



Suite 1, 45 Ord 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

1 August 2014

EXPLORATION UPDATE

RIEDEL RESOURCES LIMITED AND AUSTRALIAN MINES LIMITED MARYMIA PROJECT FARM-IN AND JOINT VENTURE

Riedel Resources Limited (ASX: RIE) is pleased to attach a copy of Australian Mines Limited's ('Australian Mines') announcement lodged with the ASX today.

As announced to the market on 30 April 2014, RIE and Australian Mines have entered into a farm-in and joint venture arrangement over exploration licences 52/2394 and 52/2395.

RIE Managing Director, Jeff Moore, said he was very pleased with the commitment made by Australian Mines' to rapidly advance exploration at the Marymia Project.

'Furthermore, in accordance with the terms of the farm-in and joint venture arrangement, should Australian Mines exercise its option to continue after satisfying the minimum expenditure requirements, it must make a cash payment to RIE of \$250,000 by 30 October 2014,' said Mr Moore.

Sue Symmons
Company Secretary
Riedel Resources Limited



1 August 2014

Strong EM conductor identified at Marymia: Potential Kambalda-style nickel sulphide target

Australian Mines Limited (“Australian Mines” or “the Company”) is pleased to report that a ground-based electromagnetic (EM) survey over the Company’s Marymia project has detected a strongly conductive body beneath an historic nickel-in-soil anomaly.

Modelling of this geophysical anomaly by Southern Geoscience Consultants indicates that the source of this late time EM conductor (MM-01) is a 400-metre long body, which is strongly conductive and appears to parallel a previously reported 1,200 x 600 metre nickel and copper soil anomaly¹.

The top of this conductive body is estimated to be 250 metres below the surface and continues to a depth of at least 700 metres below the surface (being the depth limitation of the geophysical equipment).

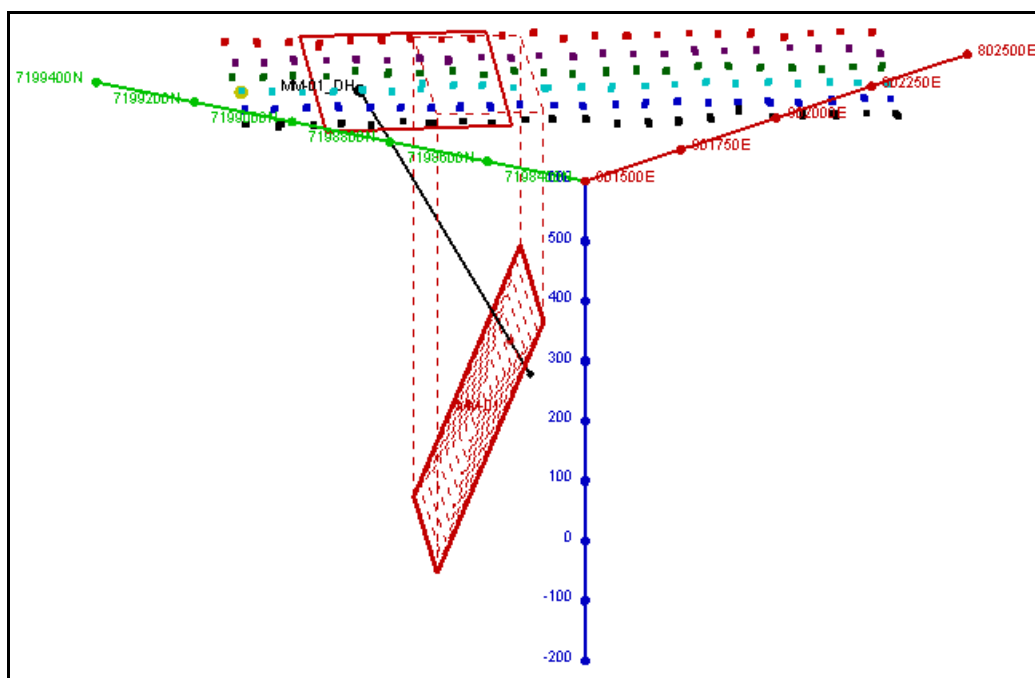


Figure 1: Perspective view looking NNE with the best fit model of the conductive source (red) and Australian Mines’ proposed target drill hole (black).

