ASX and Media Release
15 May 2018

CÁRMENES COBALT-COPPER PROJECT – SPAIN

ADDITIONAL HIGH-GRADE VEIN AND NUMEROUS TARGETS IDENTIFIED AT PROFUNDA MINE TREND

RIEDEL RESOURCES

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HIGHLIGHTS

- **Eleven high-priority target areas** identified from radiometric surveys over the 3.7 kilometre long "Profunda Mine Trend"
- Follow-up **pole-dipole IP geophysical surveys totalling 6,700 line metres and magnetic surveys totalling 10,250 metres** now underway over all eleven target areas
- Ground truthing of 2,000cps spot radiometric anomaly at Profunda East discovered **highly mineralised dolomite under cover** which assayed:
  - ***37.5% Cu, 0.27% Co, 193g/t Ag*** *and* ***0.14% Ni*** *(Sample 26584)*
- Similar characteristics and grade to veins and alteration sampled in wallrock peripheral to the La Profunda mine workings 1 km to the west
- Results from current geophysical surveys and sampling aim to define additional drill targets for phase two drilling programme
- Discovery of the **high-grade Profunda East mineralised dolomite highlights the potential for additional undiscovered La Profunda Cu-Co-Ni sulphide bodies** elsewhere in the Cármenes Project area

KEY COMPANY INFORMATION

Capital Structure
Ordinary Shares: 418m
Unlisted Options: 18m

Top 20 Shareholders
67.72%

Cash Reserves
A$2.59m
(at 31 March 2018)

Riedel Resources Limited (ASX:RIE) is pleased to announce that additional high-grade assay results have been received from a sampling programme recently completed at the site of a regional radiometric anomaly at the Profunda East Prospect.

Importantly, eleven high-priority target areas have now been identified from recent radiometric surveys over the 3.7 kilometre long "Profunda Mine Trend". The most advanced of these priority targets will be further tested in the Company's near-term drilling programme.

Riedel Executive Chairman, Mr Jeffrey Moore commented:

"The discovery of strongly mineralised dolomite at shallow depth below a radiometric anomaly is highly encouraging and further validates the effectiveness of radiometric surveying in identifying multiple highly prospective exploration targets within the Cármenes project area.

Furthermore, the grade and nature of the vein sample demonstrates strong similarities to the peripheral veins sampled in wallrock at the nearby Profunda Cu-Co-Ni deposit which reinforces our theory that these regional veins may be interpreted as "pointers" to other undiscovered La Profunda Cu-Co-Ni sulphide bodies.

Importantly, eleven high-priority radiometric anomaly target areas have now been discovered over a distance of 3 kilometres along the Profunda Mine Trend with each of these targets warranting follow-up testing.

Looking ahead, we eagerly anticipate the commencement of our 5-hole diamond drilling programme at the Profunda Mine Prospect which will be undertaken concurrently with additional target generation activities."

