ASX ANNOUNCEMENT
29 April 2016

Quarterly Activities Report for the Period Ended 31 March 2016

Riedel Resources Limited **(ASX: RIE, "Riedel"** or **"the Company"**) is pleased to present its 2016 March Quarter Activities Report:

HIGHLIGHTS

Marymia Project

Australian Mines Limited Earning Up to 80%

- Assay results from follow-up RC and diamond core drilling completed at the Dixon Prospect highlighted further gold mineralisation, including:
  - **1 metre @ 8.99 g/t gold** from 65 metres down hole in DXRC004;
  - **11 metres @ 1.10 g/t** from 136.0 metres down hole in DXRC003, including **1 metre @ 5.76 g/t gold** from 139 metres down hole; and
  - **1.1 metres @ 5.07 g/t gold** from 186.9 metres down hole in DXDD001.

Millrose Project

- An Option and Sale Agreement for the divestment of Millrose Project exploration licence E53/1304 for total cash consideration of $950,000 was signed in February. A non-refundable option fee of $50,000 was paid by the purchaser for a period of exclusivity, ending on Tuesday 31 May 2016.

Charteris Creek Project

- In January 2016 FMG Resources Pty Ltd ("FMGR"), a wholly-owned subsidiary of Fortescue Metals Group Ltd, withdrew from the Farm In and Joint Venture Agreement over Exploration Licence 45/2763. Riedel retains 100% ownership of the tenement.

Corporate

Financial

- Cash at 31st March 2016 - **$0.682M**

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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)*; and
- 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 royalty agreements and free carried interests.

Figure 1: Western Australia Project locations

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

MARYMIA PROJECT JOINT VENTURE

Australian Mines earning interests up to 80%

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

During the June 2015 Quarter Australian Mines earned a 51% interest in the Marymia Project by completing more than $1,000,000 worth of expenditure on exploration during the "Stage 1 Earn-in". Australian Mines has now elected to proceed with the "Stage 2 Earn-in".

By spending a further $2,000,000 on exploration within a further 3 year period following the Stage 1 Earn-in, Australian Mines can earn an additional 29% interest (taking their total interest to 80%) in the Marymia Project.

