



RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

FINANCIAL REPORT FOR THE HALF YEAR ENDED
31 DECEMBER 2015

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CORPORATE DIRECTORY

DIRECTORS

Jeffrey Moore
Andrew Childs
Mark Skiffington
Luke Matthews

COMPANY SECRETARY

Leonard Math

REGISTERED & PRINCIPAL OFFICE

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AUDITORS

PKF Mack
Level 4
35 Havelock Street
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DIRECTORS' REPORT

Your Directors submit the financial report of Riedel Resources Limited (the Company) and controlled entities (the consolidated entity) for the half year ended 31 December 2015.

DIRECTORS

The names of the directors in office at any time during or since the end of the period are:

Jeffrey Moore
Andrew Childs
Mark Skiffington (appointed 19 January 2016)
Luke Matthews (appointed 19 January 2016)
Ed Turner (resigned 27 November 2015)
Ian Tchacos (resigned 18 January 2016)

COMPANY SECRETARY

Leonard Math (appointed 28 August 2015)
Sue Symmons (Resigned 28 August 2015)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was mineral exploration.

OPERATING RESULTS

The net income of the consolidated entity for the financial period after provision for income tax was \$401,629 (2014: \$404,921 loss).

REVIEW OF OPERATIONS

MARYMIA PROJECT

Australian Mines Limited ("Australian Mines") Earning Up to 80% (E52/2394 and E52/2395)

One RC drill hole was completed by Australian Mines at the Dixon Prospect (formerly known as Bill's Area) included a significant high-grade zone of gold mineralisation averaging **10 metres @ 8.79 g/t gold** from 130 metres down hole depth (see Table 1 and Figure 1).

TABLE 1. Dixon Prospect - drill hole details and significant assay results

Drill Hole	Depth (metres)	Easting (MGA50)	Northing (MGA50)	Dip/ Azimuth	From (metres)	To (metres)	Interval (metres)	Grade (g/t gold)
MMRC016	147	793,250	7,187,645	-60/140	130	140	10	8.79
				<i>including</i>	133	134	1	29.11
				<i>including</i>	134	135	1	14.85
				<i>including</i>	136	137	1	29.22

The Dixon prospect is situated in the south-west corner of E52/2394. Shallow rotary air blast (RAB) and air core drilling completed across this target area in the mid-1990s, testing a low-order gold + arsenic anomaly, successfully intersected a zone of supergene gold mineralisation within the weathered profile but there has been limited deeper drilling to date (see Figure 2).

Following the drilling of MMRC016 a detailed Induced Polarisation (IP) geophysical survey was completed by Australian Mines over the Dixon Prospect and the area surrounding the prospect (see Figure 3). The survey detected a significant chargeability anomaly coincident with the high-grade gold mineralisation intersected in MMRC016.

Given the geophysical characteristics and the geological positioning of this 200 metre long IP anomaly, its source is likely to be a sulphide (pyrite) body such as the gold-bearing sulphidic (pyrite + arsenopyrite) quartz veining intersected in the drilling.

Modelling of this newly-acquired IP data has also identified a second anomaly to the northeast of Dixon, which could represent a potential gold mineralised zone (see Figure 4). Both zones are planned to be drill tested in March 2016.

The discovery of a second chargeability anomaly in close proximity to, and along the same lithological contact as, the known mineralisation at Dixon is equally encouraging as it suggests that potential repetitions of the Dixon-style gold mineralisation may exist throughout the six kilometres of prospective dolerite geology mapped within the Marymia project area.

