



#### KEY COMPANY INFORMATION

##### Capital Structure

Ordinary Shares: 418m  
Unlisted Options: 18m

##### Top 20 Shareholders

68.41%

##### Cash Reserves

A\$2.34m  
(at 30 June 2018)

## CÁRMENES COBALT-COPPER PROJECT – SPAIN

### PHASE 1 DRILLING PROGRAMME COMPLETED AT PROFUNDA MINE PROSPECT

#### HIGHLIGHTS

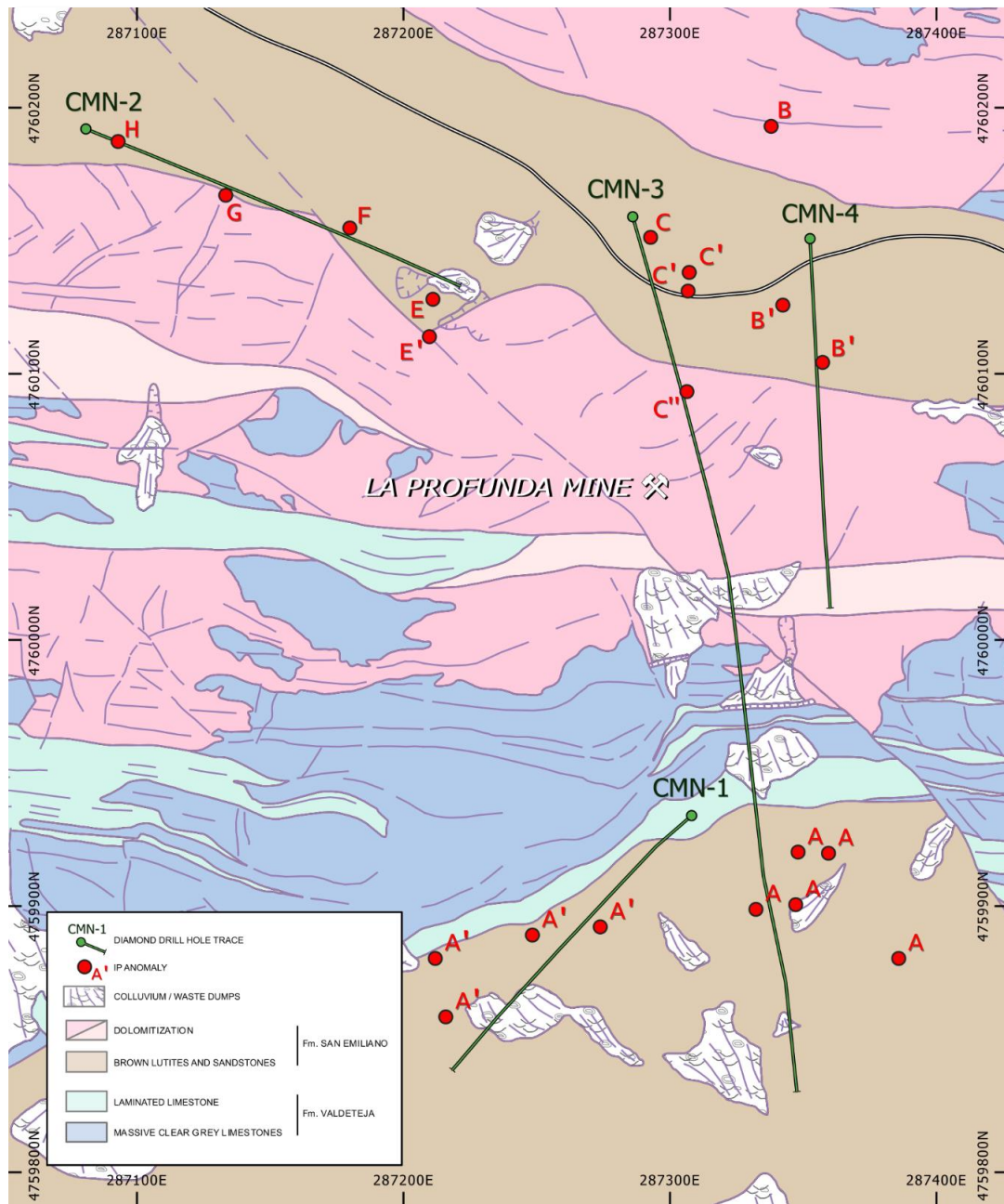
- ✧ Maiden four-hole diamond drilling programme totalling 1,031 metres completed at Profunda Mine Prospect
- ✧ Detailed core logging and selection of samples for analysis underway with assay results expected in September
- ✧ Drill hole preparations for follow-up down-hole geophysical testwork well advanced
- ✧ Stage 1 minimum expenditure requirements exceeded under the Cármenes Project SIEMCALSA / Riedel Joint Venture Agreement
- ✧ Riedel can earn interest of up to 90% by way of staged exploration and development expenditure – JV includes option for Riedel to acquire the remaining 10% project interest

**Riedel Resources Limited (ASX:RIE)** (“Riedel” or “the Company”) is pleased to advise that the initial diamond drilling programme at the Company’s Profunda Mine Prospect in Northern Spain has now finished.