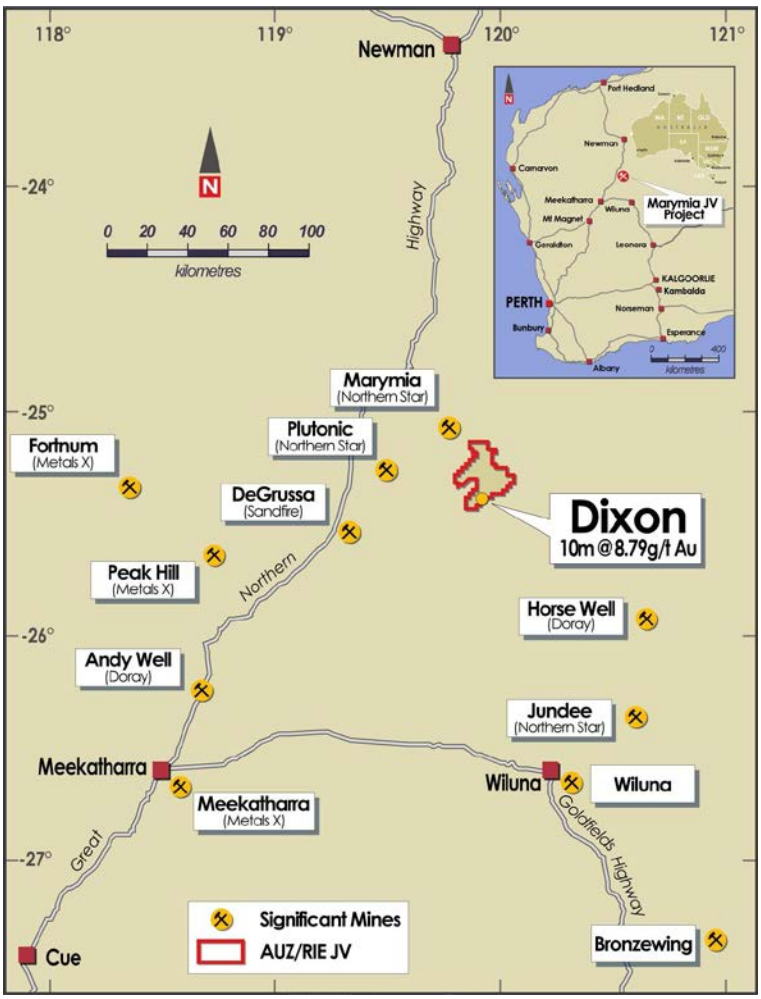

Figure 2: Marymia Project - Location Map

Marymia Project tenement location and geology

E52/2394 and E52/2395, which collectively form the Marymia Project, 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 Earaheedy Groups. The project is prospective for copper, gold and nickel mineralisation and Riedel has delineated numerous high priority targets for each of these commodities.

Activities for the Quarterly period ended 31 March 2016

During the quarter, Australian Mines completed reverse circulation ("RC") and diamond core drilling over the Dixon gold prospect to follow up promising results from a single drillhole **(MMRC016)** completed in 2015. Assay results for gold from MMRC016 confirmed an intercept of **10 metres @ 8.79 g/t gold from 130 metres** downhole.

Follow-up drilling comprised five RC drill holes (for a total of 1,159 metres) and a single 285 metre diamond core hole. Drilling data confirmed that the source of a chargeability anomaly outlined by an induced polarisation ("IP") survey over the Dixon prospect area is a sulphidic (pyrite-pyrrhotite-arsenopyrite) body associated with the gold mineralisation intersected in MMRC016.

Significant gold intercepts returned from the drilling programme include:

- **1 metre @ 8.99 g/t gold** from 65 metres down hole in DXRC004;
- **11 metres @ 1.10 g/t** from 136.0 metres down hole in DXRC003, including **1 metre @ 5.76 g/t gold** from 139 metres down hole; and
- **1.1 metres @ 5.07 g/t gold** from 186.9 metres down hole in DXDD001.

Drillhole details and significant intersections are included in Tables 1 and 2 respectively below.

Table 1: Drill Hole Information Summary

Drill Hole	Type	Elevation (metres)	Depth (metres)	Easting (MGA50)	Northing (MGA50)	Dip (°)	Azimuth (°)
DXRC001	RC	560	230.0	793,219	7,187,495	-60	123
DXRC002	RC	560	225.0	793,230	7,187,548	-60	123
DXRC003	RC	560	243.0	793,267	7,187,762	-60	123
DXRC004	RC	560	261.0	793,339	7,187,954	-60	123
DXRC005	RC	560	200.0	792,259	7,187,208	-60	123
DXDD001	Diamond core	560	285.5	793,201	7,187,625	-60	123
MMRC016	RC	560	147.0	793,250	7,187,645	-60	140

Table 2: Significant intersections (using 1.0 g/t gold lower cut-off)

Drill Hole	Type	From (metres)	To (metres)	Interval (metres)	Grade (g/t gold)
DXDD001	HQ Core	164.4	165.1	0.7	2.35
DXDD001	HQ Core	186.9	188.0	1.1	5.07
DXRC001	RC Split	69.0	70.0	1.0	1.02
DXRC001	RC Split	106.0	107.0	1.0	1.20
DXRC001	RC Split	125.0	126.0	1.0	1.11
DXDD003	RC Split	50.0	51.0	1.0	1.16
DXDD003	RC Split	94.0	95.0	1.0	1.49
DXRC003	RC Split	136.0	137.0	1.0	2.53
DXRC003	RC Split	139.0	140.0	1.0	5.76
DXRC003	RC Split	144.0	145.0	1.0	1.88
DXRC004	RC Split	65.0	66.0	1.0	8.99
DXRC004	RC Split	76.0	79.0	3.0	1.82
MMRC016	RC Split	76.0	78.0	2.0	1.53
MMRC016	RC Split	130.0	138.0	8.0	10.9

