

ASX ANNOUNCEMENT

24 April 2015



Marymia Project Drilling Commences

Riedel Resources Limited (**ASX: RIE**, “Riedel” or “the Company”) is pleased to announce that ***drilling has commenced at the Marymia Project in Western Australia.***

Approximately 1,800 metres of RC drilling will test six priority nickel, copper and gold drill targets identified in MLTEM data review.

The Marymia Project is part of a Joint Venture with Australian Mines Limited (**ASX: AUZ**, “Australian Mines”) with Australian Mines earning up to 80% by spending \$3.3M over three years.

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. 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 1).

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 Earahedy Groups.

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

Recent Activities

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.**

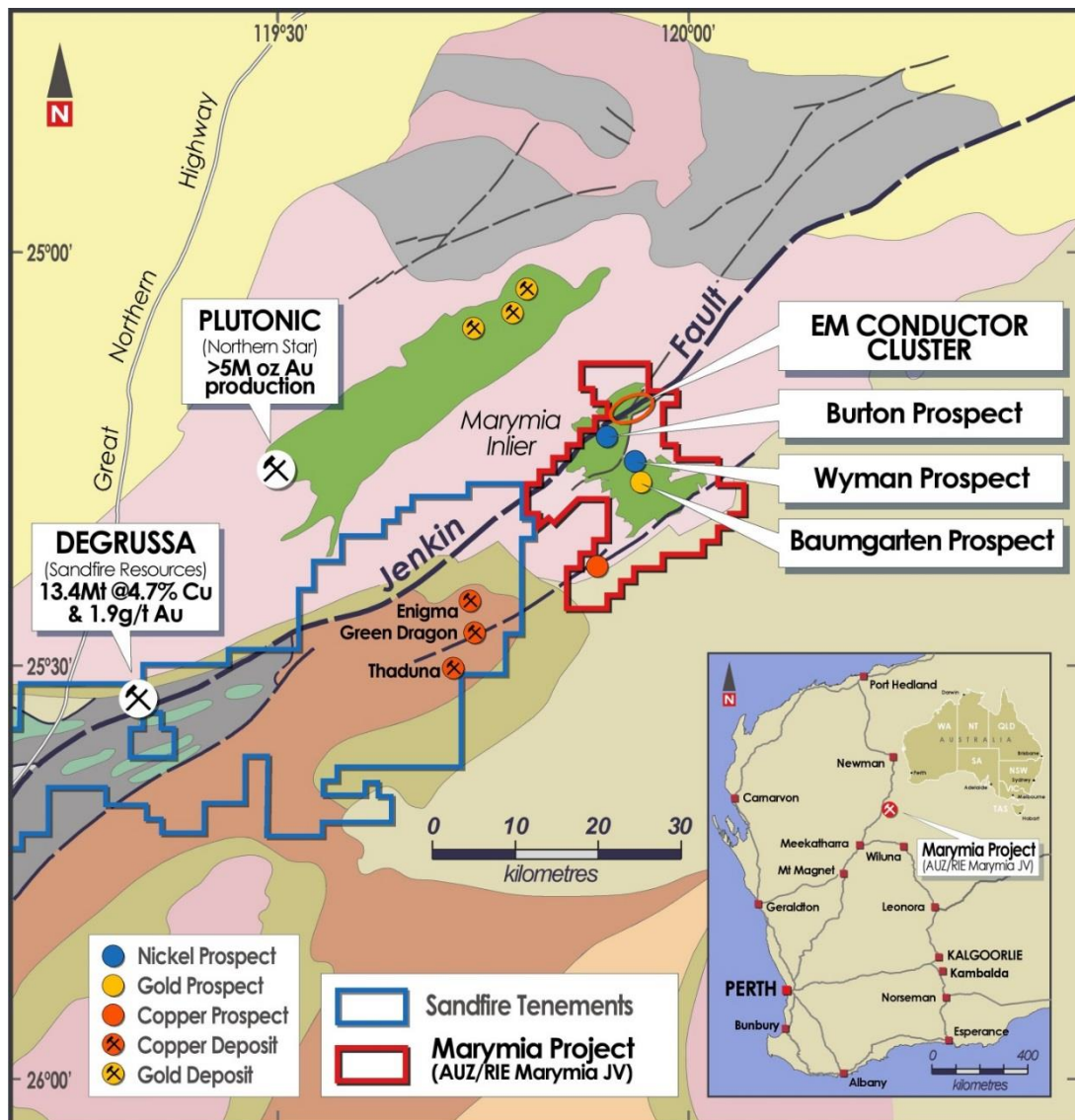


Figure 1: Marymia Project region - Schematic geological map showing Burton, Wyman, Baumgarten Prospects, EM Conductor Cluster

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

The targets warranting RC drill testing in this programme include the EM Conductor Cluster, Burton Prospect and the Wyman Prospect (see Figure 1).

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 area¹.