¹ Falcon Minerals Limited, AGM Presentation , released 9 November 2006



Significantly, the modelled conductor sits on the margin of a magnetic high, which is the interpreted basal contact of an ultramafic unit.

Based on the geophysical characteristics of this conductive body, Southern Geoscience Consultants concluded that MM-01 anomaly represents a high priority target for massive sulphide mineralisation that could be related to nickel (-copper) or possibly DeGrussa-style VMS copper-gold mineralisation.

The attractiveness of the MM-01 conductor as a possible Kambalda-style nickel sulphide target is further enhanced by recent independent research, which indicated that the ultramafic rocks within the Company's Marymia project area may be the same ultramafic sequence that hosts the Kambalda, Mt Keith, Perseverance and Cosmos nickel deposits².

Having detected a strong late-time conductor within a favourable geological setting and adjacent to a significant nickel and copper soil anomaly (peak reported assay values of 959 ppm nickel and 313 ppm copper³), Australian Mines has designed an initial drill program to test the source of this bedrock conductor.

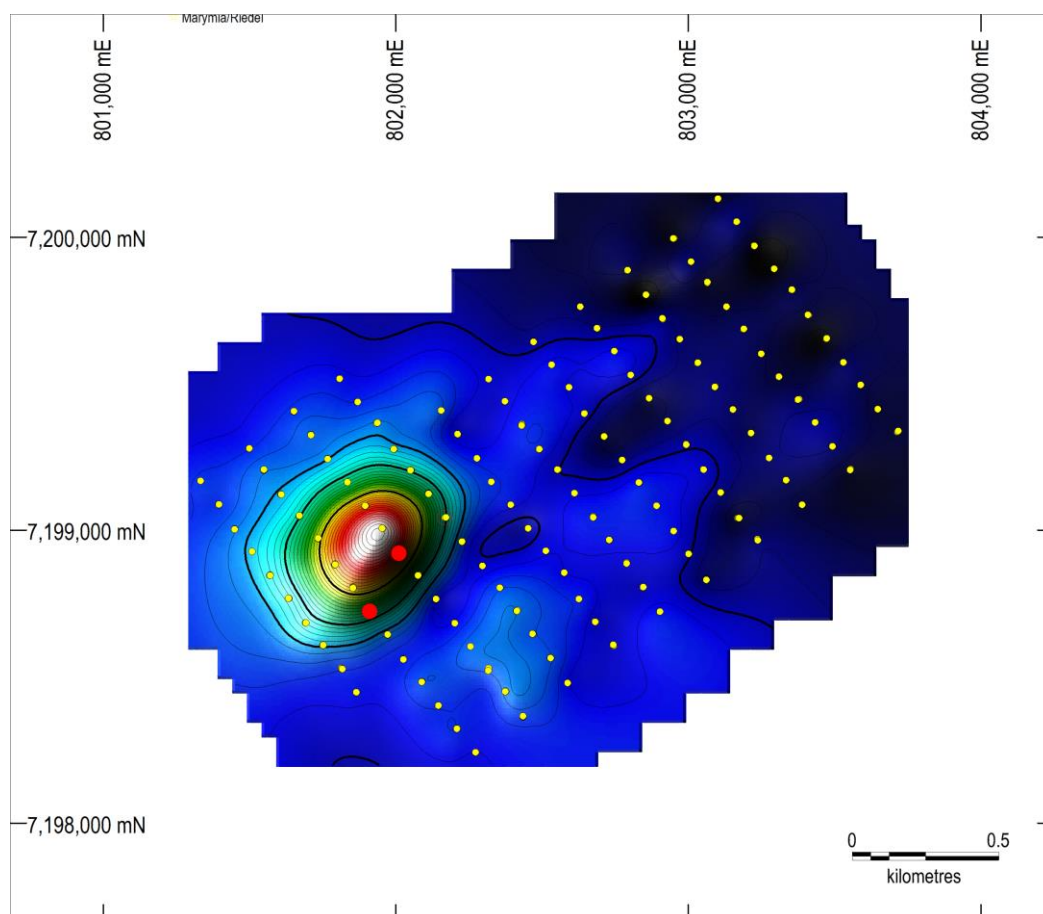


Figure 2: Plan view - The conductive body appears as a distinct 'bullseye' in the late-time channels of the moving loop electromagnetic survey. (Image is channel 25 – 18.37ms). Positions of the EM stations are marked in yellow.

