

ASX ANNOUNCEMENT
31 July 2017

RIEDEL RESOURCES
ASX Code: RIE

ABN: 91 143 042 022

COMPANY DIRECTORS

Mr Jeffrey Moore
Executive Chairman

Mr Alexander Sutherland
Non-Executive Director

Mr Scott Cuomo
Non-Executive Director

COMPANY SECRETARIES

Mr Henko Vos and Ms Abby Siew

CONTACT DETAILS

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Capital Structure

Ordinary Shares: 244m
Unlisted Options: 42.9m

Market Capitalisation

A\$4.6 million (at \$0.019)

Cash Reserves

A\$899,000 (at 30 June 2017)
A\$2.8 million (proposed
subsequent to quarter end)



QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDING 30 JUNE 2017

Subsequent to end of June Quarter

OPERATIONAL HIGHLIGHTS

- ✓ Riedel executed a Joint Venture Agreement to **acquire an interest of up to 100%** in the Cármenes Project in 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.**
- ✓ 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. JV Partner and current Project holder, **SIEMCALSA**, is a Spanish parastatal corporation **devoted to the promotion and stimulation of the mining sector** in the Region of Castilla and León.

CORPORATE HIGHLIGHTS

- ✓ **Heavily oversubscribed** placement at a **50% premium** to last traded price, to raise \$549,224
- ✓ **Fully underwritten** proposed 1 for 3 rights issue to raise approximately \$1.4m
- ✓ Cash at bank 30 June 2017 **\$899,000 plus proposed \$1.95m** from capital raisings subsequent to June quarter end.
- ✓ **New board appointments** as Company pursues key European cobalt markets

OPERATIONAL SUMMARY

During the June quarter **Riedel Resources Limited** (ASX:RIE) (“**Riedel**” or “the **Company**”) continued its operational focus on identifying and securing high grade cobalt and tech-energy related metals exploration and development opportunities.

Subsequent to the end of the June quarter Riedel was very pleased to announce that it had 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%.

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

EUROPEAN PROJECTS - CÁRMENES PROJECT SPAIN

Project 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..