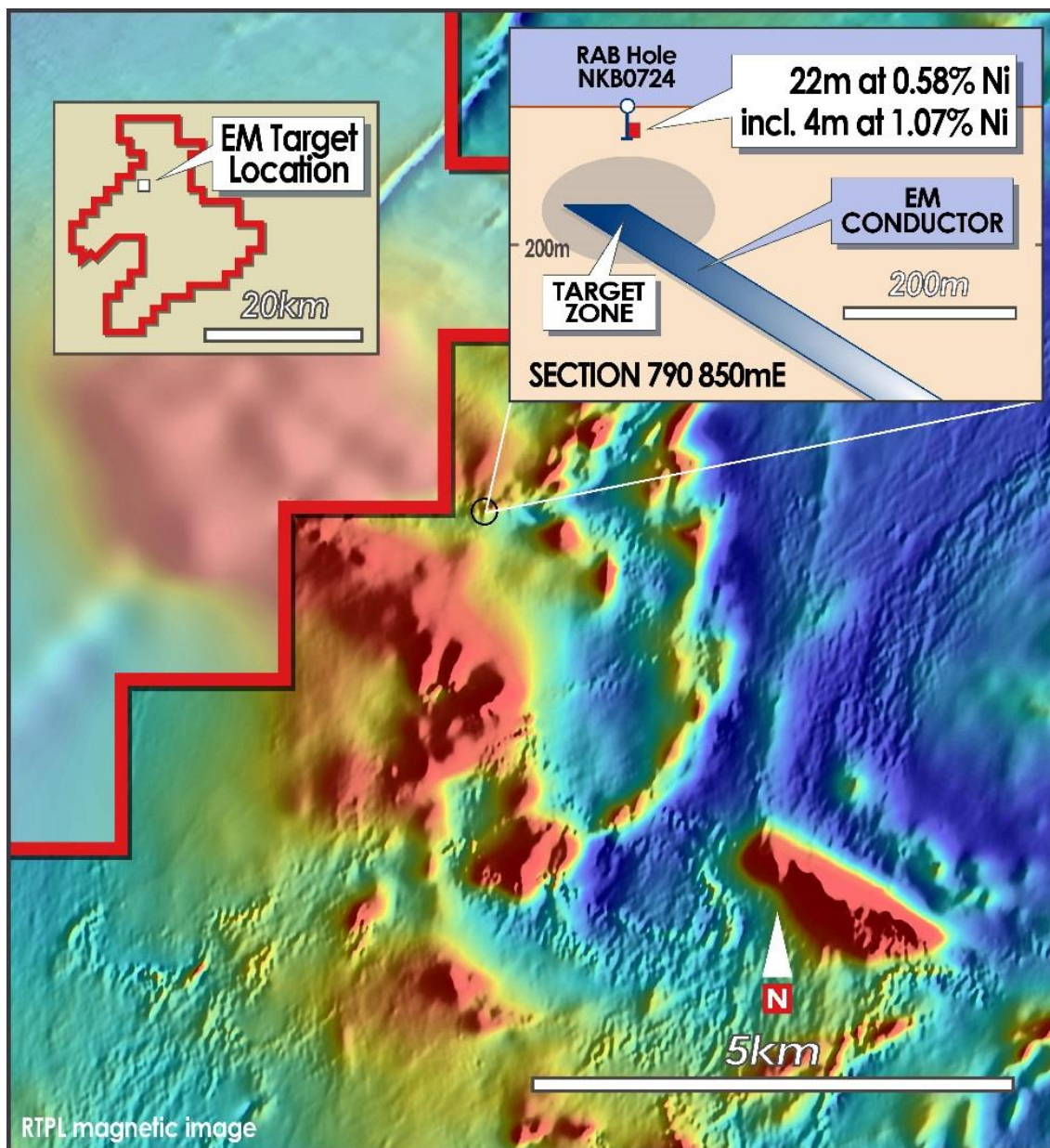


Figure 2. EM conductor beneath significant historic nickel intersection at the Burton Prospect

¹ 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)².

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 2). This lies within a high magnesium ultramafic sequence which represents prerequisite geology for Kambalda-style nickel deposits.

For further information please contact:

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Competent Person's Statement

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

About Riedel Resources Limited

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

Riedel's assets include a portfolio of gold, copper and nickel projects and significant land holdings in prospective Archaean- and Proterozoic-age terranes of Western Australia. The Marymia and Charteris Creek Projects are being actively explored under joint venture arrangements whereby farminees are earning interests by sole funding exploration expenditure until agreed milestones are reached.

Gold Projects (Riedel 100%):

- Cheritons Find (gold - Inferred Resources of 1.4Mt @ 2.4g/t Au for 108,000 oz);
- Millrose (gold - ³Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz).

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

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

² Plutonic Operations Limited, Annual Technical Report for tenement E52/533, period 03/07/1994 to 02/07/1995

³ 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.

