
RIEDEL TO ACQUIRE HISTORIC HIGH GRADE COBALT-COPPER-NICKEL-GOLD PROJECT IN SPAIN

HIGHLIGHTS

- ✓ Riedel executes Joint Venture Agreement to **acquire an interest of up to 100%** in the Cármenes Project in Northern Spain.
- ✓ The Cármenes Project covers historic **high grade cobalt (Co), copper (Cu), nickel (Ni) and gold (Au) mines**.
- ✓ Historical mining at the La Profunda Mine produced 100,000 tonnes of ore for 38,000 tonnes of high grade concentrate.
- ✓ The ore was treated at the nearby Villamanin plant, producing concentrate streams that achieved the following exceptional grades:
 - Dual concentrate streams.
 - **Cobalt concentrate – 14% Co plus 4% Ni and 5-6% Cu.**
 - **Copper concentrate – 33% Cu plus 1% Ni.**
 - Single concentrate stream.
 - **4% Co and 20% Cu.**
- ✓ Subsequent discovery and development of the nearby Divinia Providencia Mine produced similar grades to those at La Profunda.
- ✓ Excellent geological potential for the discovery of additional deposits with **95% of the Project area untested** using modern exploration techniques.
- ✓ **Numerous high-priority and drill ready targets already identified.**
- ✓ Strategically located near **established infrastructure** for project development.
- ✓ **Low sovereign risk** mining jurisdiction and **responsible source of cobalt supply.**
- ✓ **No upfront payments or dilutive vend.** Highly favourable acquisition terms as consideration for 90% project interest is by exploration/development expenditure only.
- ✓ Attractive commodity outlook – more than **100% increase in cobalt price** in past 12 months to US\$58,000/t.

Riedel Resources Limited (ASX:RIE) (“**Riedel**” or “the **Company**”) is very pleased to announce it has executed a Joint Venture Agreement whereby Riedel can earn-in an interest of up to 90% in the Cármenes Project located in Northern Spain (“the **Project**”) by way of funding staged exploration and development expenditure, with provision to acquire the remaining 10%.

On the Company’s new acquisition Riedel Resources Executive Chairman, Mr Jeffrey Moore said *“Riedel has invested significant time securing a project in a fundamentally strong commodity that surpasses our technical parameters while also providing Shareholders exceptional acquisition value. The Cármenes Project achieves all of these objectives.”*

Details of the Project and key Agreement terms are outlined below.

PROJECT SUMMARY

Location

The Project is located in the north-west of Spain in the Autonomous Community of Castilla and León, approximately 410km from the capital city of Madrid, 250km from the city of Valladolid (capital of regional administration) and 54km from the city of León (capital of local administration) (see Figure 1).