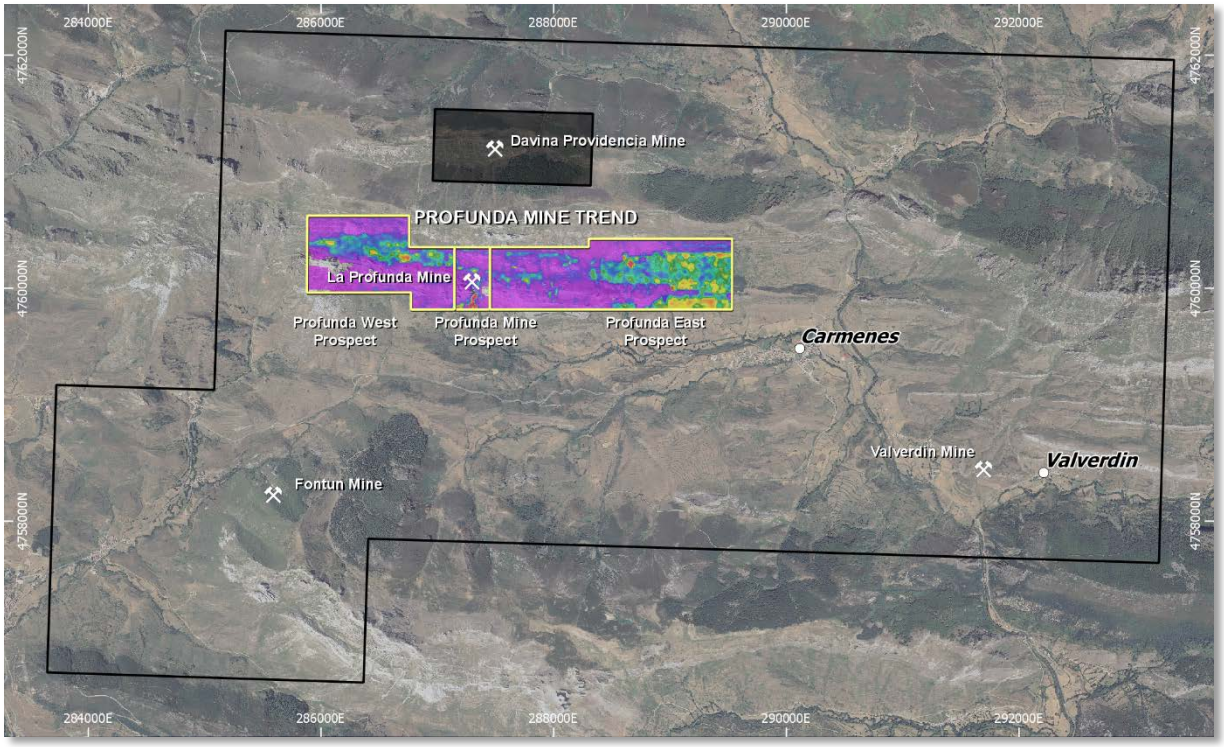

***FIGURE 1**. Cármenes Project location map showing the location of Profunda Prospect areas within the greater Profunda Mine Trend over radiometric survey image*

DISCUSSION OF RESULTS

PROFUNDA MINE TREND - *Radiometric Surveys and Rock-Chip Sampling*

At the Profunda Mine Trend (which comprises the Profunda Mine, Profunda East and Profunda West Prospects) the Company's joint venture partner SIEMCALSA has collected 3,554 radiometric measurement points. Data is collected by using a SAIC Exploranium GR-135 Plus radiometer with a grid spacing of 25 metres by 25 metres.

Analysis and interpretation of the radiometric data has **identified eleven key target areas** which have been selected for follow-up exploration; including IP surveys, Ion-Leach soil geochemical surveys, detailed geological & structural mapping and diamond drilling.

The locations of the eleven Target Areas over normalised and gridded radiometric data are presented as a colour image in Figure 2.

