

13 March 2018

ASX RELEASE

RAIDEN RESOURCES LIMITED ENTERS INTO USD\$31.5 MILLION EARN-IN AND JOINT VENTURE AGREEMENT WITH RIO TINTO

- Raiden executes Earn-in and Joint Venture Agreement with Rio Tinto in respect of three of Raiden's exploration licences located in Serbia
- Licences located with the prolific Western Tethyan Metallogenic Belt which is prospective for porphyry copper-gold and associated styles of mineralisation
- Joint Venture provides Rio Tinto with the option, but not the obligation, to spend up to US\$31.5 million (~AUD\$40m) to earn up to a 75% project-level interest over three stages
- Rio Tinto will be appointed manager of the Joint Venture
- Transaction validates the prospectivity of these licences and the potential to host world class mineral deposits
- Raiden will focus on its four retained project prospective for similar styles of mineralisation, with exploration commencing in H1 2018

Raiden Resources Limited (**Raiden** or the **Company**) is pleased to announce that it (together with its wholly owned subsidiaries Kingstown Resources D.O.O. Beograd and Skarnore Resources D.O.O. Beograd) have entered into an Earn-in and Joint Venture Agreement with Rio Tinto Mining and Exploration Limited (**Rio Tinto**), a member of the Rio Tinto Group. This Agreement covers the Company's Zapadni Majdanpek, Majdanpek Pojas and Donje Nevlje exploration licences located in Serbia (**JV Licences**) (**Agreement**). The JV Licences are located within the Western Tethyan Metallogenic Belt in Eastern Europe, which hosts numerous tier-one copper-gold porphyry and associated mineral deposits, including recent discoveries.

Dusko Ljubojevic, Executive Director of Raiden, commented:

"We welcome Rio Tinto as a partner through this Earn-in and Joint Venture agreement on our selected licences. Rio Tinto delivers a tremendous depth of experience in these styles of mineralisation and a commitment to the Western Tethyan belt, together with funding capacity to unlock the potential of world class projects."

"In our opinion, this validates the prospectivity of our licences and we look forward to working closely with the Rio team and realising the potential of the JV properties. It also enables us to focus on exploration in our retained licences to rapidly deploy our planned exploration program"

As noted in the Company's prospectus dated 13 December 2017 (**Prospectus**), Raiden was in advanced discussions with a major international mining company regarding a proposed joint venture. The Company is delighted these discussions have successfully concluded, with the Company's entry into the Agreement with Rio Tinto, one of the world's largest and most respected exploration and mining companies.

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The licences are located within the prolific Western Tethyan metallogenic belt and the exploration targets are for copper-gold porphyry and related mineralisation. The Majdanpek West and Majdanpek Pojas licenses are located within the northern section of the Timok Magmatic Complex, in the Serbian section of the East European Carpathian-Balkan Arc. The Timok Magmatic Complex is one of the most copper endowed districts in the entire belt. The mineralisation is hosted within a porphyry and epithermal geological setting, which intruded into Cretaceous volcanic and volcanoclastic units.

The Donje Nevlje project, located approximately 125km south of the Timok magmatic Complex. Geological mapping and exploration by the Serbian Geological Survey in the 1960's confirmed the compatibility of the stratigraphy and lithologies, primarily andesite volcanics and pyroclastics of Upper Cretaceous age, with those of the Timok Magmatic Complex. The permit includes copper mineralisation and hydrothermal rock alteration that could be related to a porphyry copper system. Previous explorers have defined geochemical and geophysical anomalies which to date remain untested.

Further detailed information on the JV Licences and Raiden's other projects can be found in the Prospectus, which includes an Independent Geologists Report pertaining to the Company's Serbian projects. Rio Tinto will be appointed as the manager of the Joint Venture and will sole fund the project until the earlier of:

- the date Rio Tinto elects not to continue with an earn-in stage;
- the end of the earn-in period;
- and termination of the Agreement.

The formation of the Joint Venture will provide the company with a significant source of funding for exploration of the JV Licences and will enable the Company to devote further resources to exploration and development of its other assets, as well as evaluation of new opportunities in line with the Company's growth strategy.

As disclosed in the Prospectus, the Company intends to reallocate its existing funds to its other licences on a pro-rata basis while Rio Tinto undertakes its sole funding period on the JV Licences.

Key terms of the Earn-in and Joint Venture Agreement

The key terms of the Agreement are as follows:

- **Condition:** The Agreement is conditional on Rio Tinto being satisfied with its due diligence investigations within 60 days of the execution of the Agreement. Rio Tinto will advise the Company on the day this condition is satisfied or waived (**Effective Date**), and on this day an unincorporated joint venture will be formed.
- **Earn-in:** Rio Tinto has the option to sole fund a three stage earn-in totalling US\$31.5 million (~AUD\$40m) as follows:
 - **Stage 1** - US\$2.5 million (~AUD\$3.1m) within 3 years of the Effective Date to earn a 51% participating interest, with a minimum of US\$500,000 (~AUD\$635,000), committed in the first 12 months

