



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

10 October 2014

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Riedel Resources Limited (ASX: RIE) will be held on Friday 28 November 2014 at 14 Emerald Terrace, West Perth at 9 am. Attached is a copy of the Notice of Annual General Meeting being sent to shareholders today.

Sue Symmons
Company Secretary



**Riedel Resources Limited
ACN 143 042 022**

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**Annual General Meeting to be held at 14 Emerald Terrace, West Perth on 28 November 2014
commencing at 9 a.m. (AWST).**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant,
solicitor or other professional adviser without delay.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Riedel Resources Limited ACN 143 042 022 ("**Company**") will be held at 14 Emerald Terrace, West Perth, Western Australia on 28 November 2014 commencing at 9 a.m. (AWST).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Directors' and auditor's reports for the year ending 30 June 2014.

2. Resolution 1 – Approval of Remuneration Report

To consider and, if thought fit, pass the following **advisory only resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ending 30 June 2014 be approved."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion

In accordance with the Corporations Act, the Company will disregard:

- (a) any votes cast (in any capacity) on Resolution 1 by or on behalf of:
 - (i) a member of the Key Management Personnel listed in the Remuneration Report (KMP); or
 - (ii) a KMP's Closely Related Party; and
- (b) any votes cast as a proxy on Resolution 1 by any other person who is a member of the KMP at the date of the meeting, or by a Closely Related Party of any such person.

However the Company need not disregard a vote cast on Resolution 1 if it is cast:

- (a) by any person referred to above as proxy for a person entitled to vote on the Resolution, in accordance with a direction in the proxy appointment specifying how the proxy is to vote on the Resolution; or
- (b) by the Chairman of the meeting as proxy for a person entitled to vote on the Resolution where the proxy appointment does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

Please read the information under the heading 'Chairman as proxy' which deals with the Chairman's voting of undirected proxies on Resolution 1.

If you are a member of the KMP or a Closely Related Party of any such member, you may be held liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

3. Resolution 2 – Re-election of a Director – Mr Ian Tchacos

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr Ian Tchacos, who retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."

4. Resolution 3 – Re-election of a Director – Mr Andrew Childs

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr Andrew Childs, who retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."

5. Resolution 4 – Ratification of issue of 16,449,446 Shares

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the issue of 16,449,446 Shares to sophisticated and professional investors/clients of Oracle Securities Pty Ltd, as more fully described in the explanatory notes accompanying this notice of meeting be approved.”

Voting Exclusion

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by:-

- (a) persons who participated in the issue; and
- (b) an associate of that person.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the Chairman of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Ratification of issue of 2,105,788 Shares

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the issue of 2,105,788 Shares to Oracle Securities Pty Ltd, in lieu of underwriting fees as more fully described in the explanatory notes accompanying this notice of meeting be approved.”

Voting Exclusion

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by:-

- (a) persons who participated in the issue; and
- (b) an associate of that person.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the Chairman of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totaling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by:-

- (a) persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary shares, if the Resolution is passed; and
- (b) an associate of that person.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the Chairman of the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By Order of the Board of Directors



Sue Symmons
Company Secretary
Riedel Resources Limited

7 October 2014

ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 5 pm (AWST) on 26 November 2014. This is because, in accordance with the Corporations Regulations 2001 (Cth), the Board has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

HOW TO VOTE

Voting in person

Shareholders who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

Corporate representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 9 am (AWST) on 26 November 2014, being 48 hours before the time of the meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

In person

Registered Office

Suite 1, 45 Ord Street,
West Perth, Western Australia 6005,

By mail

PO Box 1559,
West Perth, Western Australia 6872

By fax

(08) 9486 7375

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the meeting.

Chairman as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on the Resolution:-

- The Chairman intends to vote in favour of the Resolution, as proxy for that Shareholder on a poll; and
- For Resolution 1, the Shareholder will have given the Chairman express authority to vote as the Shareholder's proxy on the relevant resolution even though the resolution is connected directly or indirectly with the

remuneration of a member of the KMP for the Company and even though the Chairman is a member of the KMP, unless the Shareholder expressly indicates to the contrary in the proxy appointment.