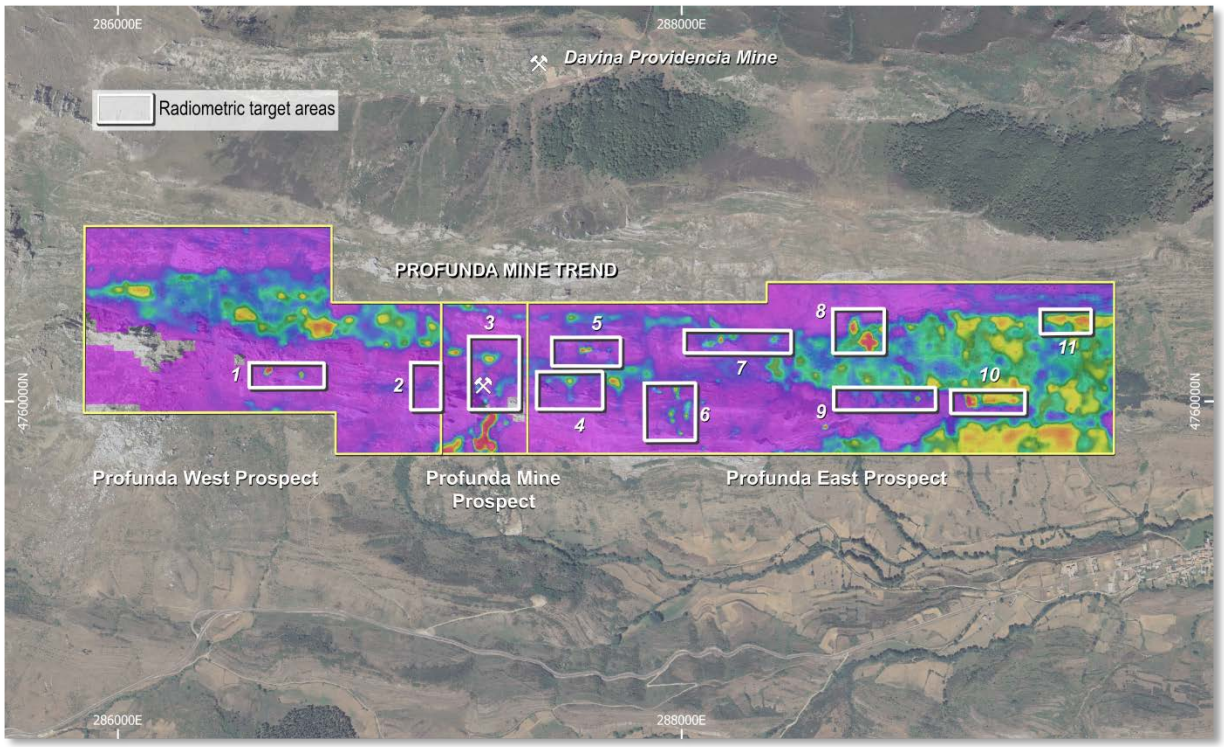

***FIGURE 2**. Profunda Mine Trend - location of eleven key radiometric anomaly Target Areas*

Target Area 8

At Target Area 8 in the Profunda East Prospect, shallow excavating below a radiometric anomaly resulted in the **discovery of non-outcropping, highly mineralised dolomite** *(see Figures 2, 3, 4 and 6)* that **returned outstanding assay results of 37.5% copper, 0.27% cobalt, 193g/t silver, 1.3% lead** and **0.14% nickel** in sample 26584 *(full assay and location details in Table 1)*.

***FIGURE 3**. Radiometric surveys using the GR135 Plus radiometer and rock chip sampling identified sample 26584 in highly mineralised dolomite at Target Area 8*

***FIGURE 4**. Rock chip sample no. 26584 at Target Area 8*

The discovery of a non-outcropping mineralised vein at target Area 8 (sample 26584), which is located 1.3 kilometres to the east of La Profunda, is considered to be very encouraging.

Earlier this year SIEMCALSA selectively sampled five mineralised vein sets and zones of alteration from dolomite wallrock within the rim or edge of the previously mined La Cuevona ("the Big Cave") stope at the La Profunda Mine (*see Table 1 and ASX Announcement dated 26 April 2018*).

The grade and nature of vein sample 26584, including outstanding results of **37.5% Cu, 0.27% Co** and **193g/t Ag** shows strong similarities to the five wallrock samples collected at the Profunda sulphide breccia deposit, which enables the following conclusions to be drawn:

- The high-grade assay result from sample 26584 and oxide minerals assemblage compares very favourably with the results of alteration zone and rock-chip wallrock vein sampling carried out at La Profunda;
- The discovery of the mineralised non-outcropping vein at Target Area 8 highlights the exploration potential for the discovery of other mineralised veins, which may be present as "pointers" to other Profunda-type minerals deposits in the project area,
- Future exploration will focus on identifying other mineralised veins which might logically be expected to be associated with other non-outcropping Profunda-type Cu-Co-Ni deposits which likely exist elsewhere in the Cármenes Project area.

Target Area 2

Ground mapping over an area several hundred metres to the west of the historic Profunda Mine has also discovered copper mineralisation in rocks associated with a small historic excavation.

Rock sample 26585 was submitted for analysis at ALS Laboratories in Spain and assay results from the sample returned excellent values of **4.9% copper** and **0.16% antimony.**

The rock was described in the field as grey dolomite with disseminated mineralisation (bornite?). This area has been delineated as Target Area 2 (*see Figure 2*) and will be further investigated by follow up geophysical and geochemical test work.