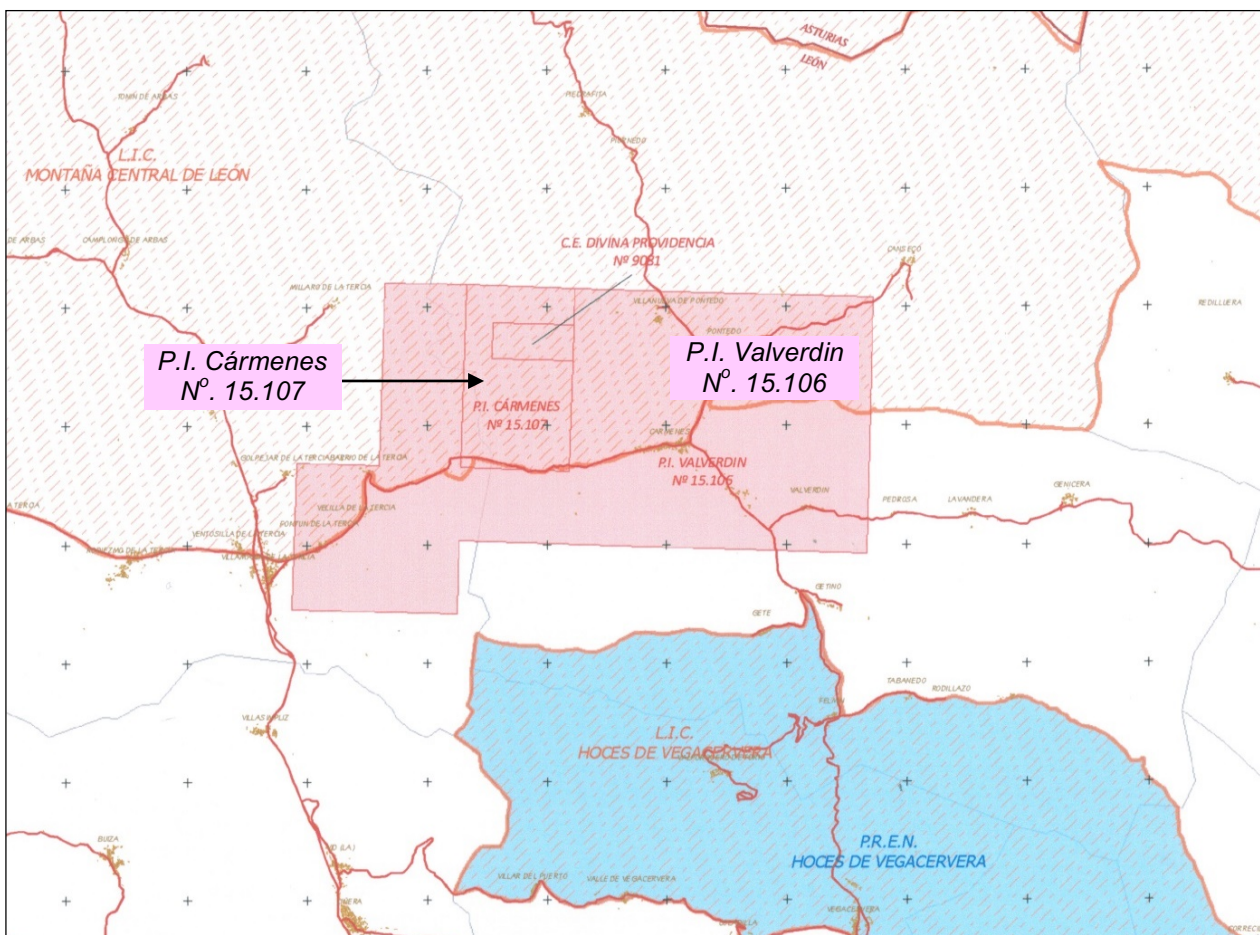


Figure 2 Location of Cármenes and Valverdin investigation permits

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)