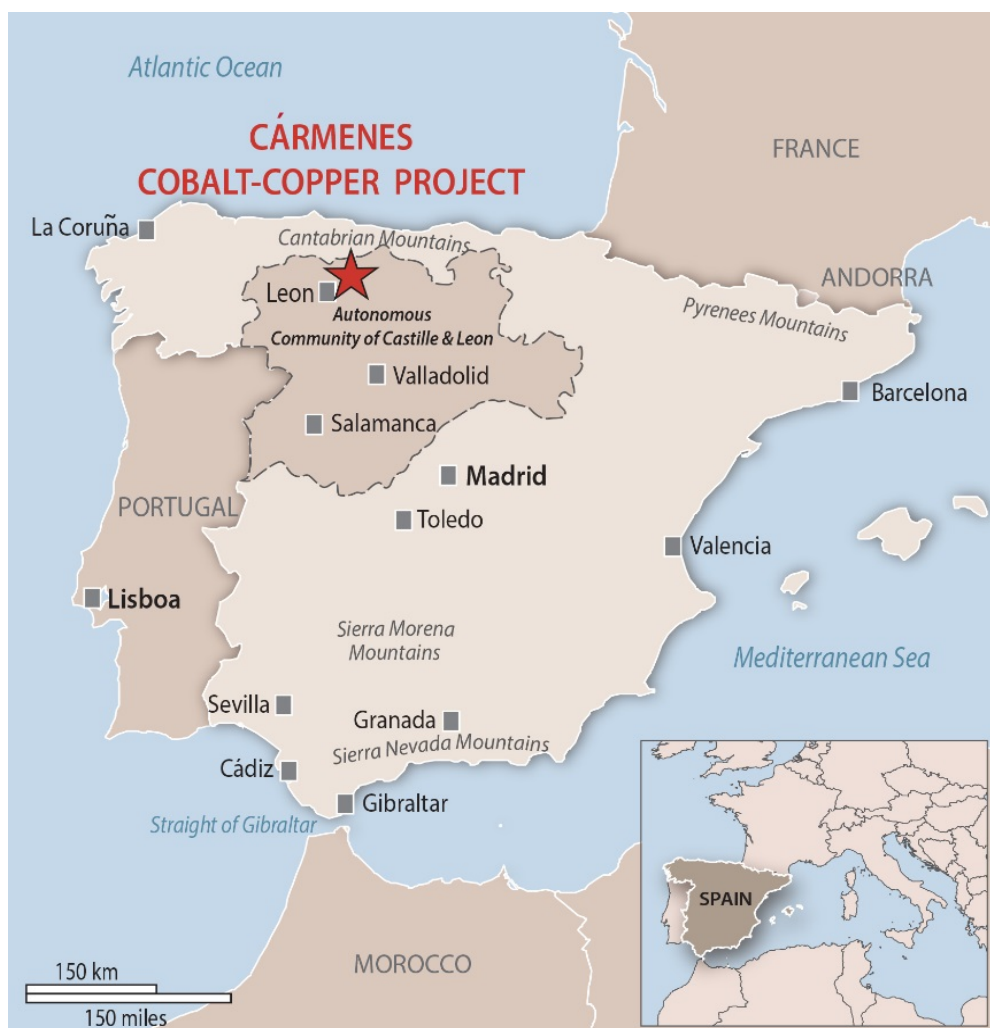


Figure 1 Cármenes Project Location

Tenement Details

The Project is held by **SIEMCALSA** (*Sociedad De Investigación Y Exploración Minera De Castilla Y León S.A.*). SIEMCALSA is a parastatal corporation established in 1988 by initiative of the Regional Government of Castille and León (*Junta de Castilla y León*).

SIEMCALSA is devoted to the promotion and stimulation of the mining sector in Castilla and León and strongly encourage the exploration, development and exploitation of mineral resources in the region. SIEMCALSA welcome the opportunity to work with Riedel in further developing the Cármenes Project.

The Project is covered by two mining investigation permits detailed in the table below (“**Tenements**”):

Cármenes Project Investigation Permits (see Figure 2)	Permit Coverage Area	Permit Expiry Date	Eligible to apply for 3 Year Extension*
Cármenes (n° 15,107)	5.1km ²	12 May 2020	Yes
Valverdin (n° 15,106)	37.2km ²	12 May 2020	Yes

* Application for an extraordinary extension may be granted subject to additional conditions..