As announced to ASX on 18 April 2016, drilling data confirmed the presence of a thick corridor of disseminated iron sulphides that occurs within the prospective dolerite geology. In addition, the recent drilling programme successfully demonstrated that the extensive sulphidic corridor is gold-bearing. Further indications are that high-grade gold lenses within the prospect area appear to occur near the junction of cross-cutting secondary (east-west trending) structures and the north-east trending sulphidic corridor.

Geological interpretation by Australian Mines of the drill core from diamond hole DXDD001, highlights the presence of two orientations of gold-bearing quartz veining at Dixon. The most favourable geological setting for gold mineralisation appears more likely to exist in north-dipping vein sets, as opposed to the west-dipping veins targeted by the recent drilling programme.

Preliminary work by Australian Mines similarly suggests that drill hole MMRC016 may be located close to one of three large cross-cutting (east-west trending), secondary fault structures. These structures potentially provide the most favourable geological setting for concentrating gold mineralisation at Dixon.

If this north-dipping (east-west trending) structure proves to be a significant control on gold mineralisation at Dixon, it may follow that Australian Mines' March 2016 drilling programme was oriented sub-parallel to the preferred target zone. Accordingly, recent drilling potentially targeted and intersected the narrower, secondary veinlets rather than testing the main geological structure thought to host the high-grade Dixon gold mineralisation.