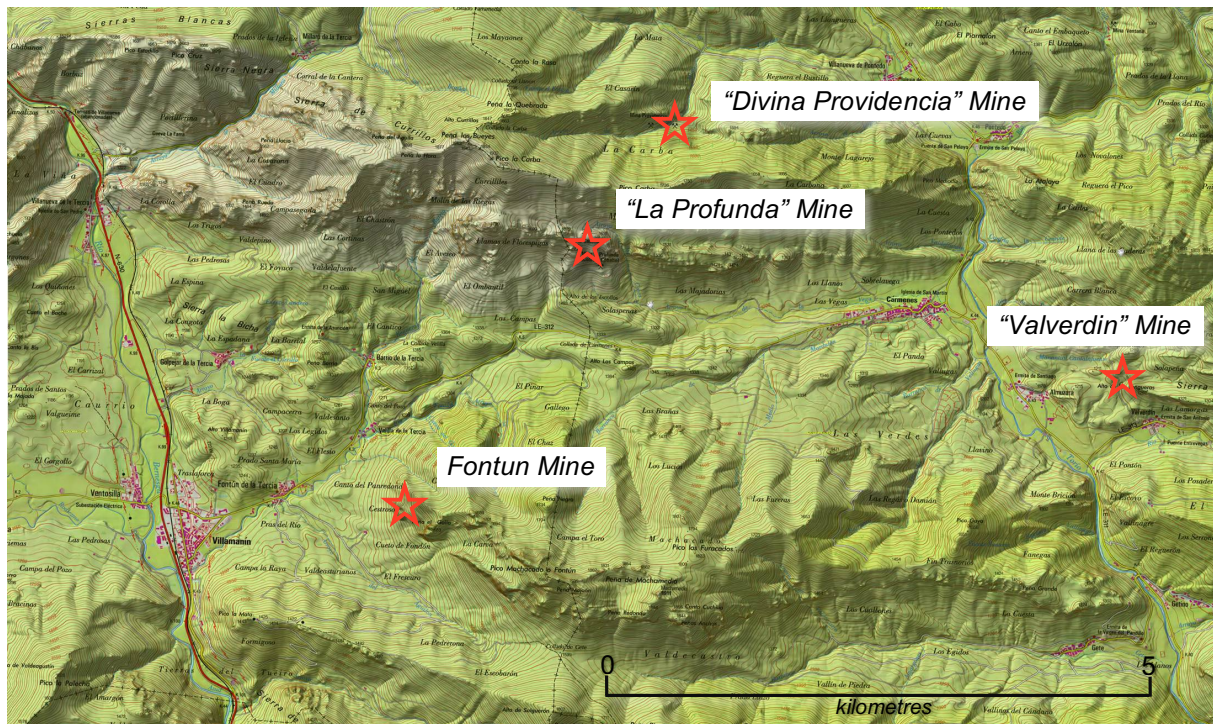


Figure 4 Historic mine locations within investigation permit areas



Figure 5 Location of La Profunda Mine

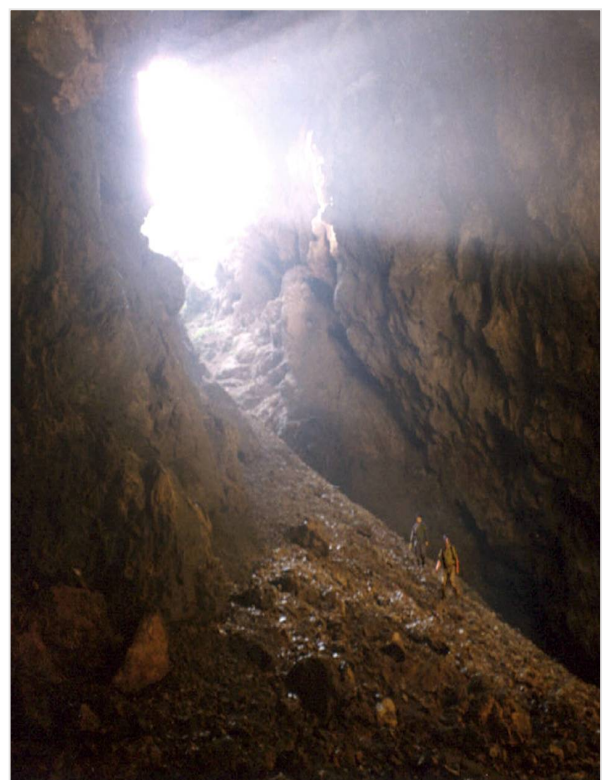


Figure 6 La Profunda Mine stope

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.