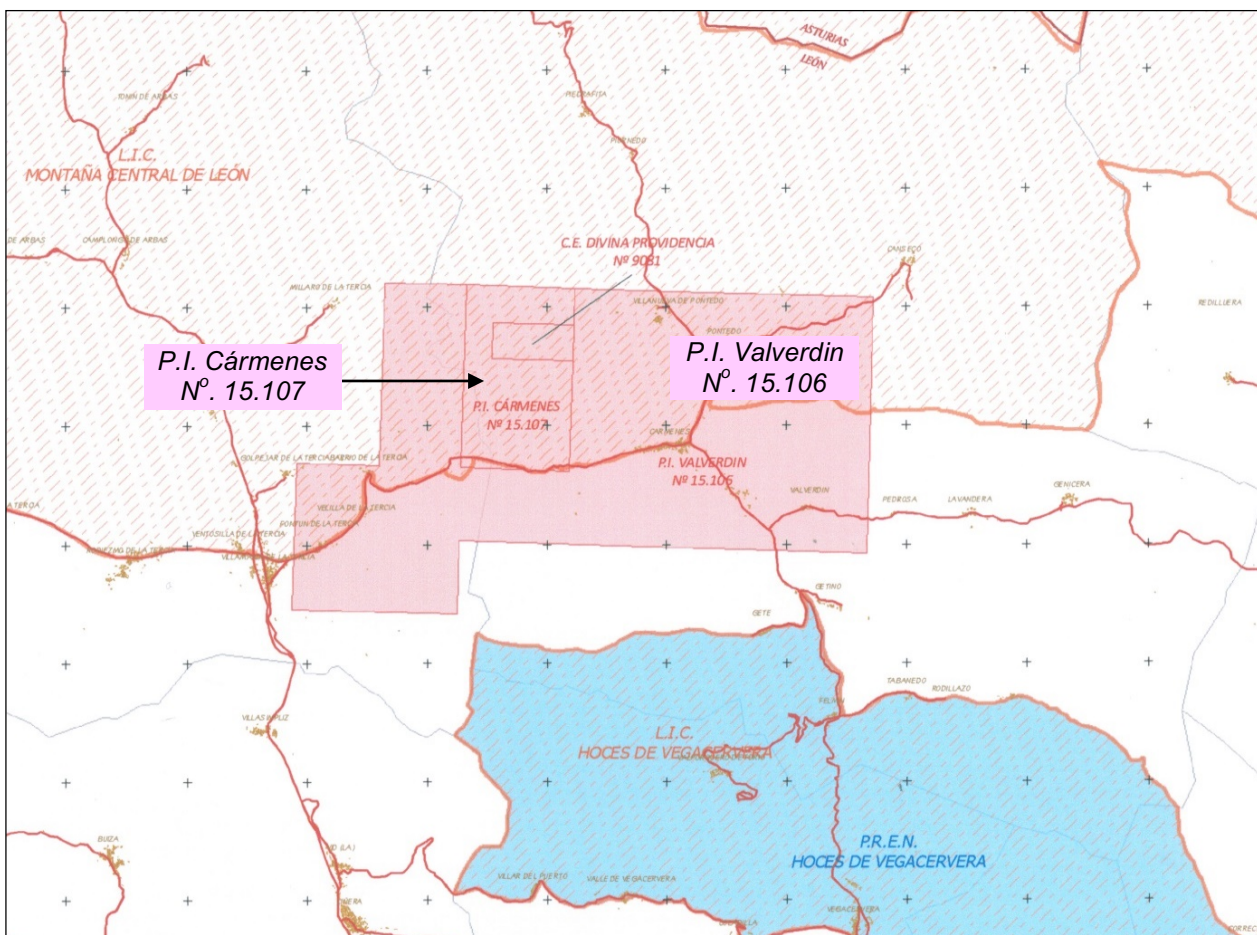


Figure 2 Location of Cármenes and Valverdin investigation permits

Access and Infrastructure

The Project area is strategically located near well established local infrastructure. Access to the Project area is via modern motorways, good local roads and rail network. The local availability of power and other essential services is also well developed and conducive to project development (see *Figure 3*).



Figure 3 Cármenes Project area in background with Villamanin concentrator building and local rail and electricity grid in foreground

Historical Mining and Exploration

The region has been subject to historical mining activity over the years. The La Profunda Mine (Cu-Co-Ni \pm Au-U) has been mined by artisanal methods since Prehistoric times. Mining began in 1870 with high grade ore being discovered at -100 metres in 1883. Mining continued underground at La Profunda until 1890. Complex cobalt/copper/nickel ore was treated at the nearby Villamanin plant and approximately 100,000 tonnes of ore produced 38,000 tonnes of concentrates¹, **with concentrate streams averaging the following exceptional grades:**

- Single concentrate stream (18,000 tonnes)
 - **4% cobalt** and **20% copper**.
- Dual concentrate streams (20,000 tonnes):
 - **Cobalt concentrate - 14% cobalt** plus **4% nickel** and **5-6% copper**.
 - **Copper concentrate – 33% copper** plus **1% nickel**.

Mining resumed between 1924 to 1931, including the treatment of dump material and tailings, with **average ore grades** recorded of **2.2% Cu**, **1.5% Ni**, **0.9% Co**, **0.1% Se**, and **up to 100 g/t Au**.

Other deposits within the investigation permits area, including Valverdin (gold) and Fontun (lead-copper-zinc-silver) were mined by artisanal miners in the 1960's and 1940-1950's respectively (see *Figure 4*).