² Geoscience Australia, Australian Archaean mafic-ultramafic magmatic events: Yilgarn Craton, GA Record 2009/41

³ Falcon Minerals Limited, Annual Technical Report – Marymia Project, submitted to the Western Australian Department of Mines and Petroleum in November 2006

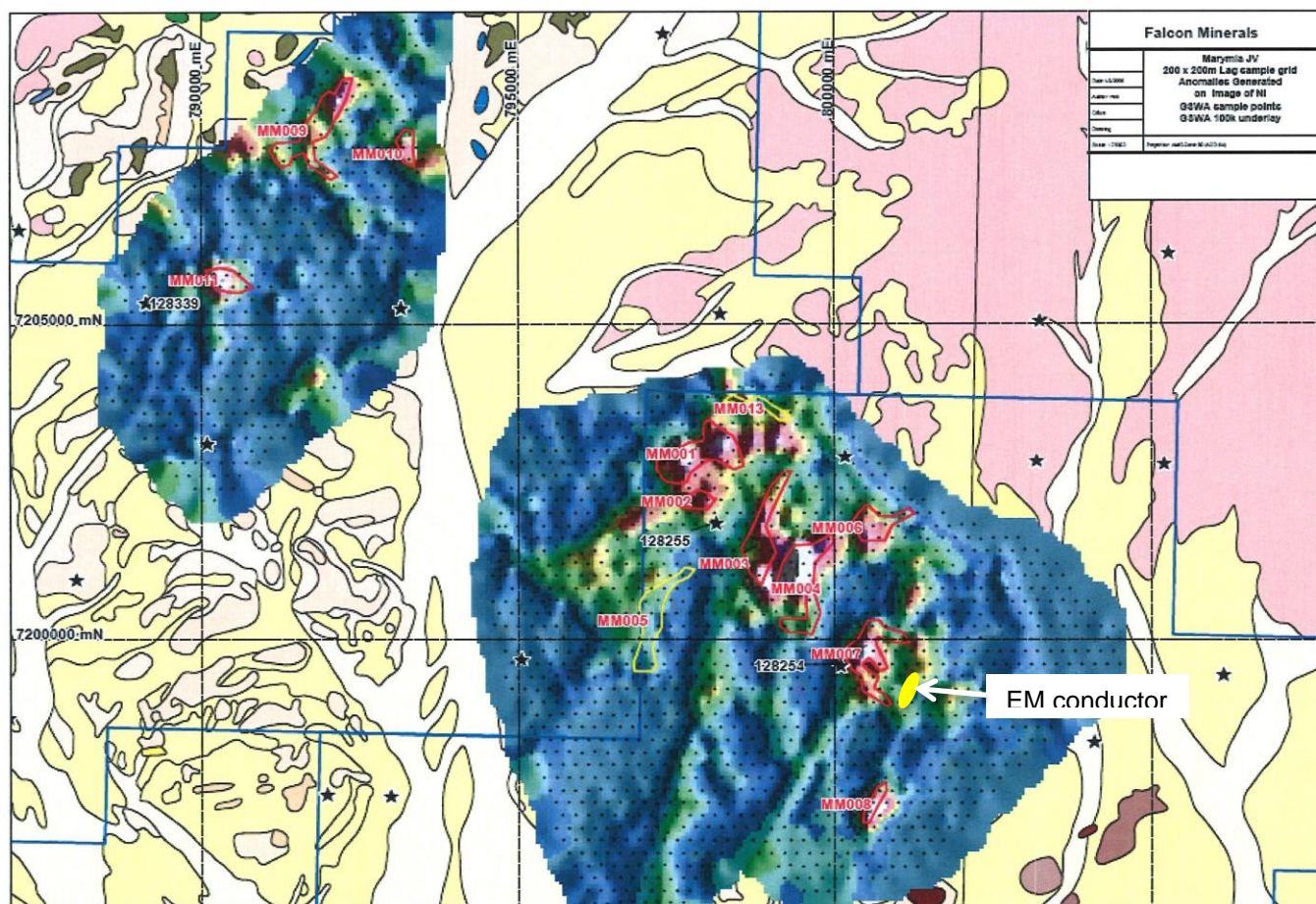


Figure 3: Approximate location of the reported conductive body (yellow oval) superimposed over the previously reported nickel-in-soil sampling data at Marymia⁴. It is not uncommon for a surface geochemical anomaly to be off-set from the associated buried sulphide source. No drilling or geophysical surveys have previously been undertaken across these historic surface geochemical anomalies, and Australian Mines is yet to complete its reconnaissance geophysical survey over the other priority targets identified in this image.

Line	SAMPLEID	Y	X	As_ppm	Co_ppm	Cr_ppm	Cu_ppm	Fe	Mn_ppm	Ni_ppm	Pd_ppb	Pt_ppb	Zn_ppm	anom
24	FCN100573	7199004	800804	27	23.9	2433	142.2	27.2	237	170.2	7.1	16.7	88	MM007
25	FCN100619	7199202	800500	115	39.6	6606.5	260.1	41.17	527	539.4	3	11.9	67	MM007
26	FCN100670	7199398	800603	30	32.5	3139.3	249.9	37.42	530	154.3	2.8	7.3	155	MM007
27	FCN100718	7199600	800301	49	20.9	6108.7	290	39.94	185	399.9	6.1	17.2	77	MM007
27	FCN100720	7199600	800698	22	47.3	2532.6	313.2	48.49	352	483.9	1.7	5.3	362	MM007
28	FCN100771	7199797	800198	111	14.2	2858.7	241	42.52	194	195.6	3.6	13.4	84	MM007
28	FCN100772	7199801	800404	44	59.5	3664	231.7	42.73	402	959.1	3.3	11.4	87	MM007
28	FCN100773	7199803	800603	43	171.5	1370.6	214.6	45.75	2657	780.3	2.1	13	528	MM007
29	FCN100824	7200005	800501	40	32.4	7794.7	219.7	46.71	769	637.1	6.4	14.4	74	MM007
29	FCN100826	7200003	800899	154	58.1	1551.5	268.5	50.04	860	269.9	5.3	12.6	473	MM007
29	FCN100827	7200001	801094	218	23	4801.5	158	39.86	315	212.2	4.7	12.4	105	MM007
30	FCN100879	7200194	800588	31	24.6	4289.4	147.6	41.76	253	348.9	5.1	8.5	43	MM007

