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9 February 2016

PAYMENT OF OPTION FEE

Option and Sale Agreement – Millrose Gold Project

On 1 February 2016 **Riedel Resources Limited** (ASX: **RIE**, "**Riedel**") announced 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").

Riedel is pleased to advise that pursuant to the grant of the Option to the Purchaser, Bowlane has paid a non-refundable Option Fee to Riedel of **A\$50,000 in cash**, exclusive of GST.

The Option Fee entitles Bowlane to a period of exclusivity ("Exclusivity Period"), which ends 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.

If the the Purchaser exercises its Option to purchase the Tenement before the end of the Exclusivity Period, the Purchaser will pay **A\$900,000 in cash** ("Purchase Price") to Riedel, exclusive of GST.

The Option Fee is in addition to the Purchase Price such that if the Sale Agreement goes to completion, the Purchaser will have made total cash payments to Riedel of **A\$950,000**.

ASX has also advised Riedel that the proposed sale of the Millrose Project will not be subject to the requirement for approval by the shareholders of the Company pursuant to Listing Rule 11.2 and does not require the Company to comply with Listing Rules 11.1.2 and 11.1.3.



Jeff Moore
Executive Chairman
Riedel Resources Limited