¹ Source SIEMCALSA presentation (Cármenes project Cu-Co-Ni \pm Au Deposit – September 2016)

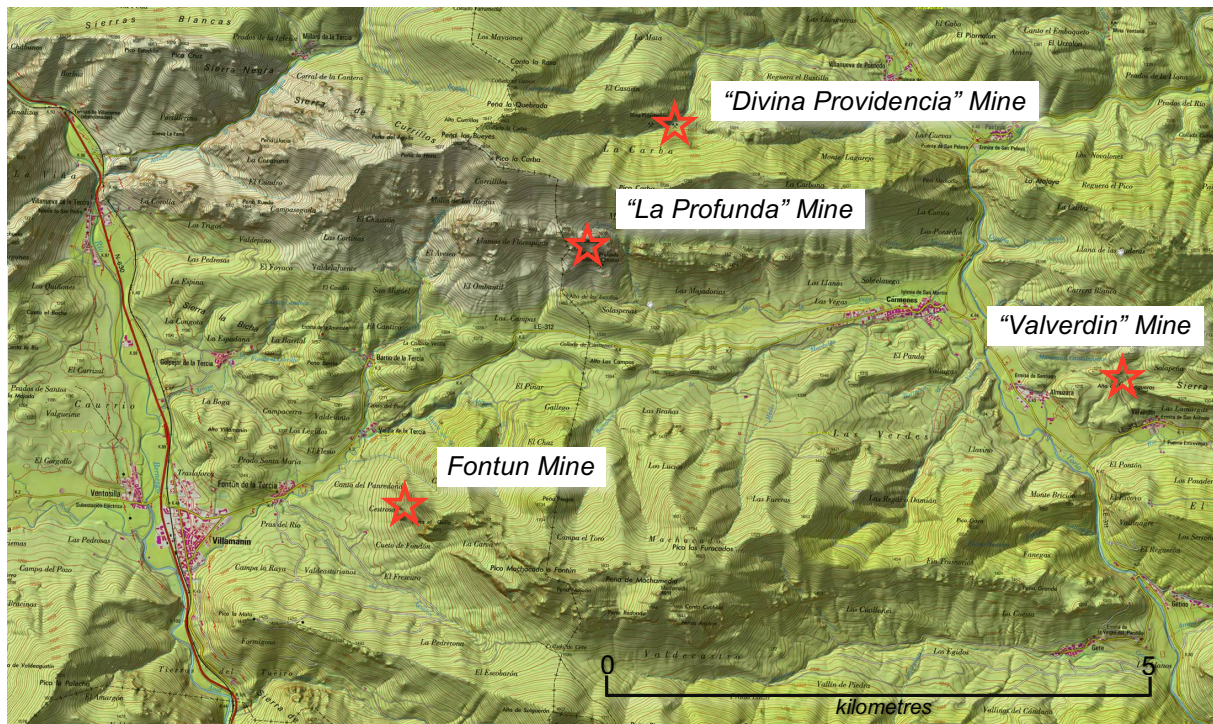


Figure 4 Historic mine locations within investigation permit areas



Figure 5 Location of La Profunda Mine



Figure 6 La Profunda Mine stope

Recent Project Exploration

It was only in 2009 that SIEMCALSA commenced modern exploration work in the Cármenes and Valverdin investigation permits. Since that time SIEMCALSA has carried out numerous geological tests designed to independently identify anomalies that when overlaid provide a significant number of highly prospective priority targets. Testwork included:

Stream sediment geochemical sampling	Radiometric surveys
Geological mapping	Lithogeochemical sampling
Magnetic surveys	Induced polarization geophysical surveys
Soil geochemical sampling	Trenching

SIEMCALSA estimate that **only about 5% of the permit area has been explored with modern exploration methods** (see Figure 7). Encouragingly, even within this very limited area subject to modern exploration, **SIEMCALSA have identified 9 high-priority exploration targets around the La Profunda former cobalt mine and 2 high-priority exploration targets near the Valverdin mine**. Each of the targets hold excellent potential for the discovery of cobalt mineral deposits similar to those mined at La Profunda and Providencia, highlighting the significant potential which exists within the investigation permits.