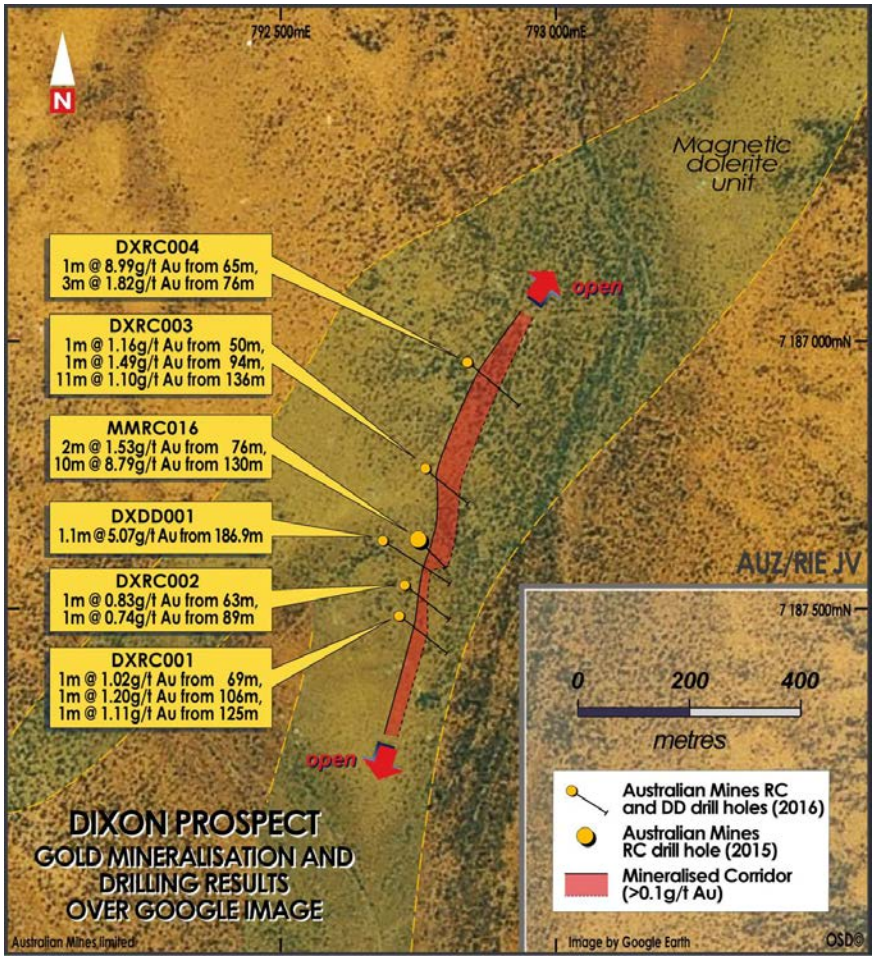

Figure 3: Interpreted gold mineralised corridor (>0.1 g/t Au) and significant intersections.

Australian Mines is presently completing a detailed three-dimensional geological and geophysical model over the Dixon prospect area. This modelling work is expected to be

completed in early May and follow-up drilling to test the resulting priority target horizon will follow.

Details of the follow-up drilling will be announced to ASX closer to the commencement date but it is anticipated that the programme will comprise up to 2,500 metres of RC drilling and 500 metres of diamond core.

CHARTERIS CREEK PROJECT JOINT VENTURE

In January 2016 FMG Resources Pty Ltd ("Fortescue"), a wholly-owned subsidiary of Fortescue Metals Group Ltd, withdrew from the Farm In and Joint Venture Agreement entered into between Riedel's wholly-owned subsidiary Audax Minerals Pty Ltd ('Audax') and Fortescue over Exploration Licence 45/2763. Pursuant to the terms of the Agreement, Fortescue has not earned an interest in E45/2763 and the exploration licence will remain 100% owned by Audax.

Tenement location and geology

The tenement 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)*.

