or review.</p> <p><u>Cheritons Find Project</u></p> <p>Annett Consulting reviewed the drill hole database in 2011. However, no documentation is available on any major findings of this work.</p>

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including 	<p><u>Marymia Project</u></p> <p>The Marymia Project (and Simmons prospect) is</p>

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.

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 *Gingirana* (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.

Cheritons Find Project

Redwing is located on tenement EL77/1793.

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.

The Redwing gold deposit is subject to a 3.5% gross proceeds royalty payable to Hanking Gold Mining Pty. Ltd.

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.

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.

Plutonic Operations Limited's technical reports submitted to the WA Department of Mines and Petroleum for tenement E52/533 (which now forms part of Australian Mines' tenement E52/2395) are also referenced in the accompanying report.

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.

Cheritons Find Project

A summary of the exploration activities pertaining to Cheritons Find is included in Riedel's annual report (2013).

Geology

- Deposit type, geological setting and style of mineralisation.

Marymia Project

AUZ are targeting three types of mineral deposits at Marymia;

- DeGrussa-style volcanogenic massive sulphide copper-gold,
- Kambalda-style komatiite-hosted nickel sulphide, and
- 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.

Cheritons Find Project

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.

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.

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.

Sporadic supergene mineralisation occurs near surface and is associated with ferruginous, quartz veined saprolite.

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:
 - easting and northing of the drill hole collar
 - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill

Marymia Project

Summary of historic exploration results, including a tabulation of the Material drill holes for the project are outlined in the ASX announcement released by the previous explorer Riedel Resources on 12 September 2013.

No drilling completed during this quarter.

Charteris Creek Project

No drilling undertaken during this quarter.

	<ul style="list-style-type: none"> hole collar <ul style="list-style-type: none"> dip and azimuth of the hole down hole length and interception depth 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. 	<p><u>Cheritons Find Project</u></p> <p>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.</p> <p>A detailing listing for public reporting is not required as a Mineral Resource has been estimated.</p>
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<p><u>Marymia Project</u></p> <p>Based on the information contained within Riedel Resources' announcement of 12 September 2013, it is assumed that the mean grades of the historic drill results referred to in this report have been calculated using a 0.3% nickel lower cut-off grade, no upper cut-off grade and a maximum internal waste of four metres.</p> <p>No metal equivalents have been used in this report.</p> <p><u>Charteris Creek Project</u></p> <p>No drilling undertaken.</p> <p><u>Cheritons Find Project</u></p> <p>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.</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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 	<p><u>Marymia Project</u></p> <p>There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections.</p> <p>Any intersections included in the accompanying report are down hole lengths. The true widths of these intersections are not known.</p> <p><u>Charteris Creek Project</u></p> <p>No drilling undertaken.</p> <p><u>Cheritons Find Project</u></p> <p>No documentation is currently available regarding any relationship between mineralised</p>

	known').	grade and intercept width.
Diagrams	<ul style="list-style-type: none"> 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. 	<p><u>Marymia Project</u></p> <p>Appropriate maps and sections are included in the body of the accompanying report.</p> <p><u>Charteris Creek Project</u></p> <p>An image depicts significant alteration styles in petrological samples completed by Fortescue.</p> <p><u>Cheritons Find Project</u></p> <p>Plans and cross-sections of the drill hole data and mineralisation interpretations are included in the SOG MRE report.</p> <p>Plans and cross-sections of drill hole data, mineralisation interpretations and block model are included in the Annett Consulting reports.</p> <p>The body public report contains representative images depicting the extent of drilling and mineralised lode interpretations.</p>
Balanced reporting	<ul style="list-style-type: none"> 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. 	<p><u>Marymia Project</u></p> <p>The accompanying document is considered to represent a balanced report.</p> <p>Comprehensive report of the historic Exploration Results relied on by Australian Mines in this report are provided in Riedel Resources' Prospectus released via the ASX on 23 November 2010.</p> <p><u>Charteris Creek Project</u></p> <p>Geological mapping and geochemical sampling have been the primary exploration tools used to date.</p> <p>Interpretation of the acquired data is preliminary and by no means comprehensive.</p> <p><u>Cheritons Find Project</u></p> <p>The Mineral Resource estimate includes both low and high grade intercepts and is considered balanced.</p>
Other substantive exploration data	<ul style="list-style-type: none"> 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 – 	<p><u>Marymia Project</u></p> <p>Other exploration data collected by the Company is not considered material to this report at this stage. Further data collection will be reviewed and reported when considered material.</p> <p>Historic exploration has been undertaken at this location by previous explorers with the results</p>