***FIGURE 5**. Rock chip sample no. 26585 at Target Area 2*

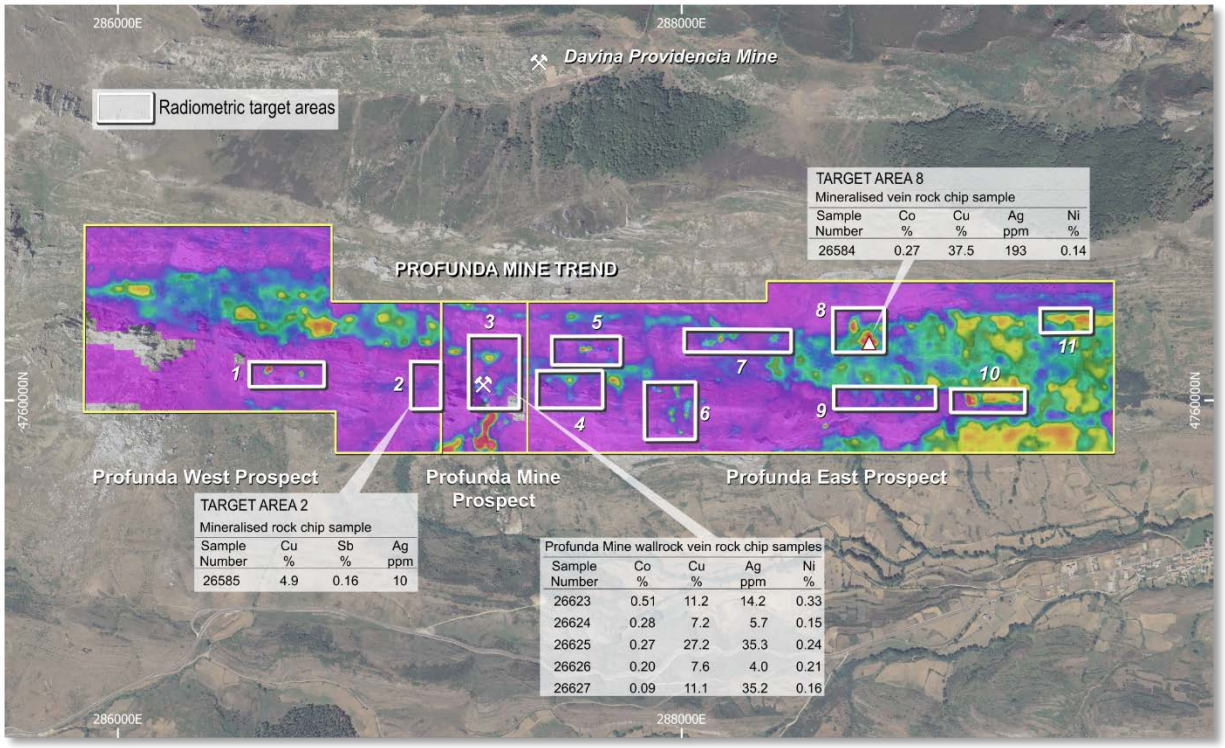

***FIGURE 6**. Profunda Mine Trend - key radiometric anomaly Target Areas and rock-chip sample results*

NEXT STEPS

PROFUNDA MINE TREND - *IP and Magnetic Geophysical Surveys*

As previously advised (see ASX release dated 13 April 2018), an additional 7 PDIP (pole-dipole induced polarisation) lines, collecting data over 1,600 metres, were recently completed within

the vicinity of the Profunda Mine Prospect. Interpretation of the PDIP data identified 3 significant target clusters located within 200 metres of the historic La Profunda Mine workings.

The target clusters present compelling drilling targets and are characterised by multiple and coincident geophysical and geochemical signatures.

Based on the success of PDIP surveys at the Profunda Mine Prospect and in response to the success of recent work programmes including radiometric surveys and rock-chip sampling, **ground-based PDIP and magnetic surveys have now commenced over eleven key Target Areas covering 3,000 metres of the Profunda Mine Trend to acquire data for detailed target definition and depth modelling** *(see Figure 7)*.

Within the Profunda Mine Trend, several mineralised deposit types are likely to be present and geophysical surveys aimed at better characterising disseminated-type breccia and other deposit types have been designed to provide effective ground penetration to depths of up to 150 metres.

At Profunda East, PDIP survey data will be collected over lines 5,500 metres in length and magnetic data will be collected over 8,750 metres. At Profunda West, PDIP survey data will be collected over lines 1,200 metres in length and magnetic data will be collected over 1,500 metres. The PDIP lines will be oriented east-west and north-south and the magnetic survey lines will mirror the PDIP lines but also interleaved between PDIP lines with approximately 50 metre east-west line spacing.