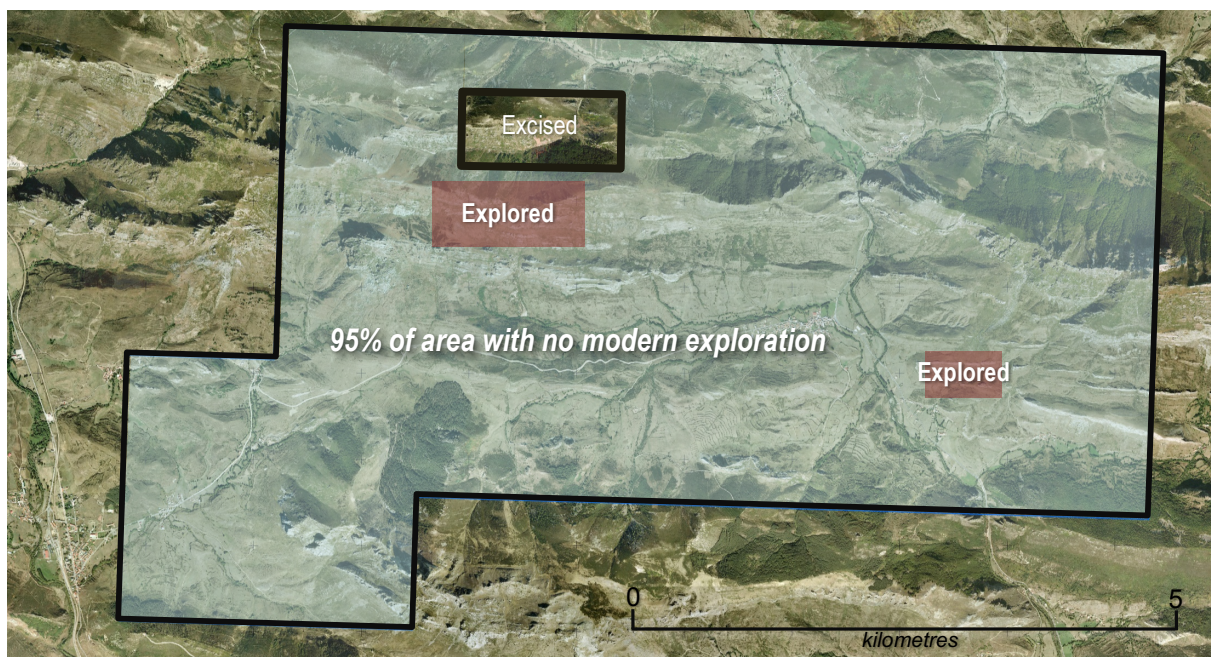


Figure 7 Investigation permit areas showing areas explored by SIEMCALSA since 2009

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 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.

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.

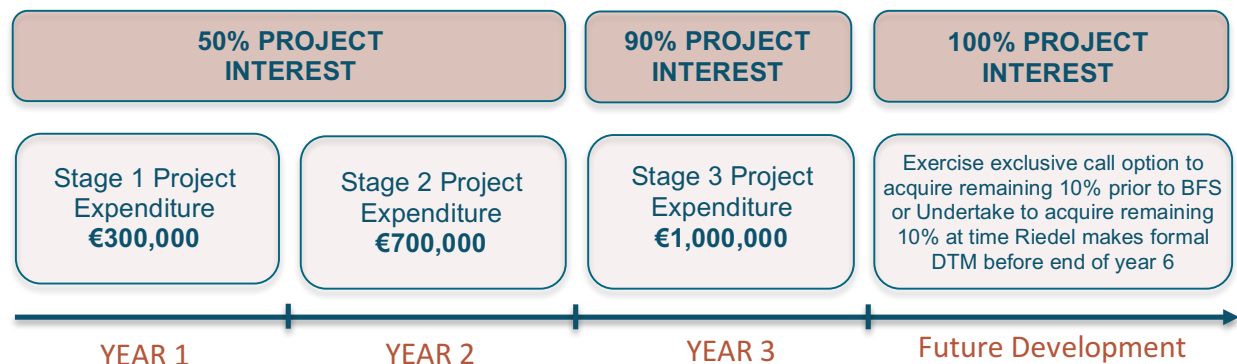
90% Interest Earned After Stage 1, 2 and 3

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.

AUSTRALIAN PROJECTS

Riedel's Western Australia assets include two projects in prospective Archaean- and Proterozoic-age terranes (see Figure 8 for location of projects).

These include:

- **Marymia** – (copper, gold, nickel and base metals) Australian Mines earning up to 80% by project expenditure of up to \$3.3M;
- **Charteris Creek** – (copper, molybdenum, gold and base metals) Riedel 100%.

These projects are augmented by two Western Australian gold project royalty agreements.



Figure 8: Western Australia Project locations

MARYMIA PROJECT JOINT VENTURE – WESTERN AUSTRALIA

Exploration licences 52/2394 and 52/2395 ("the Marymia Project") are being explored under a joint venture agreement with Australian Mines.

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

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

Australian Mines have advised that they are on track to satisfying its exploration spending obligations to earn an 80% interest in the project by June 2018.

Project tenement location and geology

E52/2394 and E52/2395, which collectively form the Marymia Project, cover an area of 254 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 40 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 9).