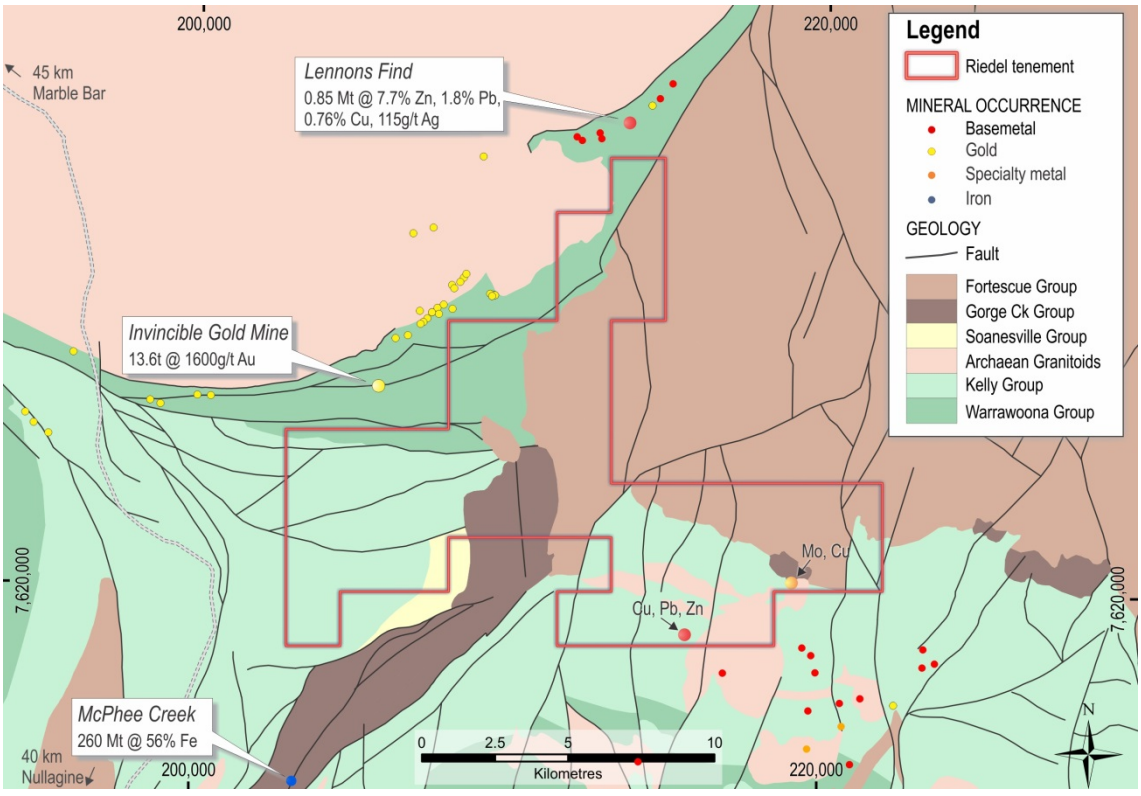

Figure 4: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits

E45/2763 is located within the East Pilbara Granite Greenstone Terrain. The Project area has favourable geology for the discovery of mineral deposits, as highlighted by the presence of numerous gold, copper, base metals and specialty metals discoveries and deposits proximal to the Charteris Creek exploration licence and anomalous copper and molybdenum drill intersections within the licence *(see Figure 4)*.

Tectonically, the Project area 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 Company's exploration focus is on Archaean intrusive rocks 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 have been observed in association with these intrusive rocks.

Despite the strong similarities between the geological/structural setting at Charteris Creek to that which hosts nearby mineral deposits, only limited exploration has been previously carried out within the tenement.

Exploration Potential

Exploration work carried out by Fortescue during 2014-2015 has confirmed 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.

The Lightning Ridge area is considered to have the highest potential for porphyry-style Cu-Mo mineralization. Several [ii]historic percussion drillholes returned anomalous assay results for copper and molybdenum, including drillhole RS1 (58m) which returned **25m at 1.1% Cu** and **3m at 0.1-0.2% Mo**.

At Lightning Ridge promising hydrothermal alteration 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

[ii] *(Conwest/Mining Advisors, 1969 - MASTER, A. R., 1969. Lightning Ridge Area (W2/3). Wamex report no. 9621, 26p)*

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 could focus on the area north of the known mineralisation. Further evidence for a potential concealed alteration system is required, which may include additional petrology, geochemical sampling (rock chips, soils) and reconnaissance mapping. High-powered IP may also be used to aid in the search for chargeable bodies below cover and at depth.

In the north western portion of the tenement, potential also exists for mineralised extensions to structures hosting high-grade gold mineralisation at the Invincible Mine *(see Figure 4)*.

Activities for the period ended 31 March 2016

No field work was completed during the quarter. A stream sediment sampling programme has been designed to cover portions of the Marble Bar greenstone belt in the north-west section of the tenement. Nearby MINEDEX-listed mineral occurrences indicate the prospectivity of this part of the licence *(see Figure 4)*.

MILLROSE PROJECT

On February 9 an Option and Sale Agreement for the divestment of E53/1304 was signed, with the total transaction valued at $950,000 in cash. This included a non-refundable option fee payment of $50,000 for an exclusive due diligence period, expiring on 31 May. If the purchaser elects to complete the transaction, a further payment of $900,000 cash is due prior to the expiry date.

CORPORATE

The Company held Cash Reserves at 31 March 2016 of **$0.682M**.

TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 31 March 2016.