In total, four drill holes for a total of 1,031 metres of core drilling were completed in this first-pass drilling programme (see Figure 1, Table 1). Riedel engaged experienced diamond drilling contractor SPI (Sondeos y Perforaciones Industriales del Bierzo S.A.) for the drilling contract which commenced on 12 July and was completed on 14 August.

The purpose of the drilling programme was to:

- test and to validate the effectiveness of induced polarisation (IP) geophysical surveys to recognise and discriminate sulphide mineralisation from non-sulphide bearing geology, including sulphide mineralisation which may be the cause of the IP anomalies but unrelated to “Profunda” style cobalt-copper-nickel sulphide mineralisation; and
- test IP targets located marginal to and within 200 metres of the historically mined Profunda cobalt-copper-nickel deposit for the presence of extensions and repetitions of the “Profunda” style cobalt-copper-nickel sulphide mineralisation.



**FIGURE 1. Location of drillholes CMN-1 to CMN-4 and IP targets - Cármenes Project – Spain<sup>1</sup>**

Detailed geological/structural logging of the drill core is well advanced with selected “half-core” intervals being identified and dispatched for sample analysis.

The Company’s geophysical contracting company IGT has also been engaged to carry out follow-up downhole IP surveys over selected intervals to obtain information about the depth,

<sup>1</sup> Coordinate Projection System is ETRS89/UTM Zone 30N.

lateral location and extension of sulphide-bearing zones or mineralised horizons intersected by the drillhole or located in the vicinity of drillholes.

**TABLE 1: Drillhole Details**

Drillhole ID	Easting (UTM mE)	Northing (UTM mN)	Elevation (m)	Azimuth/Dip ( ° )	Length (m)	Chargeability anomaly intersections
<b>CMN-1</b>	287,308	4,759,934	1,409	229°/-45°	190	A' @ 89m to 150m
<b>CMN-2</b>	287,081	4,760,192	1,567	112°/-46°	220	H @ 22m; G @ 85m; F @ 156m
<b>CMN-3</b>	287,286	4,760,159	1,530	164°/-42°	421	C, C' and C'' @ 39m to 98m; A @ 310m to 357m Faulted 110m to 158m
<b>CMN-4</b>	287,352	4,760,151	1,525	177°/-46°	200	B' @ 79m; 20m Galerías @ 128m
<b>TOTAL =</b>					<b>1,031m</b>	
<i>Coordinate System is ETRS89/UTM Zone 30</i>						

Further discussion of the results of these recent work programmes will be released after the follow-up geophysics and assay determination work is completed over the coming weeks.

## CÁRMENES PROJECT JOINT VENTURE AGREEMENT

Riedel is also pleased to report that on 23 July 2018 Riedel advised SIEMCALSA, and SIEMCALSA acknowledged, that Riedel has exceeded the Stage 1 minimum expenditure requirements as per the SIEMCALSA-Riedel the Joint Venture Agreement. Under the terms of this agreement Riedel is required to spend a minimum of €300,000 on exploration programmes at the Cármenes Project during year 1 of the agreement.

As at 30 June 2018 Riedel has spent a total of €453,644 on exploration in the Cármenes Project on significant project scale exploration initiatives including induced polarisation geophysical surveys, radiometric surveys, magnetic surveys, geological mapping, structural mapping, rock-chip sampling, ion-leach soil geochemical sampling, petrographic analysis and first-pass diamond core drilling. The exploration expenditure above the minimum amount of €300,000 will contribute to the satisfaction of Riedel's Stage 2 minimum expenditure requirements.

## JV BACKGROUND

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 by way of funding staged exploration and development expenditure, with provision for Riedel to acquire the remaining 10% interest from SIEMCALSA.

## KEY TERMS OF THE AGREEMENT

### Interest 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 – condition met

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.

### **Riedel's Executive Chairman, Mr Jeffrey Moore commented:**

"We are very pleased to have completed this first-pass drilling program at the Cármenes Cobalt-Copper Project, the first step in testing a number of the promising anomalies identified within close proximity to the historic Profunda Cobalt-Copper-Nickel Mine.

"The key focus of this initial programme has been to validate our exploration work to date, to target possible extensions and repetitions of Profunda style cobalt-copper-nickel sulphide mineralisation and to use this information to better understand and refine other exploration targets elsewhere in the Cármenes Project area.

"Importantly, we are confident that results from this programme, along with other geophysical and geological exploration techniques, will assist with refining our regional exploration and target generation strategy at Cármenes over the coming months.

"Following the completion of this maiden drilling program, Riedel has now exceeded the required expenditure under Stage 1 of our JV agreement with SIEMCALSA – a key milestone towards earning a potential 90% interest in the project.

"We look forward to reporting on assay results from the programme as they are received over the coming weeks."

**-ENDS-**

### 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](http://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 autonomous community of Castilla and León (Spain).

Further information can be found at the Company's website [www.siemcalsa.com](http://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.*