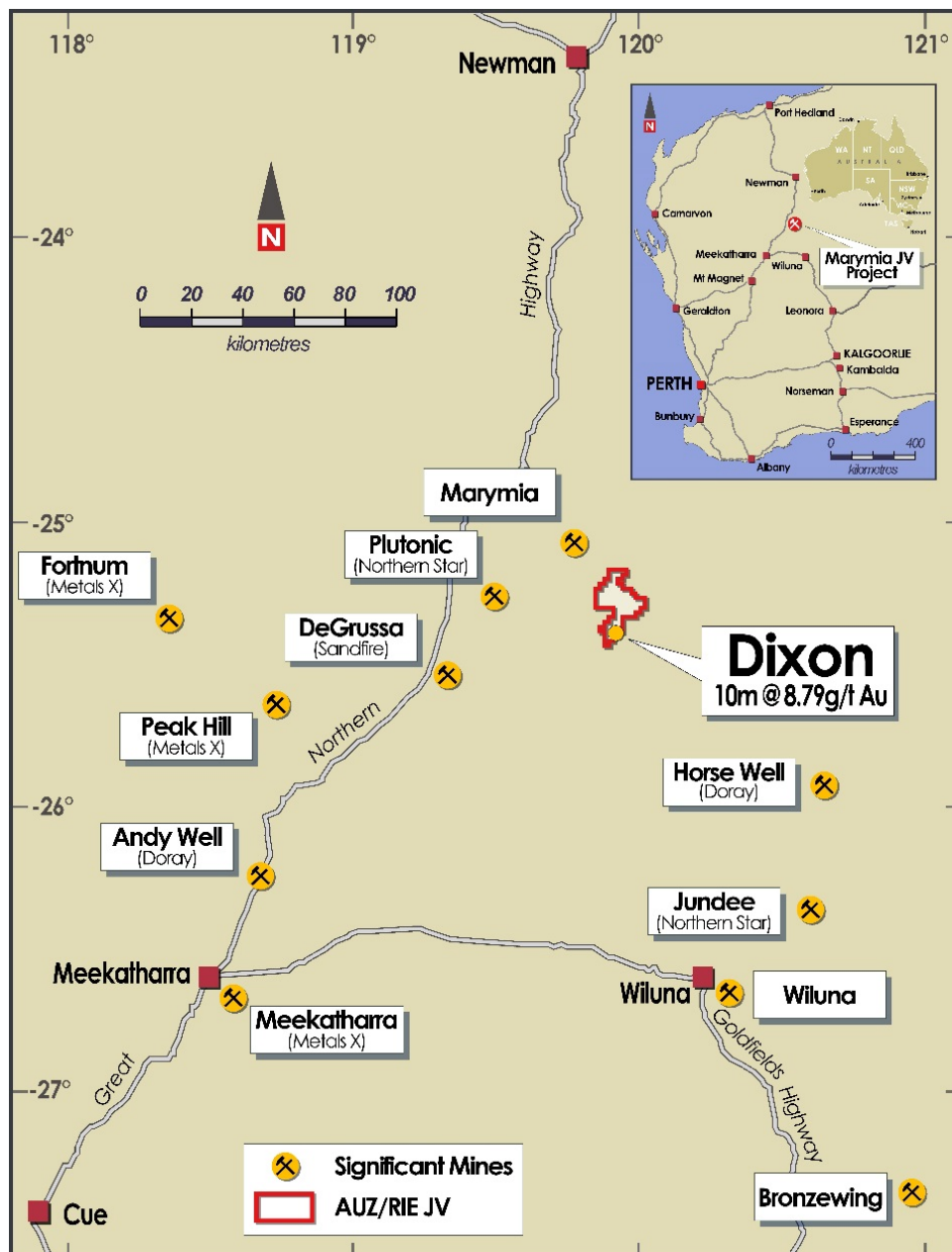


Figure 9: Marymia Project - Location Map

Activities for the period ended 30 June 2017 and exploration forecast

During the quarter Australian Mines completed a heritage survey area in preparation for the next drill program at the Dixon Prospect. The planned program comprises a total of 120 air core holes for an estimated 7,185 metres of drilling (see Figure 10).

Drilling to date has focused on just a few 100 metres of an identified 6-kilometre-long target zone, centred around the Company's maiden drill hole (MMRC106), which returned a very encouraging 10 metres @ 8.79 g/t gold from 130 metres downhole in late 2015.