Area of Interest	Tenement reference	Nature of interest	Interest
Charteris Creek	E45/2763	Direct	100%
Millrose	E53/1304	Direct	100%
Bronzewing South	E36/623	Indirect	80%
Marymia	E52/2394	Direct	49%
Marymia	E52/2395	Direct	49%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

For further information please contact:

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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 consulting geologist to 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	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	**Marymia Project** • Samples from the March 2016 reverse circulation (RC) drill program at Dixon were collected at one-metre intervals using a cone splitter to produce an approximate three kilogram sample, which is considered representative of the full drill metre. Samples from the HQ diamond core hole DXDD001, drilled in March 2016, were nominally collected at one-metre intervals. Sub-sampling of one-metre intervals may have occurred where the Company sought to obtain detailed analysis of specific zones of hydrothermal alteration or sulphidic +/- quartz veining. The HQ diamond drilling samples were half-core cut using a diamond saw. This technique produces a sample, which is representative of the full drill metre. Sampling is guided by Australian Mines' protocols and QA/QC procedures, which were designed in consultation with SRK Consulting, Perth. All samples are submitted to the Intertek Genalysis laboratory in Perth for Fire Assay and Four Acid ICP-OES analysis. Australian Mines analyse for the following elements: Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, Zn. **Charteris Creek Project** No samples taken during the quarter.
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	**Marymia Project** The March 2016 Dixon drill program comprised five RC drill holes (namely,

	diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)	DXRC001, DXRC002, DXRC003, DXRC004 & DXRC005), which were completed by Challenge Drilling, and one HQ diamond core drill hole (DXDD001) that was completed by Ausdrill. **Charteris Creek Project** No drilling undertaken during the quarter.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	**Marymia Project** The RC sampling was very good with minimal wet sampling reported. Overall recoveries were high and no sampling recovery problems encountered. Insufficient drilling and geochemical data is presently available to evaluate any potential sample bias. Australian Mines protocols, however, were followed, which seek to preclude any issues of sample bias due to material loss or gain. The HQ diamond core recovery was very good with generally greater than 97% core recovery for hole DXDD001. The length of each core run was recorded on core blocks by the drill contractor. These lengths were then measured by Australian Mines' geologists to ensure the length of actual core recovered by each drill run reconciled with the length stated by the drill contractor. Insufficient drilling and geochemical data is available at present to evaluate potential sample bias. Australian Mines protocols, however, are followed to preclude any issues of sample bias due to material loss or gain. **Charteris Creek Project** No drilling undertaken during the quarter.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	**Marymia Project** Geological logging of the drill chips was recorded for all five RC drill holes, including lithology, mineralogy, grainsize, texture, weathering, oxidation, colour and other features of the samples. Drill chips were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource

	• The total length and percentage of the relevant intersections logged.	estimation at this stage. Logging of RC drill chips is considered to be semi-quantitative given the nature of rock chip fragments and the inability to obtain detailed geological information. The drill holes were logged in full to the end of the hole. Geological logging of the diamond core was recorded for hole DXDD001, including lithology, mineralogy, alteration, veining, grainsize, texture, weathering, oxidation, colour and other features of the samples. The drill core from DXDD001 was not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. The diamond hole was logged in full to the end of the hole. **Charteris Creek Project** No drilling undertaken during the quarter.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	**Marymia Project** All one-metre splits from the Dixon RC drill holes were passed through a cone splitter to produce a 12% split for assaying. The 78% off-split was collected in green bags for future testing as required. The core returned from Dixon diamond drill hole DXDD001 was cut in half, perpendicular to the hole's orientation line. Half-core samples were taken at one metre intervals down the full length of the HQ diamond hole. Sub-sampling of one-metre intervals may have occurred where the Company sought to obtain detailed analysis of specific zones of hydrothermal alteration or sulphidic +/- quartz veining. Samples are dried and pulverised using industry standard methods by Intertek Genalysis at their Perth assay laboratory. All samples are pulverised to produce a 50-gram charge, which is analysed by Fire Assay and Four Acid ICP-OES. The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style.