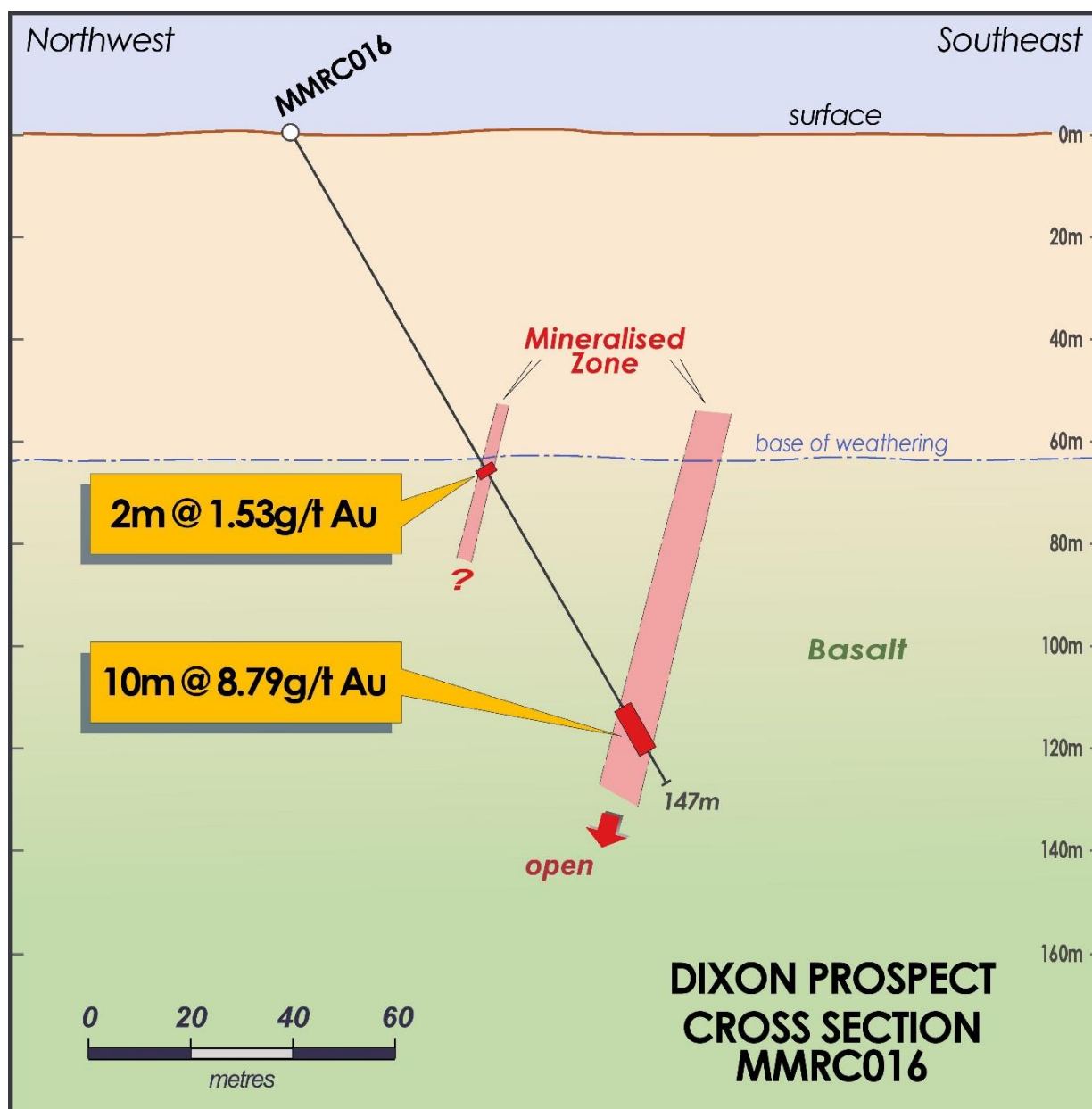


Figure 1: Dixon Prospect - Cross section showing RC drill hole MMRC016 and high-grade gold intersection