If you do not want to put the Chairman of the meeting in the position to cast your votes in favour of any of the proposed Resolutions, you should complete the appropriate box on the proxy form, directing your proxy to vote against, or to abstain from voting, on the resolution.

Other members of KMP as proxy

If a Shareholder appoints a Director (other than the Chairman of the meeting) or another member of KMP (or a Closely Related Party of any such person) as their proxy and does not direct the proxy how to vote on Resolution 1 by marking the 'For', 'Against' or 'Abstain' box opposite the relevant Resolution on the proxy appointment, the proxy will not be able to exercise the Shareholder's proxy and vote on their behalf on the relevant Resolution.

QUESTIONS FROM SHAREHOLDERS

The Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask questions about and make comments on the management of the Company and on the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report (Reports), as well as each of the Resolutions to be considered at the meeting.

A representative of the Company's auditor will attend the meeting. During the meeting's consideration of the Reports, the Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask the auditor's representative questions relevant to the:-

- Conduct of the audit;
- Preparation and content of the Auditor's Report for the financial year ended 30 June 2014;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Financial Report for that year; and
- Independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the Auditor's Report or the conduct of the audit.

If you wish to submit a question in advance of the meeting, you may do so by sending your question to one of the addresses or facsimile numbers above by no later than 21 November 2014. The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor will not be replying on an individual basis.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Financial Statements and Reports

The Corporations Act requires the annual financial report, the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

2. Resolution 1 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the Annual Report.

If at least 25% of the votes on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("**Spill Meeting**") within 90 days of the Company's 2015 annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election is approved will be the directors of the Company.

At the Company's 2013 Annual General Meeting more than 99% of the votes cast on the resolution for adoption of the Remuneration Report were in favour of the resolution and no comments were made on the Remuneration Report at that meeting.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

3. Resolutions 2 and 3 – Re-election of Directors

In accordance with Listing Rule 14.4 and clause 13.2 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office (rounded upwards in case of doubt) by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

The following Directors retire by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election.

Resolution 2 – Mr Ian Tchacos

Mr Tchacos is a mechanical engineer with over 25 years' international experience in corporate development and strategy, mergers and acquisitions, exploration, development and production operations, marketing and finance. He has a proven management track record in the range of international company environments.

In his last appointment as Managing Director of Nexus Energy, he was responsible for the Company's development from an onshore micro cap explorer to an ASX top 200 offshore producer and operator.

Mr Tchacos is currently non executive Chairman of ADX Energy Limited and non executive Director of Australian Oil Company Limited.

The Board (excluding Mr Ian Tchacos) recommends that Shareholders vote in favour of Resolution 2.

Resolution 3 – Mr Andrew Childs

Mr Childs is currently Chairman of Australian Oil Company Limited and non executive Director of ADX Energy Limited. He also sits on the Boards of a number of unlisted private and public companies.

Mr Childs graduated from the University of Otago, New Zealand in 1980 with a Bachelor of Science in Geology and Zoology. Having started his professional career as an exploration geologist in the eastern Goldfields of Western Australia, Andrew moved to petroleum geology and geophysics with Perth-based Ranger Oil Australia (later renamed Petroz NL). He gained technical experience with Petroz as a geoscientist and later commercial experience as the commercial assistant to the Managing Director.

Mr Childs subsequently worked with a major human resources consultancy in Perth, before founding Resource Recruitment in 1995.

The Board (excluding Mr Andrew Childs) recommends that Shareholders vote in favour of Resolution 3.

4. Resolutions 4 and 5 – Ratification of issue of Shares

ASX Listing Rule 7.1 imposes limits on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Under ASX Listing Rules, generally a company must not, without prior shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.4 states that an issue by a company of securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1, if the issue did not breach ASX Listing Rule 7.1 when made and the Company's shareholders subsequently approve it.

Resolution 4 – Ratification of Issue of 16,449,446 Shares

Under Resolution 4, the Company seeks shareholder approval under ASX Listing Rule 7.4 of the issue of 16,449,446 Shares on 21 July 2014 to sophisticated and professional investors/clients of Oracle Securities Pty Ltd, who partially underwrote the Share Purchase Plan announced by the Company on 17 June 2014.

