



Suite 1, 6 Richardson Street  
West Perth Western Australia 6005

Tel: +61 8 9226 0866  
Fax: +61 8 9486 7375

PO Box 1559, West Perth Western Australia 6872

[www.riedelresources.com.au](http://www.riedelresources.com.au)

ABN: 91 143 042 022  
ASX: RIE

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## OPTION AND SALE AGREEMENT – MILLROSE GOLD PROJECT

**Riedel Resources Limited** (ASX: **RIE**, "**Riedel**", "**the Company or Vendor**") is pleased to advise that it has entered into an Option and Sale Agreement with Bowlane Nominees (WA) Limited ("**Purchaser**") with respect to the Millrose Project exploration licence E53/1304 ("**Tenement**").

The key terms and conditions of the Option and Sale Agreement are:

1. The Vendor will grant the Purchaser the exclusive option ("**Option**") to purchase the Tenement for **A\$900,000 in cash** ("**Purchase Price**"), exclusive of GST, subject to a period of exclusivity ("**Exclusivity Period**"), commencing on the date of the agreement and ending on Tuesday 31 May 2016, to enable the Purchaser to carry out due diligence of the project covering such technical, financial, legal, and other matters to the satisfaction of the Purchaser.
2. In consideration of the Vendor granting the Option to the Purchaser, Bowlane will pay a non-refundable option fee ("**Option Fee**") to the Vendor of **A\$50,000 in cash**, exclusive of GST, within 14 days of the signing of the Letter Agreement.
3. The Option Fee is in addition to the Purchase Price such that if the Sale Agreement goes to completion, the Purchaser will make **total cash payments to the Vendor of A\$950,000**.
4. The Purchase Price will be paid on the Purchaser advising the Vendor of its election to proceed with the purchase before the end of the Exclusivity Period, with payment coinciding with the lodgement of signed transfer documents of the Tenements to the Purchaser or its nominee company.
5. If required by the ASX Listing Rules and/or the Corporations Act, Riedel shall call a Shareholders Meeting as soon as practicable to seek any necessary shareholder and regulatory approvals for the sale of the Tenement. The Option Fee will be refunded if the sale does not proceed due to the Vendor being unable to obtain all ASX, ASIC and/or shareholders' approvals necessary to complete the transaction.

Riedel's Chairman Jeff Moore said: *"If this sale agreement progresses to completion, closely following the recent cash sale of the Cheritons Find Gold Project, it will further significantly bolster the Company's treasury without additional dilution of shareholders equity in the Company."*

*The Company has become well positioned for future growth with a debt free balance sheet and two active joint venture projects in Western Australia under the operatorship of FMG Resources Pty Ltd (a wholly-owned subsidiary of Fortescue Metals Group Ltd) and Australian Mines Limited. Importantly, all exploration funding for the Company's joint venture projects is attributable to the operators during the current joint venture earn-in stage."*

**Jeff Moore**  
**Executive Chairman**  
**Riedel Resources Limited**