Table 1: Key assay results⁵ returned from historic soil anomaly MM007 in Figure 3 of this report.

⁴ Falcon Minerals Limited, AGM Presentation, released 9 November 2006

⁵ Falcon Minerals Limited, Annual Technical Report – Marymia Project, submitted to the Western Australian Department of Mines and Petroleum in November 2006



The drilling of MM-01, now known as the Simmons prospect, is scheduled to commence by September and the Company anticipates receiving the final assays from this program in October.

With more than 20 kilometres of prospective ultramafic rocks present within the Company's Marymia project area, in addition to a number of promising DeGrussa-style copper-gold targets adjacent to the Jenkin Fault structure, Australian Mines will continue to expand the coverage of the ground-based EM survey across the 425 square kilometre project area.

Managing Director Benjamin Bell commented, "The exploration team at Australian Mines are very encouraged by the initial results received to date from the Company's EM survey at Marymia.

We are particularly pleased with the early indications from the Simmons prospect, which appears to be ticking all the boxes as a possible Kambalda-style nickel target.

The Company will now look to undertake a drilling program of this promising base metal target and as well as expand our EM survey across other high priority nickel and copper-gold targets."

*****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 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 style of mineralisation and type 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 4: Australian Mines' Marymia project is situated within the northern extension of the Eastern Goldfields province of the Yilgarn Craton. Geoscience Australia recently reported that this province hosts almost two-thirds of the world's komatiite (ultramafic) associated nickel sulphide deposits.