	<p>size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>summarised in Riedel Resources' Prospectus released via the ASX on 23 November 2010.</p> <p><u>Charteris Creek Project</u></p> <p>Table 1 has been included to highlight some of the more encouraging petrological observations within the project area to date. These results should not be considered indicative of the overall prospectivity of the project as a whole.</p> <p><u>Cheritons Find Project</u></p> <p>Downhole gamma density collected from four drill holes.</p> <p>Four 30 kg composite samples from four RC drill holes (CFC597, CFC615, CFC444 and CFC623) evaluated using gravity leach test work.</p> <p>Documentation regarding the test work results is included in the SOG MRE report.</p> <p>SOG has addressed estimation of bulk density, which is important for MRE estimation. This is discussed further below.</p> <p>Metallurgical testing is evaluated by Amec Foster Wheeler in this review.</p>
<p>Further work</p>	<ul style="list-style-type: none"> • 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. 	<p><u>Marymia Project</u></p> <p>Future exploration work may include the drill testing of geophysical anomalies and/or structural targets, as well as the interpreted depth extensions of known mineralisation.</p> <p><u>Charteris Creek Project</u></p> <p>Finalising the interpretation of data gathered to date will lead to a more robust mineralisation model for the project area.</p> <p><u>Cheritons Find Project</u></p> <p>Infill RC drilling to close the current drill spacing to 40 m by 40 m is planned.</p> <p>The planned RC drill holes are all vertical and 50 m in length.</p> <p>Recommend that five existing drill holes are twinned to both verify the existing data and provide information on short range variability.</p> <p>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.</p> <p>Planned drill holes should be drilled inclined at approximately 60°.</p>

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<p><u>Cheritons Find Project</u></p> <p>Drill data is currently in a number of unverified Microsoft Access databases.</p> <p>The integrity of the drill hole database should be 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.</p>
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<p><u>Cheritons Find Project</u></p> <p>A site visit was made by the Competent Person in January 2012.</p>
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<p><u>Cheritons Find Project</u></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Infill drilling will be critical to the precision of the Mineral Resource going forward.</p>

Criteria	JORC Code explanation	Commentary
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<p><u>Cheritons Find Project</u></p> <p>The deposit has extents in the horizontal plane of approximately 500 m north to south and 800 m east to west.</p> <p>The deposit has been drill tested to a maximum depth in the order of 160 m below surface.</p>
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<p><u>Cheritons Find Project</u></p> <p>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.</p> <p>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.</p> <p>Statistical analyses should be completed to determine the boundary treatment for weathering subdivisions and also any top-cuts to be applied.</p> <p>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.</p>
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, 	<p><u>Cheritons Find Project</u></p> <p>All tonnages are estimated as dry tonnages.</p>

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	and the method of determination of the moisture content.	<p>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.</p> <p>Original logs, should be investigated to determine the depth to water table in past drilling.</p> <p>Depth to water table tests should be completed as part of planned infill drilling. Water quality sampling may be required if the likely pit depths result in any dewatering discharges.</p>
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<p><u>Cheritons Find Project</u></p> <p>The SOG 2000 is reported at a 0.5 ppm Au cut-off.</p> <p>The cut-off grade needs to be assessed from economic parameters, which are determined partly in this review.</p> <p>The MRE should also be limited to a realistic optimistic gold price rather than to the total depth of drilling and modelling.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<p><u>Cheritons Find Project</u></p> <p>An assumption of conventional truck (50 t) and backhoe excavators is reasonable for the style of mineralisation under consideration.</p> <p>Ore will be hauled by triple trailer road train to the mill for toll treatment.</p> <p>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.</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters 	<p><u>Cheritons Find Project</u></p> <p>Four composite samples from four RC drill holes (CFC597, CFC615, CFC444 and CFC623) evaluated using gravity leach test work.</p> <p>Amec Foster Wheeler has reviewed the SOG's metallurgical tests and has found no</p>

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	made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	issues with the estimated recovery and metallurgical performance.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<p><u>Cheritons Find Project</u></p> <p>The deposit is wholly contained within the Jilbadji Nature Reserve.</p> <p>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.</p> <p>Environmental assessment is being completed by consultants. This will be necessary to progress to a mining lease status.</p> <p>Riedel will need to submit a New Program of Work to the Department of Mines and Petroleum for the proposed infill drilling programme.</p> <p>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.</p> <p>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.</p> <p>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).</p>
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. 	<p><u>Cheritons Find Project</u></p> <p>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</p>

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	<ul style="list-style-type: none"> The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<p>the south of Cheritons Find. The values used by SOG are:</p> <ul style="list-style-type: none"> 2.0 t/m³ for oxide mineralisation 2.5 t/m³ for transitional mineralisation 2.8 t/m³ for primary mineralisation. <p>A dry bulk density of 2.5 t/m³ used for lode mineralisation in 2011. No documentation is available for the basis of this value.</p> <p>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.</p> <p>As part of the MRE update that the down hole density data be reviewed statistically, with respect to weathering and mineralisation domains.</p>
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<p><u>Cheritons Find Project</u></p> <p>The MRE is classified as Inferred Mineral Resources (JORC, 2004).</p> <p>Amec Foster Wheeler is of the opinion that the current MRE could be updated to JORC Code 2012 requirements, but this would be best left to a time when the MRE is updated.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<p><u>Cheritons Find Project</u></p> <p>Annett Consulting reviewed the SOG 2000 Mineral Resource in 2011.</p> <p>AMEC completed a high-level review of both SOG and Annett Consulting's work in 2015.</p> <p>Any major findings from the review should be documented.</p>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent 	<p><u>Cheritons Find Project</u></p> <p>No studies have been completed to determine the relative accuracy or confidence in the Mineral Resource estimate.</p>

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	<p>Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</p> <ul style="list-style-type: none"> • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<p>AMEC considers the estimate is reasonable for an Inferred Mineral Resource classification under JORC 2012.</p>