Suite 1, 6 Richardson Street
West Perth Western Australia 6005

Tel: +61 8 9226 0866
Fax: +61 8 9486 7375

PO Box 1559, West Perth Western Australia 6872

www.riedelresources.com.au

ABN: 91 143 042 022
ASX: RIE

10 March 2016

Riedel Resources Limited and Australian Mines Limited

Marymia Project Farm-In and Joint Venture

Riedel Resources Limited (ASX: RIE) is pleased to announce that drilling has commenced at the Dixon Prospect in the Marymia JV Project. Attached is a copy of Australian Mines Limited's (ASX: AUZ) announcement lodged with the ASX today.

Leonard Math
Company Secretary
Riedel Resources Limited

Australian Mines Limited

ASX ANNOUNCEMENT **ASX : AUZ**

10 March 2016

Drilling commenced at Dixon gold prospect

- **Geophysics recently detected >200 metre long chargeability anomaly coincident with gold mineralisation at Dixon**
  - **Sulphide body, such as gold-bearing pyritic quartz veining, is the potential source of this anomaly**

- **Reverse circulation (RC) drill program of chargeability zone has commenced**
  - **Five holes totalling 1,100 metres**
  - **Testing potential strike length of high-grade gold mineralisation at Dixon**

- **Diamond core drill program on schedule to commence this weekend**
  - **Targeting depth continuity of auriferous quartz vein system**

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to advise shareholders that the Company has commenced its reverse circulation (RC) drilling program of the emerging Dixon gold prospect, where previous drilling by Australian Mines returned an encouraging 10 metres @ 8.79 g/t gold from 130 metres down hole[1].

The Dixon gold prospect is situated within the Company's Doolgunna-Marymia Project in Western Australia, part of a joint venture with Riedel Resources (ASX: RIE), and located within 50 kilometres of Northern Star's 7 million ounce Plutonic Gold Mine[2].

Having successfully drilled the discovery hole at Dixon in late 2015, Australian Mines recently completed a detailed geophysical (induced polarisation, or "IP") survey over the prospect area to ascertain the potential strike length and depth continuity of the Dixon gold mineralisation.

This IP survey subsequently detected a 200 metre long chargeability zone coincident with the gold mineralisation at Dixon, which based on the anomaly's geophysical characteristics, is likely to be caused by a sulphide (pyrite) body that may represent as a gold-bearing sulphidic (pyrite + arsenopyrite) quartz vein system.

[1] Australian Mines Limited, High-grade gold zone extended at Dixon prospect, released 6 November 2015
[2] Northern Star Resources Limited, Investor presentation – Resources Rising Stars, released 25 September 2015

Level 1, 83 Havelock Street, West Perth, 6005 • PO Box 883, West Perth, 6872
P: +61 8 9481 5811 F: +61 8 9481 5611 E: office@australianmines.com.au
W: www.australianmines.com.au

Australian Mines has, therefore, commenced an initial five-hole RC drill program at its Dixon gold prospect, which is designed to confirm the source of this IP anomaly and, in turn, test the possible strike extension of this high-grade gold system.

This RC drill program, totalling 1,100 metres, is expected to take two weeks to complete and the Company anticipates receiving the assay results from this program by mid-April.

Australian Mines is similarly on schedule to commence its diamond core drill program at Dixon this weekend.

The diamond drilling program will initially comprise a single hole, located along strike of the MMRC016 discovery hole, and is targeting the depth continuity of the bedrock-hosted gold mineralisation.

The core obtained from this hole will also provide the Company with valuable information regarding the geological factors controlling the auriferous veins at Dixon. Such information will greatly assist Australian Mines to potentially discover repetitions of Dixon-style gold mineralisation across the 6 kilometre long prospective dolerite corridor present within Australian Mines' Doolgunna-Marymia project area.

Australian Mines looks forward to updating shareholders on the results of the current diamond core and RC drill program as they become available.

*****ENDS*****

For further information, shareholders and media please contact:
Benjamin Bell
Managing Director
Ph: +61 8 9481 5811
E: bbell@australianmines.com.au

Competent Person's Statement

Information in this report that relates to Doolgunna - Marymia Project Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Benjamin Bell who is a member of the Australian Institute of Geoscientists. Mr Bell is a full-time employee and Managing Director of Australian Mines Limited. Mr Bell has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking 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 Bell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1: Australian Mines' reverse circulation (RC) drill program at its Dixon gold prospect has commenced. This drill hole, DXRC001, is designed to test the potential southwest strike extension of the primary (bedrock-hosted) gold mineralisation.