Due to the nature of shallow transported cover encountered across the prospect area traditional soil sampling techniques are likely to be ineffective. Accordingly, Australian Mines will instead utilise shallow air core drilling to test the continuity of the oxide / supergene gold known to occur above the higher-grade bedrock-hosted gold mineralisation. The results will then be used to guide future RC and diamond drilling.

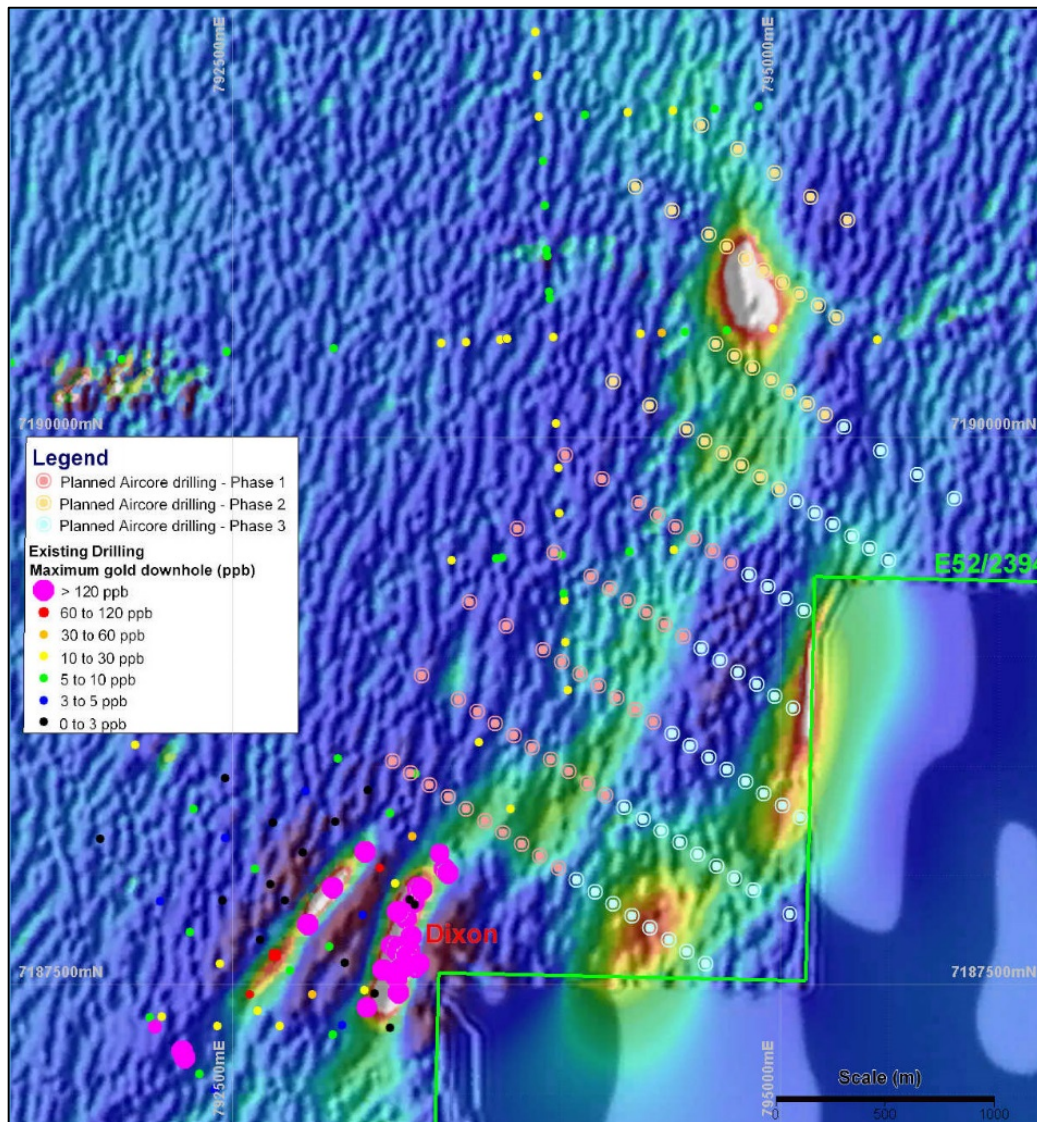


Figure 10: Plan view of the Dixon prospect displaying the maximum gold downhole intercept with the planned air core drilling (by phase) on aeromagnetic image background

CHARTERIS CREEK PROJECT – WESTERN AUSTRALIA

Tenement location and geology

Exploration Licence E45/2763 is located approximately 45km north of Nullagine and 50km south-east of Marble Bar in the Pilbara Region of Western Australia (see *Figures 8 and 11 for project location*).