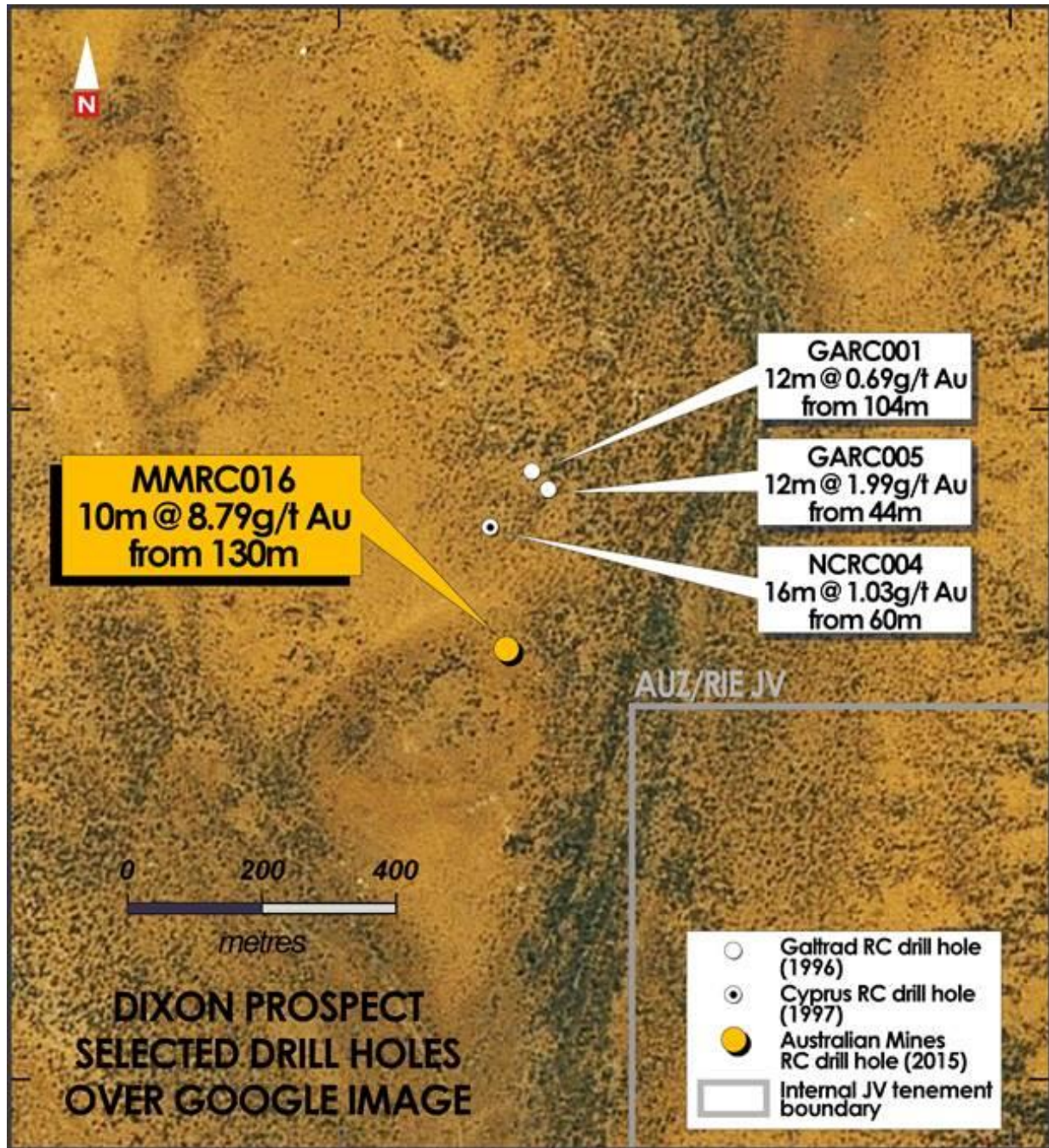


Figure 2: Dixon Prospect - Location of RC drill hole MMRC016 in relation to gold intersections returned from selected historic RC drilling across the target area.