The geophysical programmes have been contracted to geophysical contracting and consulting company International Geophysical Technology, S.L. (IGT). IGT is domiciled in Madrid and is well placed to carry out these geophysical surveys due to its strong reputation for deliverables and experience in the field. **Riedel looks forward to updating shareholders on the results of these geophysical survey programs and upon receipt of drilling approvals over the coming weeks.**

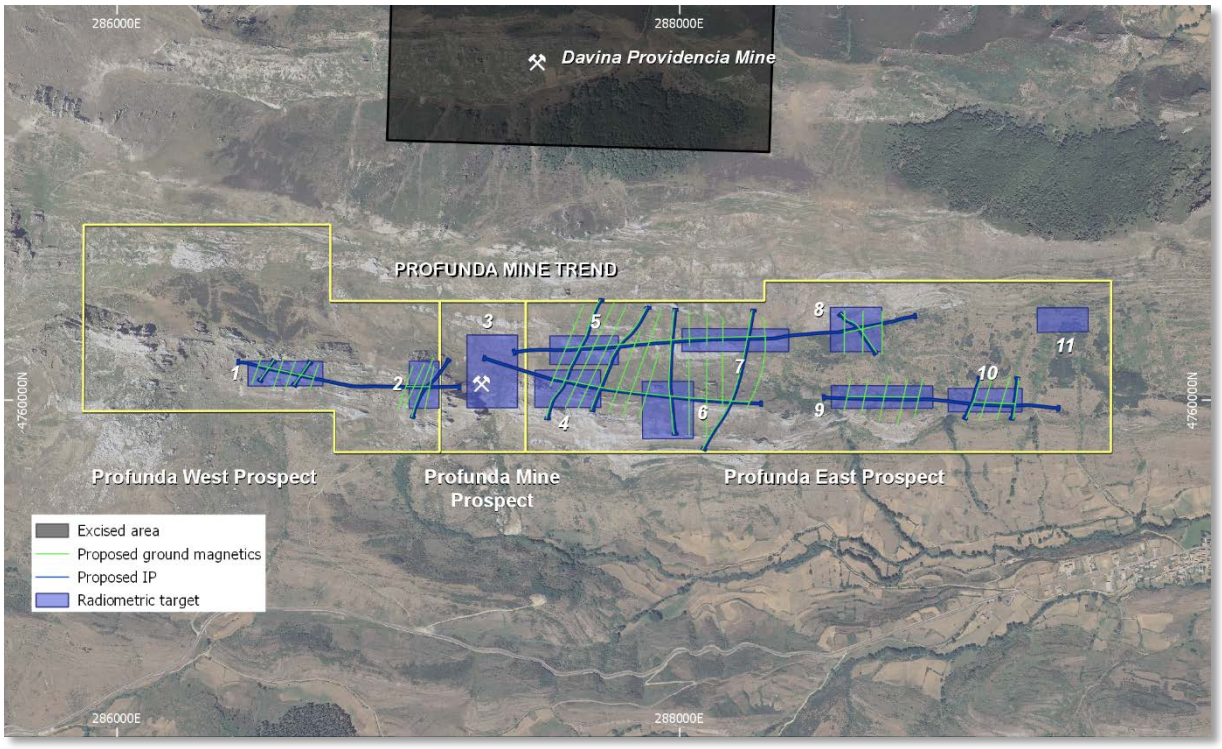

FIGURE 7. *Profunda Mine Trend - location of PDIP and magnetic survey lines*

TABLE 1

Campaign	Sample No.	Cu %	Co %	Ag g/t	Ni %	Zn ppm	Au g/t	As g/t	Sb ppm	U ppm	Sample Site	Description
PROFUNDA EAST	26584	37.5	0.27	193	0.14	8690	0.07	10.6	815	9690	Target Area 8	UTM coordinates 288,665mE – 4,760,200mN
PROFUNDA WEST	26585	4.9	<0.1	10	0.02	631	<0.1	0.1	1585	25	Target Area 8	UTM coordinates 287,104mE – 4,760,055mN
PROFUNDA MINE												
SIEMCALSA 2018	26623	11.2	0.51	14.2	0.33	1970	<0.1	2.7	389	370	La Cuevona (Profunda Mine)	Dolostones with veins filled with copper sulphides (bornite, calcopyririte and possibly bravoite) with abundant copper supergenics
SIEMCALSA 2018	26624	7.21	0.28	5.7	0.15	993	<0.1	1.1	229	1310	La Cuevona (Profunda Mine)	Dolostones with veins filled with copper sulphides (bornite, calcopyririte and possibly bravoite) with abundant copper supergenics
SIEMCALSA 2018	26625	27.2	0.27	35.3	0.24	9960	0.1	7.2	3180	610	La Cuevona (Profunda Mine)	Dolostones with veins filled with copper sulphides (bornite, calcopyririte and possibly bravoite) with abundant copper supergenics
SIEMCALSA 2018	26626	7.59	0.20	4.00	0.21	1430	<0.1	1.8	657	1610	La Cuevona (Profunda Mine)	Dolostones with veins filled with copper sulphides (bornite, calcopyririte and possibly bravoite) with abundant copper supergenics
SIEMCALSA 2018	26627	11.1	0.09	35.2	0.16	2700	0.1	2.7	535	2090	La Cuevona (Profunda Mine)	Dolostones with veins filled with copper sulphides (bornite, calcopyririte and possibly bravoite) with abundant copper supergenics