Level 1, 83 Havelock Street, West Perth, 6005 • PO Box 883, West Perth, 6872
P: +61 8 9481 5811 F: +61 8 9481 5611 E: office@australianmines.com.au
W: www.australianmines.com.au

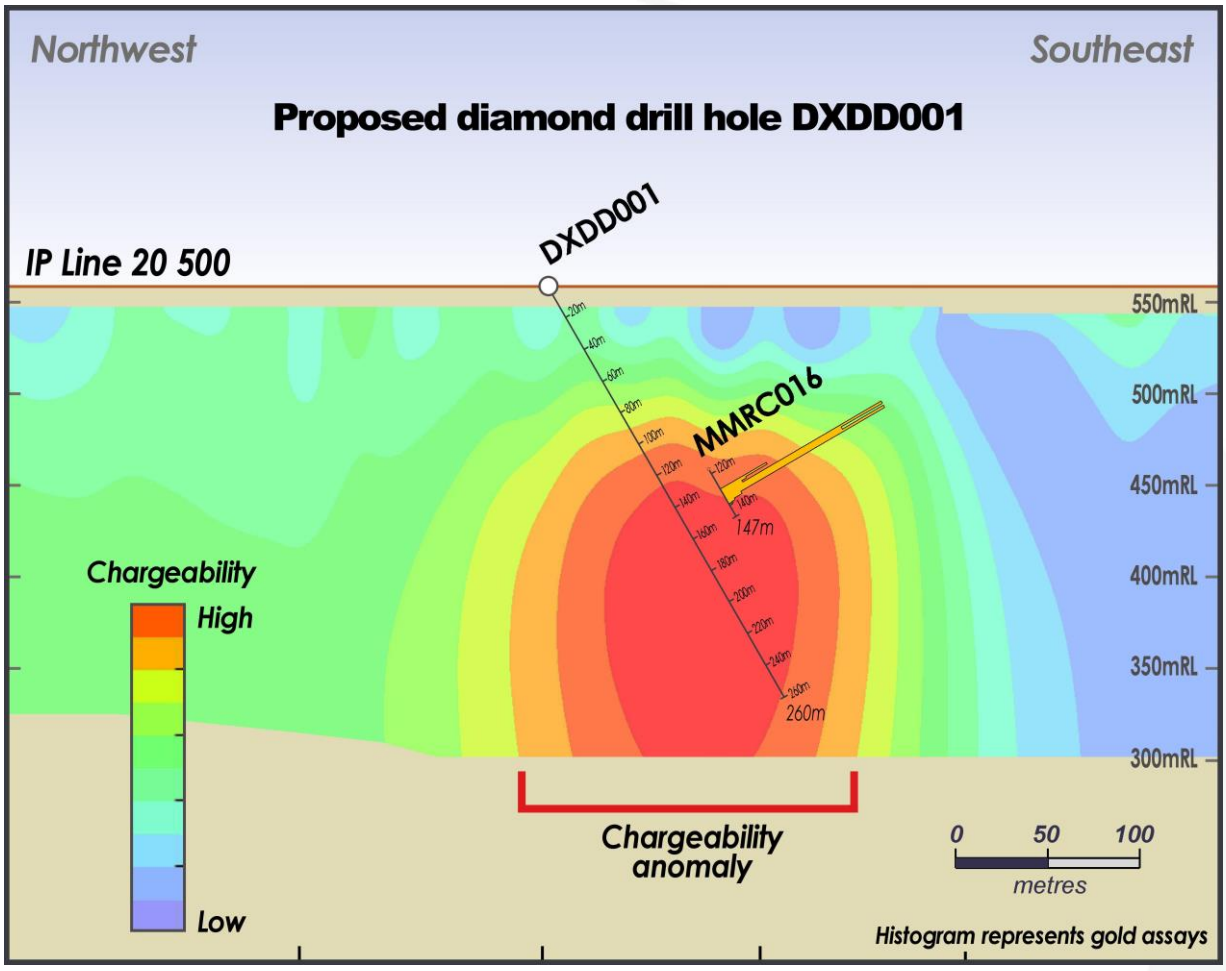

Figure 2: Proposed location of Australian Mines' maiden diamond core drill hole at Dixon superimposed over the cross-section of the pole-dipole induced polarisation (PDIP) response observed near the Company's 2015 discovery hole of MMRC016. Modelling of the PDIP traverses completed in conjunction with the gradient IP survey strongly suggests that the source of the 200 metre long chargeability anomaly at Dixon is likely to be a sulphide body, such as a gold-bearing sulphidic quartz vein system.