The Company is seeking this approval in order to provide the Company with the maximum flexibility to undertake equity raisings without the need for further shareholder approval. The requirement to obtain shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of the opportunities that may arise.

Notwithstanding an approval by shareholders of Resolution 4, any future equity raising will remain subject to the 15% limit under ASX Listing Rule 7.1.

No decision has been made by the Board of Directors to undertake any further issue of equity securities in the event that approval is received from shareholders in respect of Resolution 4. The Board of Directors will only decide to issue further equity securities if it considered it is in the best interests of the Company to do so.

Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to shareholders when seeking an approval for the purposes of ASX Listing Rule 7.4:

- a) The total number of Shares allotted and issued was 16,449,446.
- b) The issue price for the Shares was \$0.0085 per Share.
- c) The Shares rank equally in all respects with existing ordinary shares in the Company.
- d) The Shares were issued to sophisticated and professional investors/clients of Oracle Securities Pty Ltd. who partially underwrote the Share Purchase Plan announced by the Company on 17 June 2014.
- e) The funds will be used for exploration and development studies over the Company's gold deposits and for working capital.
- f) A voting exclusion statement is included in the Notice.

Resolution 5 – Ratification of Issue of 2,105,788 Shares

Under Resolution 5, the Company seeks shareholder approval under ASX Listing Rule 7.4 of the issue of 2,105,788 Shares on 24 July 2014 to Oracle Securities Pty Ltd in lieu of underwriting fees for the partially underwritten Share Purchase Plan announced by the Company on 17 June 2014.

The Company is seeking this approval in order to provide the Company with the maximum flexibility to undertake equity raisings without the need for further shareholder approval. The requirement to obtain shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of the opportunities that may arise.

Notwithstanding an approval by shareholders of Resolution 5, any future equity raising will remain subject to the 15% limit under ASX Listing Rule 7.1.

No decision has been made by the Board of Directors to undertake any further issue of equity securities in the event that approval is received from shareholders in respect of Resolution 5. The Board of Directors will only decide to issue further equity securities if it considered it is in the best interests of the Company to do so.

Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to shareholders when seeking an approval for the purposes of ASX Listing Rule 7.4:

- a) The total number of Shares allotted and issued was 2,105,788.
- b) The issue price for the Shares was \$0.0085 per Share.
- c) The Shares rank equally in all respects with existing ordinary shares in the Company.
- d) The Shares were issued to Oracle Securities Pty Ltd. in lieu of underwriting fees for the partially underwritten Share Purchase Plan announced by the Company on 17 June 2014.
- e) The funds will be used for exploration and development studies over the Company's gold deposits and for working capital.
- f) A voting exclusion statement is included in the Notice.

5. Resolution 6 – Approval of 10% Placement Facility

5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity with a market capitalisation of \$1,774,689 as at 3 October 2014.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to clause (c) below).

The Board believes that Resolution 6 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company has only one quoted class of Equity Securities on issue, being the Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

plus the number of partly paid shares that became fully paid in the 12 months;

plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 5.1(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in sub-clause (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

("10% Placement Period").

5.2 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in sub-clause (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where the number of Shares on issue has increased, by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at future meetings of Shareholders; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of issued Shares ("A")		Dilution		
		\$0.009 50% decrease in Current Market Value	\$0.018 Current Market Price	\$0.036 100% increase in Current Market Price
Current number of issued Shares 147,890,721	10% Voting Dilution Funds Raised	14,789,072 \$133,102	14,789,072 \$266,203	14,789,072 \$532,407
50% increase to current number of Issued Shares 221,836,082	10% Voting Dilution Funds Raised	22,183,608 \$199,652	22,183,608 \$399,305	22,183,608 \$798,610
100% increase to current number of issued Shares 295,781,442	10% Voting Dilution Funds Raised	29,578,144 \$266,203	29,578,144 \$532,407	29,578,144 \$1,064,813

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The issue price is \$0.018, being the closing price of the Shares on ASX on 23 September 2014.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may issue Equity Securities under the 10% Placement Facility to raise funds for working capital, drilling and mine feasibility work on the Company's projects.

The Company may also issue Equity Securities for non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release a valuation of the non-cash consideration that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be investors which are sophisticated and/or professional investors, who are not related parties of the Company, for the purposes of section 708 of the Corporations Act.