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 focused on the exploration and development of technology metals in Europe.

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 Léon S.A.)* is a parastatal corporation established in 1988 devoted to the promotion and stimulation of the mining sector in the autonomous community of 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 Jeffrey Moore, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Moore is a full-time employee of Riedel Resources Limited. Mr Moore 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 Moore consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 1: JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Rock chip sampling • This style of exploration is an appropriate exploration technique for the copper-cobalt 'pipe' style mineralisation prevalent in the project area • Radiometric survey – as discussed in ASX release 13 April 2018 (High-priority cobalt-copper drilling targets identified at Profunda Mine Prospect, Spain)
Drilling techniques	• No drilling completed to date
Drill sample recovery	• No drilling completed to date
Logging	• No drilling completed to date
Sub-sampling techniques and sample preparation	• Rock chips collected from mineralised veins in wallrock adjacent to the historically mined La Profunda Mine - approximately 2.5 kg submitted to laboratory • Rock chips collected from mineralised veins distal to the historically mined La Profunda Mine - approximately 2.5 kg submitted to laboratory • No drilling completed to date
Quality of assay data and laboratory tests	• Routine laboratory QAQC completed
Verification of sampling and assaying	• Laboratory QC analytical data has been reviewed
Location of data points	• SIEMCALSA sample locations have been derived from underground workings; distal samples located on orthophoto • Projection system is ETRS89 / ETRS-TM30
Data spacing and distribution	• Rock chip samples are taken from selected mineralised veins and waste dumps, from observed outcrops and by excavating below soil cover at radiometric anomalies
Orientation of data in relation to geological structure	• Not applicable
Sample security	• No drilling completed to date
Audits or reviews	• Audit not completed to date

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• Spanish Mineral Investigation Tenements PI 1507 Cármenes and PI 1506 Valverdín are held by Sociedad De Investigación Y Exploración Minera De Castilla Y Léon S.A. ("SIEMCALSA") and managed by Reidel Resources Limited (Reidel) through a Joint Venture whereby Riedel can earn-in an interest up to 90% in the Cármenes Project by way of funding staged exploration and development expenditure, with provision to acquire the remaining 10% • PI 1506 Valverdín is valid until May 12, 2020 • PI 1507 Cármenes is valid until May 12, 2020 • Agreements with land owners and authorizations for works have been received by SIEMCALSA with respect to PI 1506 Valverdín • There are no known impediments to obtaining a licence to operate or explore in the tenements under consideration

Criteria	Commentary
Exploration done by other parties	• Available exploration results described above have been prepared by SIEMCALSA
Geology	• Located in the Castilla y Leon region of Spain, within the Cantabrian Zone of the Iberian Massif of Northern Spain on the southern slope of the Cantabric range, within a 60 km Paleozoic belt • Host rocks are limestones and dolomites of Namurian and Carboniferous ages. The whole area has been subject to intense hydrothermal dolomitization • Mineralisation is fracture related, hydrothermal, stratiform carbonate replacement in nature. (Cu-Co-Ni (=/-Au-U) as sulphides and arsenides (La Profunda), Au (Valverdin) and Pb-Cu-Zn-Ag (Fontun) in limestone and shale stratigraphy • Extensive alteration • Sub-vertical bodies as pipes and chimneys
Drill hole Information	• No drilling completed to date
Data aggregation methods	• No drilling completed to date
Relationship between mineralisation widths and intercept lengths	• No drilling completed to date
Diagrams	• Maps and diagrams are provided in body of the report
Balanced reporting	• Data is presented for both positive and negative results and can be considered balanced
Other substantive exploration data	• No other substantive work completed
Further work	• Extension of geophysical surveys including radiometric, induced polarisation and magnetic surveys, ion leach soil geochemical surveys and proposed diamond drilling of defined targets