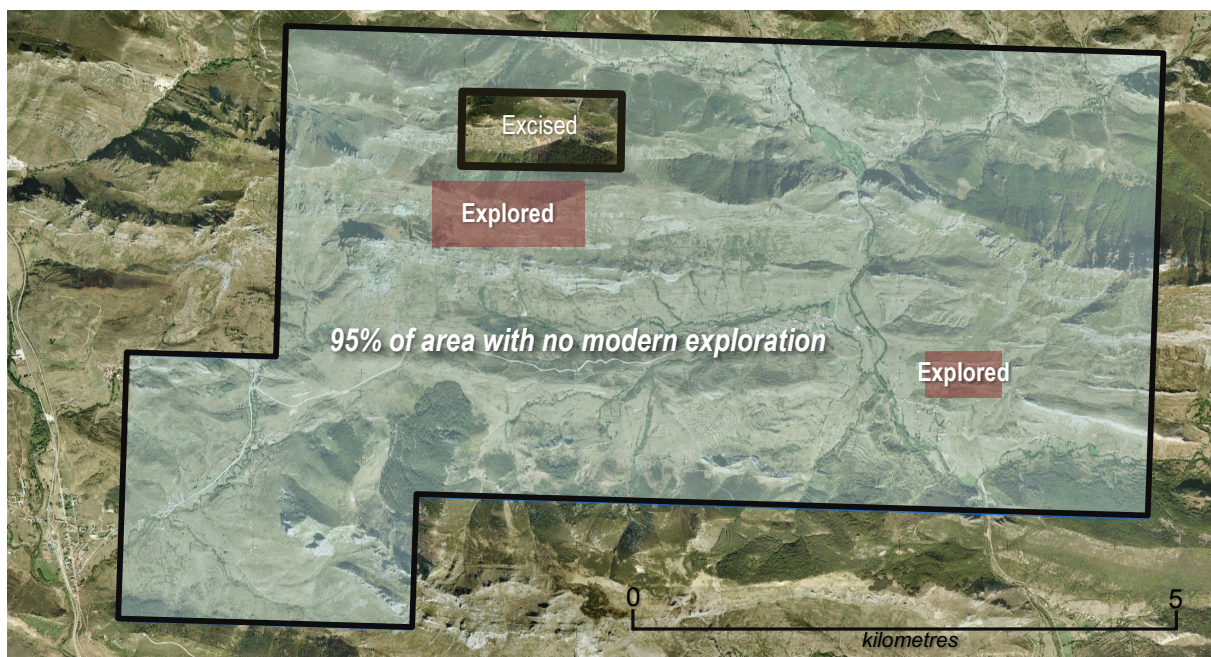


Figure 7 Investigation permit areas showing areas explored by SIEMCALSA since 2009

PROJECT DUE DILIGENCE AND FUTURE EXPLORATION PROGRAMME

Riedel has completed Project due diligence, including field review and a full technical data and Spanish legal review. The technical data review included reprocessing of geophysical data that has confirmed the validity of several very high priority targets that are ready for drilling.

Riedel proposes to commence **exploration programmes as soon as possible to drill test the two highest priority targets already identified**, as well as commencing more wide-ranging exploration over the project area using geochemical and geophysical exploration methodologies to delineate additional high-priority exploration and drilling targets.

THE COBALT MARKET

Cobalt prices have soared over the last 12 months to a price of over US\$58,000/t, representing an increase of more than 100% over the past year (see *Figure 8*). Key drivers for the dramatic increase in price relate to both demand and supply side factors.

Demand Side Factors

Although cobalt has a diverse range of metallurgical and chemical uses, it is distinct among peer metals in that roughly half of current consumption is in battery manufacture. It has increasingly become sought after due to being a primary component of the battery chemistry for lithium ion batteries. While lithium is often thought of as a key battery material, more cobalt by value and weight is used in the most common lithium-ion batteries compared to lithium.

Supply Side Factors

The lack of recent exploration discoveries has resulted in stagnant supply growth of cobalt. China has very limited domestic supply of cobalt and is highly reliant on the Democratic Republic of Congo ("**DRC**"). The DRC currently produces approximately 60% of cobalt globally but is a country where geopolitical instability and risk is on the rise leading to increased supply side disruptions. In addition reports of human rights and child labour abuses in the DRC have applied pressure on multinational consumer electronics companies to ensure that the cobalt used in their products is sourced from socially responsible regions and producers.