		Charteris Creek Project No sampling completed during the quarter.
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** Samples were submitted to Intertek Genalysis in Perth for analysis via Fire Assay and mixed four acid digest. The samples were digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric acids and analysis conducted for multi-elements including; Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, Zn. This method approaches a total digest for many elements although some refractory minerals may not be completely attacked. The quality of the analytical results is monitored through the use of internal laboratory procedures and the insertion of Certificated Reference Material (CRM or 'standards') separately by both Australian Mines and Intertek Genalysis within the sample run to ensure the results are representative and within acceptable ranges of accuracy and precision. **Charteris Creek Project** No samples submitted for assay or laboratory testing during quarter.
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** Any materially significant intersections are initially verified by Australian Mines' Managing Director, and are then independently verified by the external consulting company, rOREdata. The original Analytical Report supplied by Intertek Genalysis Perth are also provided to Australian Mines' board of directors for independent verification of the assay results. Primary data was collected using a set of standard Excel templates using lookup tables. The information was sent to the Company's external database consultant,

		rOREdata, for validation and compilation into Australian Mines' database. No twinned hole drilling is proposed by Australian Mines at this stage and no adjustments or calibrations were made to any assay values. **Charteris Creek Project** No additional assay data collected or reviewed during the quarter.
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** Collar locations of the RC and diamond core drill holes were recorded using handheld Garmin GPS. The expected accuracy is +/- 5 metres for easting and northings. The grid system used is Map Grid of Australia (MGA) GDA94 Zone 50. **Charteris Creek Project** No samples collected during the quarter.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	**Marymia Project** Australian Mines' drill program at Dixon involved five single RC holes and one diamond core drill hole. The spacing between these holes varied as indicated by the drill location imaged included in the body of the accompanying report. This drill data is not being used for estimating a Mineral Resource or modelling of grade at this stage in exploration. No sample compositing was applied to the exploration results. **Charteris Creek Project** No samples were taken during the quarter.
Orientation of data in relation to	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is	**Marymia Project** The orientation of the Company's drilling was designed to intersect the target zone at

geological structure	known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	right angles in an attempt to minimise the risk of biased sampling. The orientation of the drilling is deemed sufficient at this stage of exploration. **Charteris Creek Project** No sample data collected during the quarter.
Sample security	• The measures taken to ensure sample security.	**Marymia Project** The chain of custody is managed by Australian Mines. The RC samples were stored on site and are delivered in tamper-proof/evident bags via Toll IPEC directly to the assay laboratory. The diamond core was trucked from site to Perth for cutting under direct supervision of the Company's Managing Director. The cutting and sampling of the diamond core from hole DXDD001 was performed by Australian Mines' personnel. The subsequent samples of the diamond core were delivered to the assay laboratory in tamper-proof/evident bags via Toll IPEC. **Charteris Creek Project** No samples collected during the quarter.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	**Marymia Project** Australian Mines' sampling techniques and data collection processes are of industry standard and have been subjected to internal reviews. Any data received from the assay laboratories are independently verified by rORE data in Perth, Australia. **Charteris Creek Project** No sample data available during the quarter for audit or review.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	**Marymia Project** The Marymia Project is located within the Western Australian exploration licences of E52/2394 and E52/2395. Australian Mines announced on 30 April 2014 that it had signed a Heads of Agreement with Riedel Resources (ASX code: RIE) in relation to licences E52/2394 (which hosts the Dixon gold prospect) and E52/2395. Further, on 29 May 2015, Australian Mines reported that the Company had earned a 51% interest in these tenements and that 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. In August 2015, Australian Mines was notified by the Western Australian Department of Mines and Petroleum (DMP) that the Company's Extension of Term for E52/2394 and E52/2395 was successful, with these tenements now expiring in June 2020 and August 2020 respectively. The Company's Marymia exploration licences 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 Both tenements are currently in good standing with no impediments to exploration known to exist at the time of writing.

Charteris Creek Project

The Charteris Creek Project comprises E45/2763. 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.

The Licence is in good standing with minimum expenditure commitments being made during the last reporting year.

In January 2016 FMG Resources Pty Ltd ("FMGR"), a wholly-owned subsidiary of Fortescue Metals Group Ltd, withdrew from the Farm In and Joint Venture Agreement over licence. Riedel therefore retains 100% ownership of the tenement.