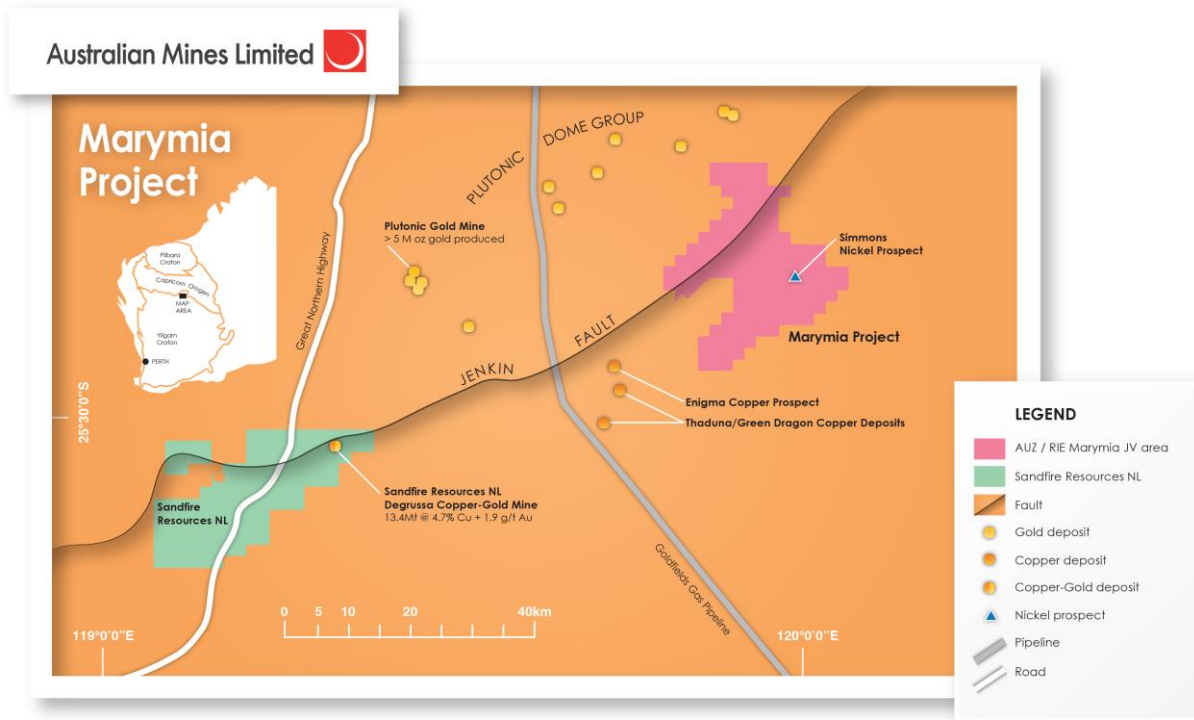


Figure 5: A ground-based electromagnetic survey at Marymia detected a strong conductor within ultramafic rocks at the Company's Simmons nickel prospect. No previous drilling has been reported across this target area.