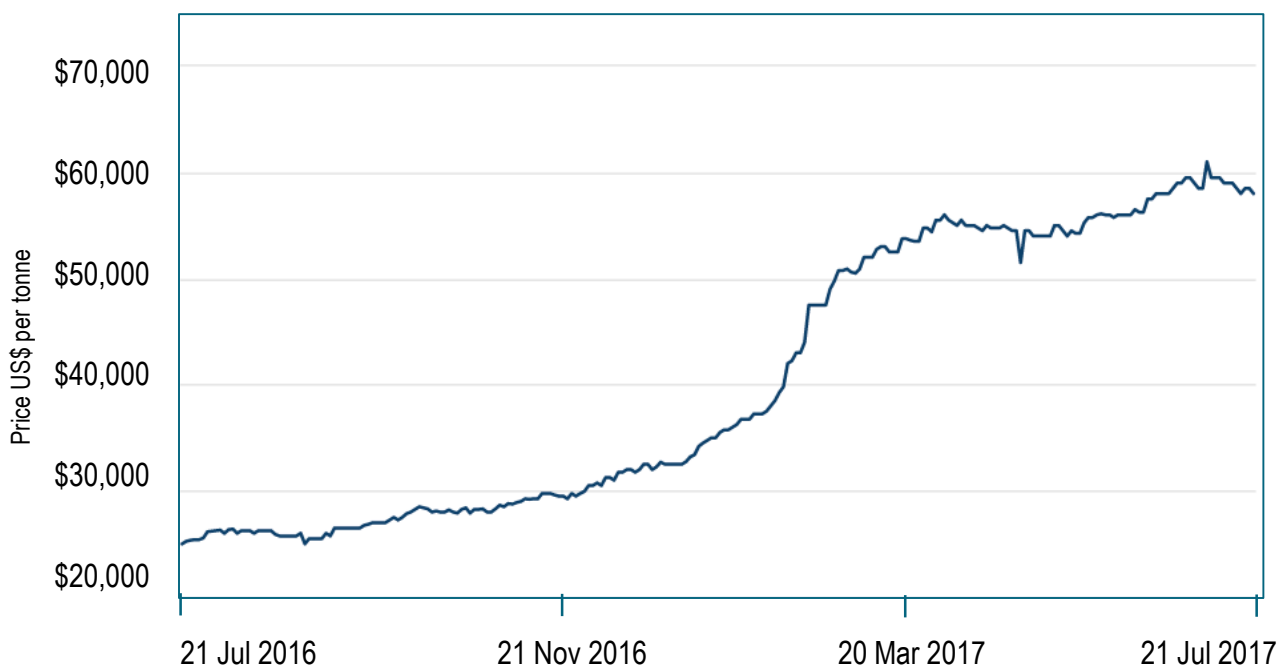


Figure 8 ²Cobalt Price Chart - 12 months

²(Source: LME www.lme.com/metals/minor-metals/cobalt/)

CÁRMENES PROJECT JOINT VENTURE AGREEMENT

On 21 July 2017, Riedel signed a Joint Venture Agreement with SIEMCALSA whereby **Riedel can earn-in an interest of up to 90% in the Cármenes Project**, with provision for Riedel to acquire the remaining 10% interest from SIEMCALSA.

Key Terms of the Agreement

INTERESTS EARNED FROM PROJECT EXPENDITURE

Riedel has the exclusive right to acquire interests of up to 90% in the Project by staged expenditure on exploration activities within the Tenements (i.e. by 'earn-in'). Further, it can **acquire the remaining 10% interest in the Tenements**, as per the key terms outlined below.

No other payments (cash or shares) are required to be paid to SIEMCALSA.

Riedel has the right (but not the obligation) to fund the following Project expenditure to earn the associated Project interest:

Year 1 – Stage 1 Project Expenditure

Riedel may spend a minimum of **€300,000** on exploration programmes at the Cármenes Project.