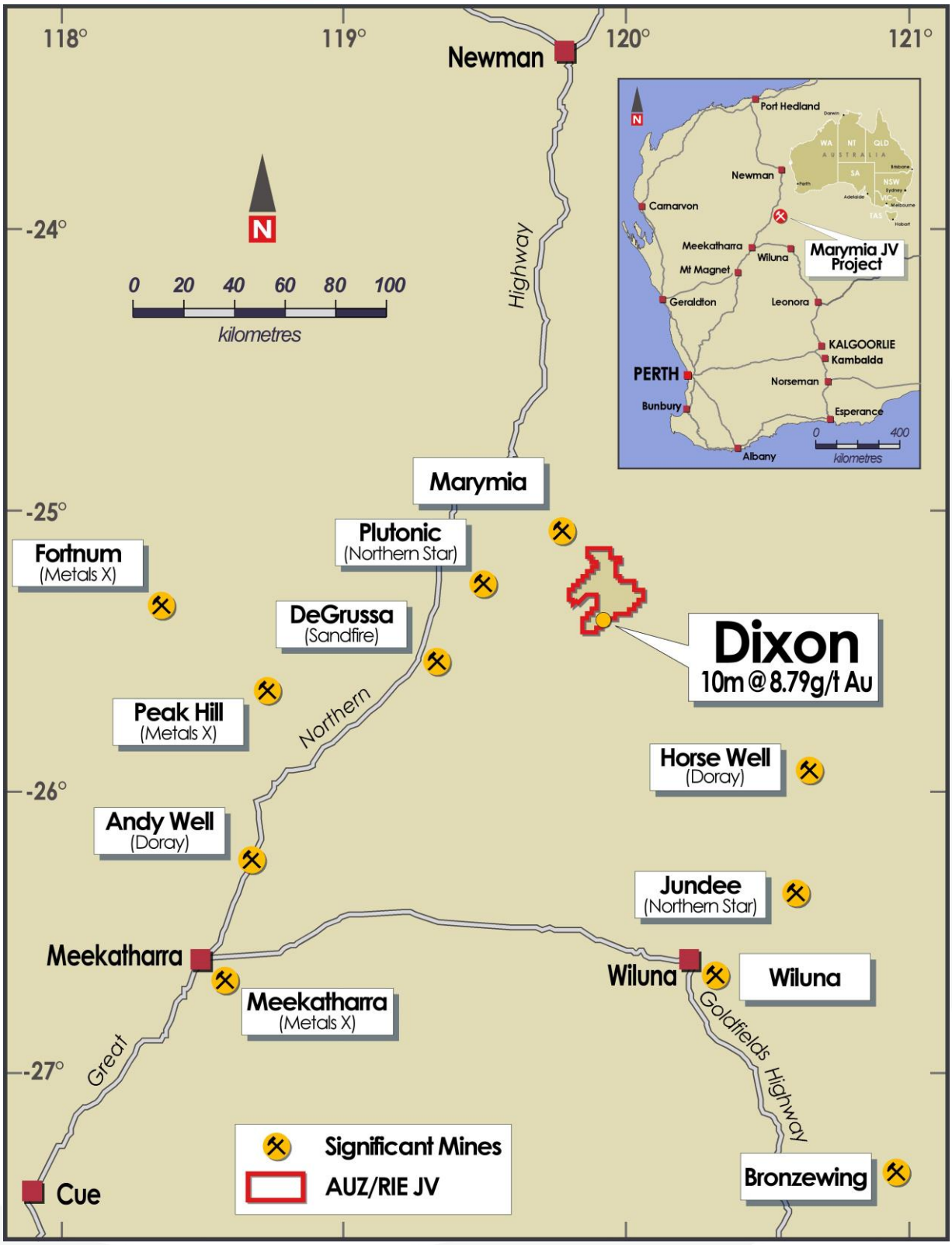

Figure 3: The Dixon gold prospect is situated within 50 kilometres of, and within a similar geological setting to, Northern Star's Plutonic Gold Mine. This emerging Western Australian gold play is located within Australian Mines (AUZ) and Riedel Resources (RIE) joint venture tenement E52/2394 where Australian Mines is currently earning an 80% interest.

About Australian Mines

Australian Mines Limited (ASX: AUZ) is an Australian-listed resource company targeting gold, copper and nickel deposits. The Company is actively exploring the Doolgunna - Marymia region of Western Australia, which has demonstrated the potential to host significant gold and base metal mineralisation including Northern Star's Plutonic Gold Mine and Sandfire's DeGrussa Copper-Gold Mine. The Company also holds 100% interest in the Marriotts Nickel Project near Leinster in Western Australia.

Doolgunna – Marymia Project

Agreement to earn up to 80% interest

Australian Mines signed a Heads of Agreement with Riedel Resources Limited (ASX: RIE) in April 2014 covering the tenements E52/2394 and E52/2395, which form the Company's Doolgunna - Marymia Project.

As announced on 29 May 2015, Australian Mines currently holds a 51% interest in these tenements and the Company has elected to acquire an additional 29% interest in the project (taking the total to 80%) by spending a further $2 million on exploration by May 2018.

On 6 November 2015, the Company announced that a single reverse circulation (RC) hole drilled at its Dixon prospect within tenement E52/2394 successfully intersected high-grade primary gold (10 metres @ 8.79 g/t gold from 130 metres down hole) within a similar greenstone sequence to that which hosts the nearby Plutonic gold deposits[3].

Australian Mines' ongoing exploration program is, therefore, aimed at confirming the depth and strike potential of the gold mineralisation at Dixon as well as identify possible repetitions of this gold mineralisation within the Company's project area.

Marriotts Nickel Project

100% interest in Mining Lease 37/96

Australian Mines holds a 100% interest in the Marriotts Nickel Project in Western Australia, which hosts a current Mineral Resource of: Indicated 460,000t @ 1.12% Ni plus Inferred 370,000t @ 1.13% Ni (reported at 0.5% Ni lower cut-off grade)[4].

[3] Australian Mines Limited, High-grade gold zone extended at Dixon prospect, released 6 November 2015
[4] Australian Mines Limited, Annual Report for the year ended 30 June 2015, released 17 September 2015