Appendix 1: JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
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| 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>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> |
| Drilling techniques | <ul style="list-style-type: none"> 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.) | <p>Drill data referred to in this report is rotary air blast (RAB).</p> |
| Drill sample recovery | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature | <p>Australian Mines is unable to comment on the method of recording and assessing RAB drill chips, and sample recoveries from historic drilling at Marymia.</p> <p>Based on available reports, it is assumed that</p> |

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| | <p>of the samples.</p> <ul style="list-style-type: none"> 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>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> |
| 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>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> |
| Sub-sampling techniques and sample preparation | <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>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> |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> 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 | <p>The survey parameters and geophysical equipment used by Gem Geophysics for the moving loop electromagnetic survey at Marymia in 2014 includes:</p> <p>Survey Parameters</p> <p>Survey direction: northwest-southeast</p> |

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| | <p>analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <ul style="list-style-type: none"> 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. | <p>Station spacing: 200 metres (first-pass) 50 metres (in-fill lines)</p> <p>Receiver</p> <p>Receiver: SMARTem 24</p> <p>dB/dt sensor: 3-component B-field magnetometer</p> <p>Component: X,Y,Z</p> <p>Transmitter</p> <p>Transmitter: Zonge ZT-3 (modified)</p> <p>Transmitter loop: 200 metres (first pass)</p> <p>Transmitter frequency: 1 Hertz</p> <p>Transmitter current: 28 Amps</p> <p>At least two readings were acquired at each station in order to ensure data repeatability.</p> <p>The moving loop system is fully calibrated and daily tests were carried out to ensure data quality.</p> |
| Verification of sampling and assaying | <ul style="list-style-type: none"> 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. | <p>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.</p> <p>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.</p> <p>No twinned hole drilling is proposed by Australian Mines at this stage.</p> <p>Only historic assay data released by previous explorers have been used by Australian Mines. No adjustments have been made to historic assay values.</p> |
| Location of data points | <ul style="list-style-type: none"> 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. | <p>The data points of Gem Geophysics' 2014 moving loop electromagnetic survey were located using standard GPS positioning.</p> <p>Drill hole collar locations were recorded using handheld Garmin GPS.</p> <p>The expected accuracy is +/- 5 metres for easting and northings and 10 metres for elevation coordinates. Elevation values were in AHD.</p> <p>The grid system used is Map Grid of Australia (MGA) GDA94 Zone 50.</p> |

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| Data spacing and distribution | <ul style="list-style-type: none"> 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. | <p>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.</p> <p>Historic drill data is not being used for estimating 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> |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <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> |
| Sample security | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <p>No physical samples were collected during the EM surveys.</p> |
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <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> |

Section 2: Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
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| Mineral tenement and land tenure status | <ul style="list-style-type: none"> 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 | <p>The Marymia Project (and Simmons prospect) is located within the Western Australian exploration licences of E52/2394 and E52/2395.</p> <p>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.</p> |

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| | <p>national park and environmental settings.</p> <ul style="list-style-type: none"> 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. | <p>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 <i>Gingirana</i> (WAD6002/03) and <i>Yugunga-Nya</i> (WAD6132/98) Traditional Owners.</p> <p>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 <i>Yugunga-Nya</i> people; and</p> <p>23 October 2010 between Audax Resources and <i>Gingirana</i> Pty Ltd. Australian Mines is permitted to operate under these agreements as the company is joint venturing with Riedel Resources on this project.</p> <p>Exploration licences E52/2394 and E52/2395 are in good standing with no impediments to exploration known to exist at the time of writing.</p> |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <p>Limited exploration and drilling programs have previously been undertaken across the Marymia Project by other companies.</p> <p>A summary of the historic anomalous gold and nickel intersections are outlined in the Prospectus released by Riedel Resources Limited on 23 November 2010.</p> <p>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.</p> |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <p>AUZ are targeting three types of mineral deposits at Marymia;</p> <ul style="list-style-type: none"> (i) DeGrussa-style volcanogenic massive sulphide copper-gold, (ii) Kambalda-style komatiite-hosted nickel sulphide, and (iii) Plutonic-style Archaean gold. <p>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.</p> |

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| Drill hole Information | <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ 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>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.</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>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> |
| Relationship between mineralisation widths and | <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 | <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</p> |

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| Intercept lengths | <p>the drill hole angle is known, its nature should be reported.</p> <ul style="list-style-type: none"> 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'). | these intersections are not known. |
| 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. | Appropriate maps and sections are included in the body of the accompanying report. |
| 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>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> |
| 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 – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | <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 summarised in Riedel Resources' Prospectus released via the ASX on 23 November 2010.</p> |
| Further work | <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 | <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>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-</p> |

commercially sensitive.

grade control test and to help resolve the trend of high grade mineralisation, which will be critical to the MRE estimate.

Planned drill holes should be drilled inclined at approximately 60°.