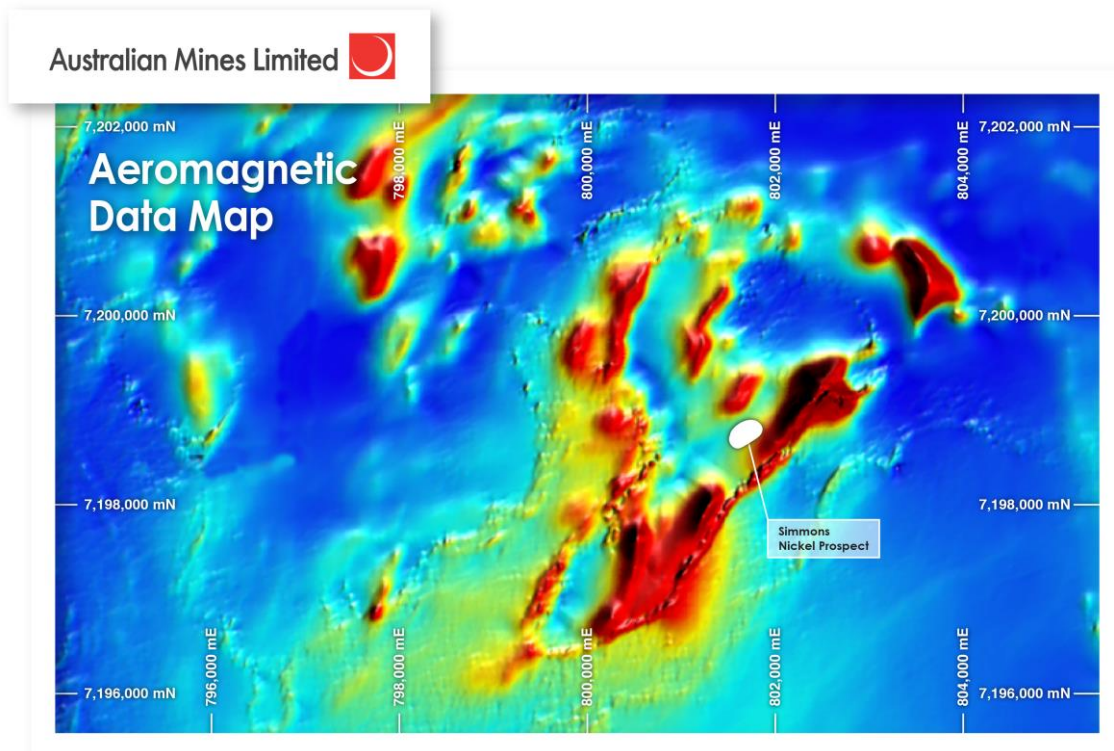


Figure 6: Approximate location of the reported conductive body superimposed over a coloured image of the high resolution aeromagnetic data.



About Australian Mines:

Australian Mines (ASX: AUZ) is an Australian-listed resource company targeting gold and base metals deposits. The company is currently acquiring an interest in two key assets in Western Australia, which have demonstrated a potential to host mineralisation.

Marymia Nickel-Copper-Gold Project (Agreement to earn up to 80%)

Australian Mines recently signed a Heads of Agreement with Riedel Resources covering the Marymia nickel-copper-gold project, located 55 kilometres northeast and along strike of Sandfire Resources' world class DeGrussa copper-gold mine.

In addition to targeting VMS-style copper-gold mineralisation, Australian Mines will also be testing for nickel sulphide mineralisation across the Marymia project as historic drilling of the oxide zone has returned encouraging results including 8m @ 1.05% Ni from 16m, 4m @ 1.07% Ni from 28m, and 13m @ 0.74% Ni from 28m (AUZ release: 30 April 2014).

Under the terms of the Agreement announced on 30 April 2014, Australian Mines may acquire a 51% interest in the Marymia project by making a cash payment to Riedel Resources of \$250,000 by 30 October 2014 and spending \$1 million on exploration within an initial two-year period. Following the acquisition of the initial 51%, Australian Mines may elect to acquire an additional 29% interest (taking the total to 80%) in the project by spending a further \$2 million on exploration within a further 36-month period.

Foothills Gold and Copper Project (Farm-In Agreement to earn up to 80%)

In March 2014, Australian Mines entered into a Farm-In and Joint Venture Agreement with Mount Magnet South for the Jumbulyer tenements near Mt Magnet. Included within this tenement package is the advanced Foothills prospect.

Historic scout drilling at Foothills had defined a zone of gold mineralisation extending over 100 metres and remaining open both along strike and at depth. Results returned from this drilling included 16m @ 6.6 g/t Au from 9m, 10m @ 3.3 g/t Au from 20m and 14m @ 2.6 g/t Au from 38m (AUZ release: 7 March 2014).

The Foothills prospect also appears to be an emerging copper target with historic drilling intersecting 19m @ 1.3 % Cu from 1 m (AUZ release: 7 March 2014).

Under the joint venture agreement, Australian Mines may acquire a 60% interest in the project by spending \$1 million on exploration within an initial two-year period. On expending \$1 million, Australian Mines may acquire an additional 20% interest in the project (for a total of 80%) by spending a further \$2 million on exploration within 48 months of the completion of the initial 60% acquisition (AUZ release: 7 March 2014).



Project Location Map



Australian Mines' Foothills and Marymia projects are located approximately 450 and 850 kilometres north of Perth respectively.