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

The Company's exploration focus is on Archaean intrusive rocks, which intrude the greenstone succession overlying the McPhee Dome structure. These are described as Gobbos Granodiorite, a locally porphyritic biotite granodiorite and monzogranite. Various copper and copper-molybdenum occurrences are reported in association with these intrusive rocks.

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

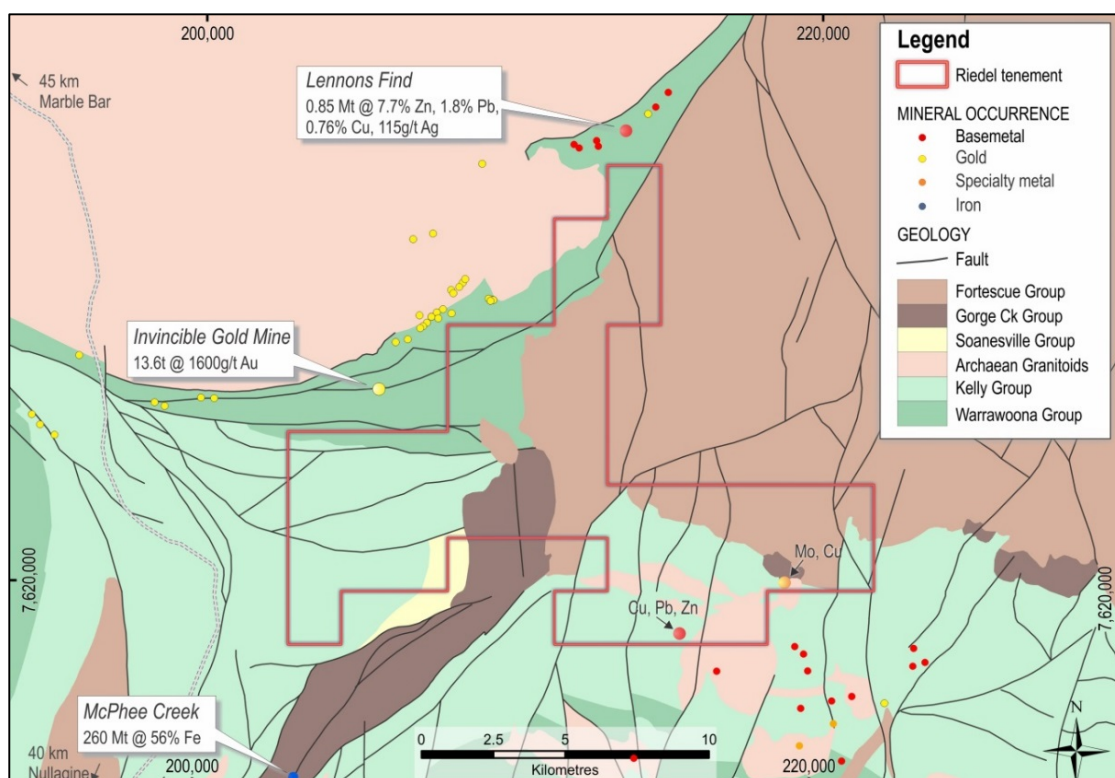


Figure 11: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits

Exploration work carried during 2014-2015 has confirmed that there are structural and porphyritic elements interacting to control the zones of anomalous copper and molybdenum seen within the Project area.

Within E45/2763, several historic percussion drillholes at the Lightning Ridge Prospect returned anomalous assay results for copper and molybdenum, including drillhole RS1 (58m) which returned **25m at 1.1% Cu** and **3m at 0.1-0.2% Mo**.