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 Dixon gold prospect by other companies.

A summary of the historic exploration is outlined in the Prospectus released by Riedel Resources Limited on 23 November 2010.

Cyprus Gold Australia's Annual Report - Combined Reporting Group C153/1996, which was submitted to the Western Australian Department of Mines and Petroleum in December 1997, and covers tenements E52/592 and E52/594 (now tenement E52/2394) similarly summarises the historic exploration undertaken across the greater Doolgunna - Marymia project area.

Galtrad Pty Ltd's Annual Technical Report for tenement E52/594 (now tenement E52/2394), which was received by the Western Australian Department of Mines and Petroleum (DMP) on 16 September 1996, describes five reverse circulation (RC) drilled by Galtrad immediately north of the Dixon gold prospect.

Charteris Creek Project

Exploration around the Gobbos Granodiorite intrusion started in the mid-1960s. Five main project areas were identified, namely the Bridget, Gobbos, Lightning Ridge, Otways and Wallabirdee Ridge prospects by previous explorers.

Geology	• Deposit type, geological setting and style of mineralisation.	**Marymia Project** Australian Mines are targeting three types of mineral deposits at Marymia; (i) Archaean gold, (ii) volcanogenic massive sulphide (VMS) copper-gold, and (iii) komatiite-hosted nickel sulphide. The Dixon prospect is situated within the Baumgarten Greenstone Belt (part of the Marymia Inlier). The geology of the Dixon prospect comprises an Archaean greenstone sequence of dolerites, basalts and metasediment rocks. **Charteris Creek Project** Copper porphyry target. Porphyry systems within or marginal to the intrusions. Granodiorite and tonalite intrusives rocks of Archean age are situated within the McPhee Dome and have intruded volcanic and sedimentary rocks of the also Archean Yilgalong (or: McPhee) Greenstone Belt. Copper-molybdenum-silver-zinc-gold mineralization proximal and distal to porphyry systems has been reported.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the	**Marymia Project** Refer to Appendix 1 of the accompanying report. **Charteris Creek Project** No drilling undertaken during this quarter.

	Competent Person should clearly explain why this is the case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	**Marymia Project** Any reported intersections of Australian Mines' drilling results are based on a regular sample interval of one metre. Where quoted, gold intersections are based on a minimum gold threshold of 0.25 g/t gold. No upper cuts are applied and no internal dilution has been used for any intersection calculations. No metal equivalents have been used in this report. **Charteris Creek Project** No drilling undertaken.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	**Marymia Project** There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections. Any intersections included in the accompanying report are down hole lengths. The true widths of these intersections are not known. **Charteris Creek Project** No drilling undertaken.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	**Marymia Project** Appropriate maps are included in the body of the accompanying report. **Charteris Creek Project** Appropriate maps are included in the body of the accompanying report.
Balanced	• Where comprehensive reporting of all Exploration Results is not	**Marymia Project**

reporting	practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	The accompanying document is considered to represent a balanced report. **Charteris Creek Project** Geological mapping and geochemical sampling have been the primary exploration tools used to date. Interpretation of the acquired data is preliminary and by no means comprehensive.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	**Marymia Project** Other exploration data collected by the Company is not considered as material to this report at this stage. Further data collection will be reviewed and reported when considered material. **Charteris Creek Project** Nothing to report for this quarter.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	**Marymia Project** Further work at Dixon may include a tighter spaced drill program around the recently completed MMRC016, DXRC003 and DXDD001 drill holes. Such a drill program would test the interpreted east-west orientated structures that appear to cross-cut the main sulphidic corridor. The specifications of this proposed drill program, including the location and targeted depth of these holes, will be announced by the Company prior to the commencement of drilling. **Charteris Creek Project** A stream sediment sampling programme to test for gold and base metals has been planned for the north west section of the tenement. This area has not been systematically explored by either Riedel or FMG to date.