If the Company is successful in acquiring new resource assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) At the 2013 Annual General Meeting, the Company obtained shareholder approval for the 10% placement facility under Listing Rule 7.1A. It has not however, in the 12 months preceding the date of that Annual General Meeting, issued any Equity Securities under Listing Rule 7.1A. The total number of equity securities issued in the 12 months preceding the date of this meeting is 39,526,475, which represents 36% of the total number of equity securities on issue at the commencement of that 12 month period.

Below is a list of issues of all shares issued in the 12 months preceding the 2013 Annual General Meeting under Listing Rule 7.1 (there were no issues under Listing Rule 7.1A):-

Date of Issue	10 Dec 13	11 Dec 13	10 Jan 14	10 Jan 14	1 April 14	1 April 14	1 July 14	21 July 14	21 July 14	24 July 14	7 Aug 14
Number issued	75,000	1,875,000	125,000	547,510	375,734	250,489	1,025,461	18,647,047	16,449,446	2,105,788	23,728,195
Class of equity securities	Convertible Notes ¹	Options ¹	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Options ¹
Names of shareholders	Convertible Noteholders – interest payment	Convertible Noteholders	Oracle Securities	Convertible Noteholders – interest payment	Convertible Noteholders – interest payment	Convertible Noteholders – interest payment	Convertible Noteholders – interest payment	Eligible shareholder s under the SPP	Sophisticated & professional investors/client s of Oracle Securities	Oracle Securities (in lieu of u/writing fee)	Convertible Noteholders
Price	\$1.00	Nil	\$0.036	\$0.0126	\$0.0126	\$0.0126	\$0.0078	\$0.0085	\$0.0085	\$0.0085	Nil
Premium to market price	n/a	n/a	Discount of 10% to 10 day VWAP at 30 May 13.	Discount of 10%	Discount of 10%	Discount of 10%	Discount of 10%	17.7%	17.7%	17.7%	n/a
Total consideration	\$75,000	Nil	\$4,500	\$6,898	\$4,735	\$3,156	\$7,999	\$158,500	\$139,820	Nil	Nil
Current value ²	n/a	\$10,500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$301,348
Amount of consideration spent	\$75,000	n/a	\$4,500	\$6,898	\$4,735	\$3,156	\$7,999	\$87,213	Nil	Nil	n/a
Use of cash consideration	Tenement costs including rent and rates, Directors fees, office costs such as rent and for general working capital.	n/a	Tenement costs including rent and rates, capital raising costs for the Share Purchase Plan, Directors fees, office costs such as rent and for general working capital.						n/a	n/a	n/a
Intended use of remaining cash	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Exploration and development studies over the Company's gold deposits and working capital.		n/a	n/a

¹ Unlisted

² Black Scholes method.

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

10% Placement Facility	has the meaning given in Section 5.1.
10% Placement Period	has the meaning given in Section 5.1(f).
Annual Report	the annual report of the Company for the financial year ended 30 June 2014.
Annual General Meeting	the annual general meeting convened by this Notice.
ASX	ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.
AWST	Australian Western Standard Time, being the time in Perth, Western Australia.
Board	the board of Directors.
Chairman	the chairman of the Annual General Meeting.
Closely Related Party	<p>a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:</p> <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependent of that member or of that member's spouse;(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;(e) a company that is controlled by that member; or(f) any other person prescribed by the regulations.
Constitution	the constitution of the Company.
Company	Riedel Resources Limited ACN 143 042 022.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Equity Securities	has the meaning given in the Listing Rules.
Explanatory Statement	the explanatory statement accompanying the Notice.
Key Management Personnel	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the ASX Listing Rules published and distributed by ASX.

Notice	the notice of annual general meeting accompanying the Explanatory Statement.
Ordinary Resolution	a resolution that has been passed by at least 50% of the votes cast by shareholders entitled to vote on the resolution.
Proxy Form	the proxy form attached to the Notice.
Remuneration Report	the section of the Directors' Report contained in the Annual Report entitled "Remuneration Report".
Resolution	a resolution contained in the Notice.
Section	a section contained in the Explanatory Statement.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of Shares.
Special Resolution	a resolution that has been passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.
VWAP	the volume weighted average price.