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. 	<ul style="list-style-type: none"> Gem Geophysics commenced ground-based time domain moving loop (MLTEM) and fixed loop electromagnetic (FLTEM) survey over selected targets within the Marymia project area on behalf of Australian Mines in June 2014. <p>The line spacing for the MLTEM survey was 200 metres with an along line station spacing of 100 metres.</p> <p>A follow-up FLTEM survey was completed over target MM01 using a station spacing of 50 metres along 100 metre spaced 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.) 	<ul style="list-style-type: none"> This report does not contain any drill-related results.
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 of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to fine/coarse material. 	<ul style="list-style-type: none"> This report does not contain any drill-related results.



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.
- The total length and percentage of the relevant intersections logged.
- This report does not contain any drill-related results.

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.
- This report does not contain any drill-related results.

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.
- This report does not contain any drill-related results.
- The survey parameters and geophysical equipment used by Gem Geophysics for the electromagnetic survey at Marymia includes:
 - MLTEM Survey Parameters**
 - Survey direction: NNW-SSE
 - Station spacing: 100 metres
 - Line spacing: 200 metres
 - Configuration: Slingram (sensor 300m offset to the SSE from the transmitter loop centre).



Receiver

Receiver: SMARTem 24
Sensor: 3-component B-field magnetometer
Component: X,Y,Z

Transmitter

Transmitter: Zonge ZT-30 (modified)
Transmitter loop: 200 x 200 metres. single turn
Transmitter frequency: 2.0833 Hertz
Transmitter current: 50 Amps

FLTEM Survey Parameters

Survey direction: NNW-SSE
Station spacing: 50 metres
Line spacing: 100 metres
Configuration: Fixed loop

Receiver

Receiver: SMARTem 24
Sensor: 3-component B-field magnetometer
Components: X,Y,Z

Transmitter

Transmitter: Zonge ZT-30 (modified)
Transmitter loop: 600 x 300 metres, single turn
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 and fixed loop systems are fully calibrated and daily tests were carried out to ensure data quality.

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



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.

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

The expected accuracy is +/- 5 metres for easting and northings and 10 metres for elevation coordinates. Elevation values were in WGS84.

The grid system used is Map Grid of Australia (MGA) GDA94 Zone 50.

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.

- This report does not contain any drill-related results.

The line spacing for the moving loop electromagnetic survey was 200 metres. The station spacing was 100 metres along 900-1300 metre long lines extended as required to fully define the detected late time anomaly.

The line spacing for the fixed loop electromagnetic survey was 100 metres. The station spacing was 50 metres along six 1050 metre long lines. Survey dimensions and parameters were optimised based on the MLTEM survey and preliminary modelling of the MLTEM data.

Orientation of data in relation to geological structure

- 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.

- This report does not contain any drill-related results.

Sample security

- The measures taken to ensure sample security.

- The chain of custody is managed by Australian Mines.

Audits or reviews

- The results of any audits or reviews of sampling techniques and data.

- Experienced geophysicists at Southern Geoscience Consultants in Perth independently reviewed all data acquired from the electromagnetic survey at Marymia.



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 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. 	<ul style="list-style-type: none"> The Marymia project is located within the Western Australian exploration licences of E52/2394 and E52/2395. <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> <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 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.</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. 	<ul style="list-style-type: none"> Limited exploration and drilling programs have previously been undertaken across the Marymia project area by other companies. <p>A summary of the historic anomalous nickel intersections are outlined in the Prospectus released by Riedel Resources Limited on 23 November 2010.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Australian Mines are targeting three types of mineral deposits at Marymia; <ol style="list-style-type: none"> (i) Kambalda-style komatiite-hosted nickel sulphide, (ii) DeGrussa-style volcanogenic massive sulphide copper-gold, and (iii) Plutonic-style Archaean gold.



The Marymia project overlies the Baumgarten Greenstone Belt, which is interpreted as the 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.

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 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.
- This report does not contain any drill-related results.

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.
- This report does not contain any drill-related results.

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').
- This report does not contain any drill-related results.



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.
- Appropriate maps and sections are included in the body of this report.

Balanced reporting

- 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.
- The accompanying document is considered to represent a balanced report.

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.
- The electromagnetic survey referred to in this report is the first exploration activity conducted by Australian Mines across the Marymia project area.

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).
- Further work may include a reverse circulation and/or diamond core drill program to test the nature of the bedrock conductor identified at Marymia.
- Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.