Riedel considers this mineralisation to be distal and not in the centre of a larger porphyry body.

Mineralisation has also been previously defined at other prospects to the south of E45/2763, including at Gobbos. At Gobbos surface samples up to 41% Cu have been recorded as well as 13 metres @ 4.28% Cu from a costean. Historic shallow drilling has also intersected numerous significant intersections of +1% Cu. The mineralisation is interpreted as being part of the same large intrusive body of rocks that extend into Riedel's drilling target area, under Fortescue Group cover.

Activities for the period ended 30 June 2017 and exploration forecast

There were no exploration programs completed during the quarter.

CORPORATE SUMMARY

CASH POSITION AT 30 JUNE 2017

The Company held Cash Reserves at 30 June 2017 of **\$899,000**.

PLACEMENT TO RAISE \$549,223.98 SUBSEQUENT TO JUNE QUARTER END

Subsequent to the end of the quarter Riedel announced that it had received firm commitments from non-related party professional and sophisticated investors to raise **\$549,223.98** (before costs) by the issue of 36,614,932 fully paid ordinary shares at an issue price of \$0.015 (1.5 cents) under Riedel's current 15% capacity under ASX Listing Rule 7.1.

The Placement issue price **represented a 50% premium to the last traded price** of Riedel shares on the ASX of \$0.01 (1 cent) and a 49.64% premium to the 30 day volume weighted average price up to and including Friday, 21 July 2017. **No additional options were attached to the Placement shares.**

PROPOSED FULLY UNDERWRITTEN PRO-RATA 1 FOR 3 NON RENOUNCEABLE RIGHTS ISSUE TO RAISE \$1,403,572.52 SUBSEQUENT TO JUNE QUARTER END

Subsequent to the end of the quarter Riedel announced that it proposed to undertake a fully underwritten pro-rata non-renounceable rights issue to raise up to **\$1,403,572.52** (before costs). It is proposed that Shareholders of Riedel will be offered 1 new fully paid ordinary share for every 3 shares held by eligible shareholders on the record date for determining entitlements (5:00pm WST 7 August 2017), at an issue price of \$0.015 (1.5 cents).

Riedel intends to conduct the proposed Rights Issue pursuant to an offer made under a transaction specific prospectus ("**Prospectus**") expected to be lodged in the coming days.

BOARD CHANGES

Subsequent to the end of the quarter Riedel announced the appointment of Mr Alexander Sutherland and Mr Scott Cuomo as Non-Executive Directors of the Company as it drives its new direction of securing and developing cobalt and tech-energy metals opportunities in key European lithium-ion battery markets.

Currently located in Switzerland, Mr Sutherland was Global Projects Manager for Alcoa Europe and has held senior management positions in multinational firms including KPMG and Sapa AB, a subsidiary of Norsk Hydro. He has extensive international experience including fifteen years in Europe, eight in the Asia Pacific Region and two years in the United States. He brings significant knowledge of International Finance and the Resources Sector and provides international depth to our executive team as Riedel pursues exploration and development opportunities outside of Australia.

Mr Scott Cuomo will relocate from Sydney to join Executive Chairman, Mr Jeffrey Moore in Perth. Mr Cuomo is a highly experienced and successful entrepreneur in the mobile telecommunications sector. His career spans over 25 years and includes establishing Vodafone's largest Australian retail partner. Prior to that he was the National Business Development Manager of Optus reseller, B Digital Limited, an ASX listed company that was subject to take-over in 2007. He offers valuable experience in strategic planning, risk management and has vast networks in the mobile telecommunications industry.

To facilitate these new appointments, Mr Mark Skiffington and Mr Luke Matthews have stepped down from their roles as Non-Executive Directors after more than 18 months with the Company.

TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 30 June 2017.

Area of Interest	Tenement reference	Nature of interest	Interest
Charteris Creek	E45/2763	Direct	100%
Marymia	E52/2394	Direct	49%
Marymia	E52/2395	Direct	49%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

For further information please contact:

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About Riedel Resources Limited

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

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

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

Competent Person's Statement

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

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.