Year 2 – Stage 2 Project Expenditure

Riedel may spend a minimum of **€700,000** on exploration programmes at the Cármenes Project.

50% Interest Earned After Stage 1 and 2

If Riedel successfully completes the Stage 1 and 2 Project Expenditure by the end of Year 2 (or earlier or later if force majeure determines or the parties agree to a longer timeframe), Riedel will have earned a 50% interest in the Project (Tenements).

Year 3 – Stage 3 Project Expenditure

Riedel may spend a minimum of **€1,000,000** on exploration programmes at the Cármenes Project.

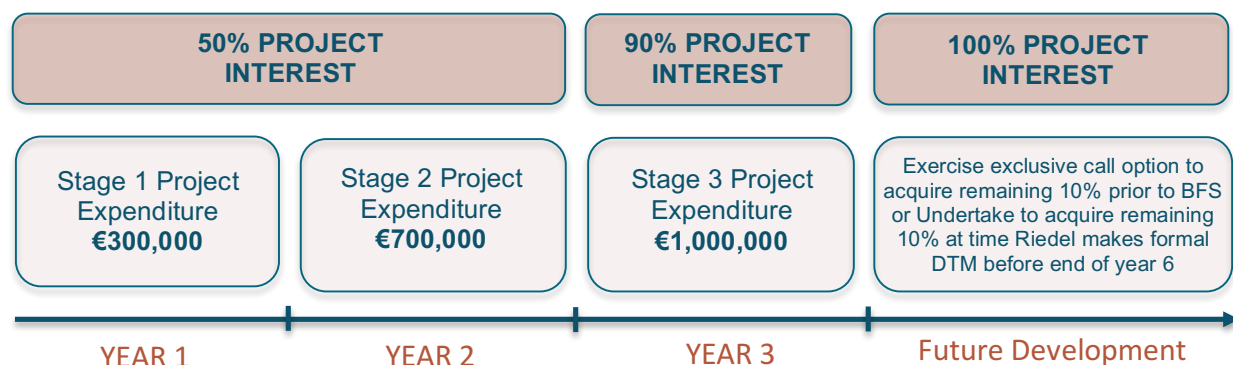
90% Interest Earned After Stage 1, 2 and 3

If Riedel successfully completes the Stage 1, 2 and 3 Project Expenditure by the end of Year 3 (or earlier or later if force majeure determines or the parties agree to a longer timeframe), Riedel will have earned a 90% interest in the Project (Tenements).

Remaining 10% interest in the Tenements

Subsequent to Riedel earning its 90% interest in the Tenements, it may choose to acquire the remaining 10% interest held by SIEMCALSA in the Project in one of two ways:

- **Call option:** Exercising its exclusive call option and acquiring the remaining 10% before its decision to commence a Bankable Feasibility Study (BFS), by cash payment at agreed price or a net smelter return (“NSR”) royalty **or**;
- **Undertaking:** If Riedel makes a formal decision to mine (DTM), it undertakes to acquire the remaining 10% by cash payment at agreed price or NSR royalty which must occur before the end of year 6.



EXTRAORDINARY EXTENSION PROVISION

The Agreement makes provision for Riedel to request SIEMCALSA to apply for a further three year extraordinary extension of the duration of the Tenements subject to certain conditions and minimum expenditure commitments being satisfied

PROJECT MANAGEMENT

Riedel will be the operator and manager of the Project for the term of the Agreement.

Riedel may choose to engage SIEMCALSA as a subcontractor to advise on exploration planning, perform technical services, execute work programmes on agreed budgets and prepare documentation of exploration and deliverables, thereby minimising overhead costs to Riedel associated with mobilising an onsite geological team.

About Riedel Resources Limited

Riedel Resources Limited listed on ASX on 31 January 2011 and is an Australian-based exploration company established to explore for and develop mineral deposits.

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

About SIEMCALSA

SIEMCALSA (*Sociedad De Investigación Y Exploración Minera De Castilla Y León S.A.*) is a parastatal corporation established in 1988 devoted to the promotion and stimulation of the mining sector in the Castilla and León (Spain).

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

Forward Looking Statements

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside Riedel's control.

Accordingly, neither Riedel nor any of its officers, employees or advisors gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will occur as described, within any timeframe described, or at all.