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SALE AGREEMENT - CHERITONS FIND PROJECT

Riedel Resources Limited (ASX: RIE "Riedel") is pleased to announce that agreement has been reached with Hanking Gold Mining Pty Ltd ("Hanking") for the sale of Exploration Licence 77/1793 to Hanking for **\$700,000 in cash**.

Finalisation of the Cheritons Find Project Sale Agreement is subject to satisfaction of several conditions precedent, including:

- the receipt of all necessary approvals or consents in writing of the Minister under the Act that may be required for the sale, purchase and transfer of EL 77/1793;
- the execution by Riedel and the royalty holder of a deed of assignment and assumption and the delivery of the deed to Hanking for execution;
- Riedel obtaining all necessary regulatory approvals; and
- the discharge of the mortgage over EL 77/1793.¹

If the sale agreement progresses to completion, the divestment represents an excellent outcome for Riedel as it significantly bolsters the Company's treasury without dilution of shareholders equity in the Company.

Riedel is well positioned for future growth with two active joint venture projects in Western Australia under the operatorship of FMG Resources Pty Ltd ("FMGR", a wholly-owned subsidiary of Fortescue Metals Group Ltd) and Australian Mines Limited ("AUZ") and the wholly-owned Millrose gold project, also in Western Australia.

With all exploration funding for the joint venture projects being attributable to FMGR and AUZ during the current joint venture earn-in stage, the Company is strongly positioned with exposure to high-quality exploration projects.

Jeff Moore
Riedel Resources Limited

¹ The mortgage over EL77/1793 was created to provide security against the issue of Convertible Notes of Riedel. As the Notes have now been redeemed (as announced by Riedel on 30 October 2015), discharge of the mortgage is underway.