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- **Stage 2** – US\$9 million (~AUD\$11.4m) in the 3 year period after Stage 1 to earn an additional 14% interest (for a total participating interest of 65%)
- **Stage 3** – US\$20 million (~AUD\$25.4m) in the 3 year period after Stage 2 to earn an additional 10% interest (for a total participating interest of 75%)
- **Sole funding period:** Rio Tinto will sole fund the project until the earlier of: the date Rio Tinto elects not to continue with an earn-in stage (in which case the parties will contribute to project expenditure proportionate to their participating interest); the end of the earn-in period; and termination of the Agreement.
- **Management Committee:** the parties will form a management committee to be comprised of 2 representatives appointed by Rio Tinto and 2 representatives appointed by the Company. During the sole fund period, the Rio Tinto representatives will make decisions of the committee following consultation with other committee members, following which the committee members will have voting rights that corresponds to their participating interest in the project.
- **Manager:** Rio Tinto shall be the manager of the joint venture during the sole fund period, following which the manager will be appointed by the management committee.
- **Joint Venture:** an unincorporated Joint Venture will be formed on the Effective Date. Rio Tinto shall have the election to incorporate the Joint Venture, in which case the parties will hold shares in the Joint Venture entity in proportion to their participating interest in the Joint Venture at that time.

Contact

For corporate matters, please contact joint corporate advisors:



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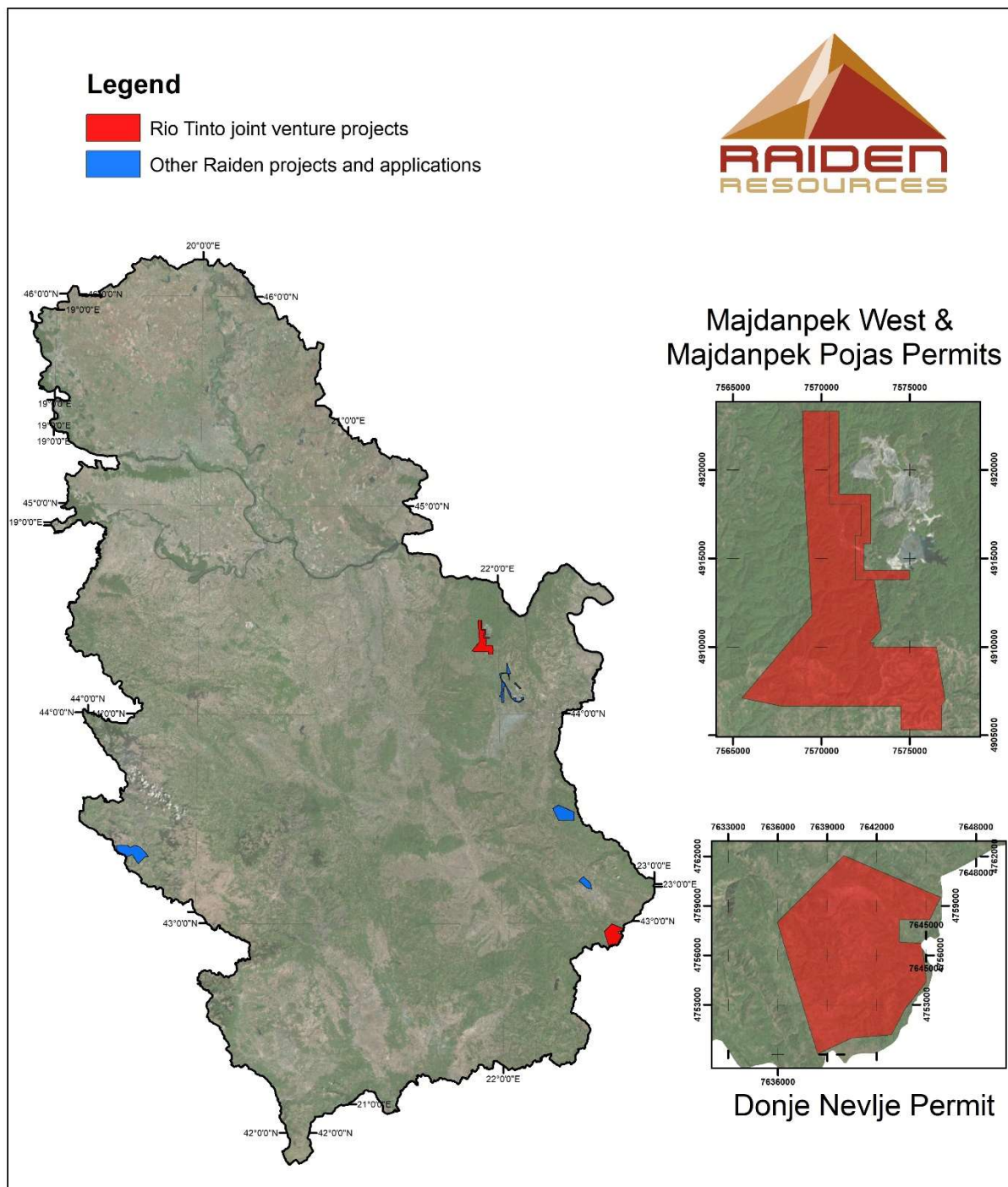
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ANNEXURE A



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