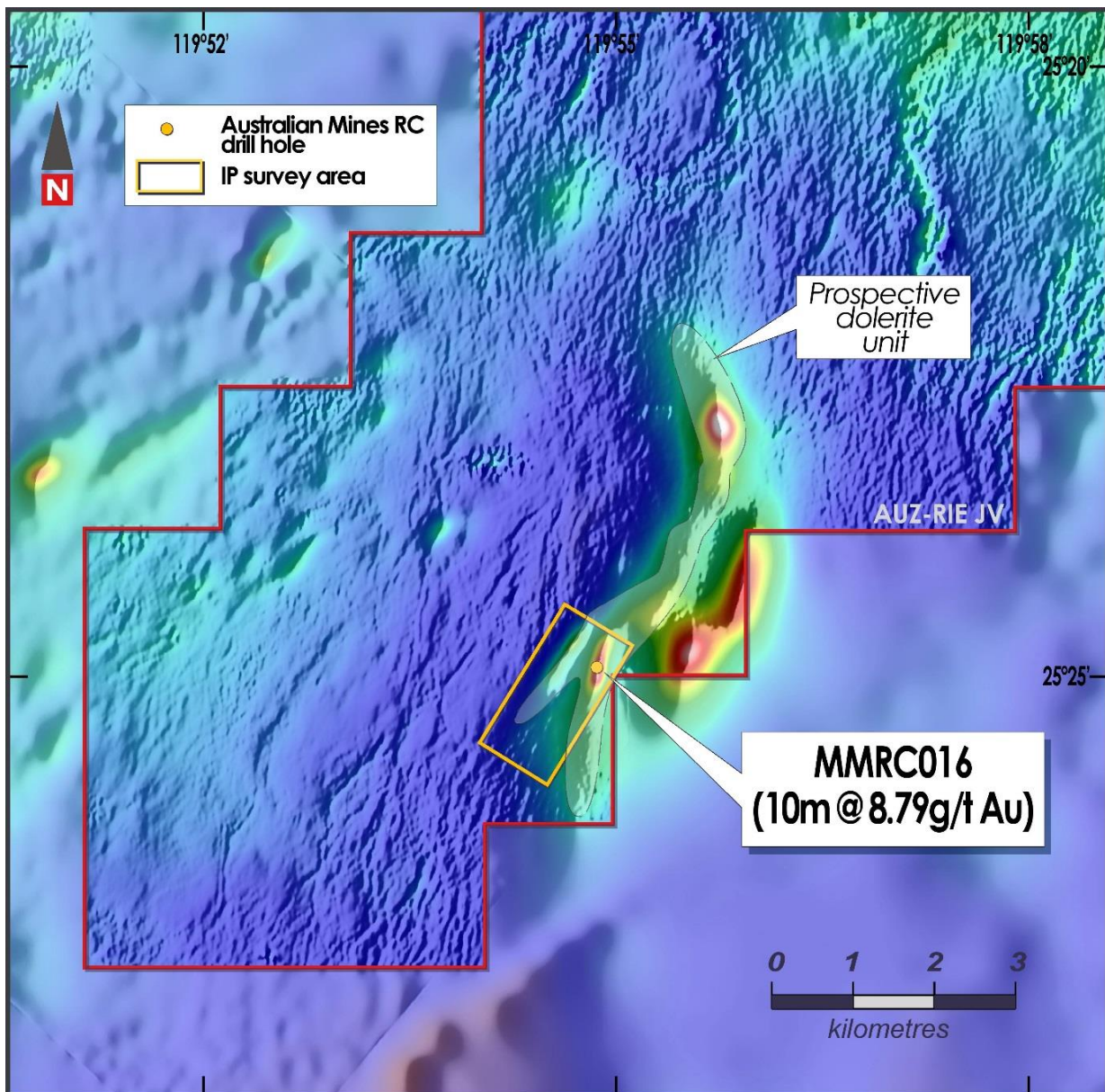


Figure 3: Magnetic (Reduced to Pole) image showing the IP survey area, MMRC016 location and the extent of the prospective dolerite host unit.

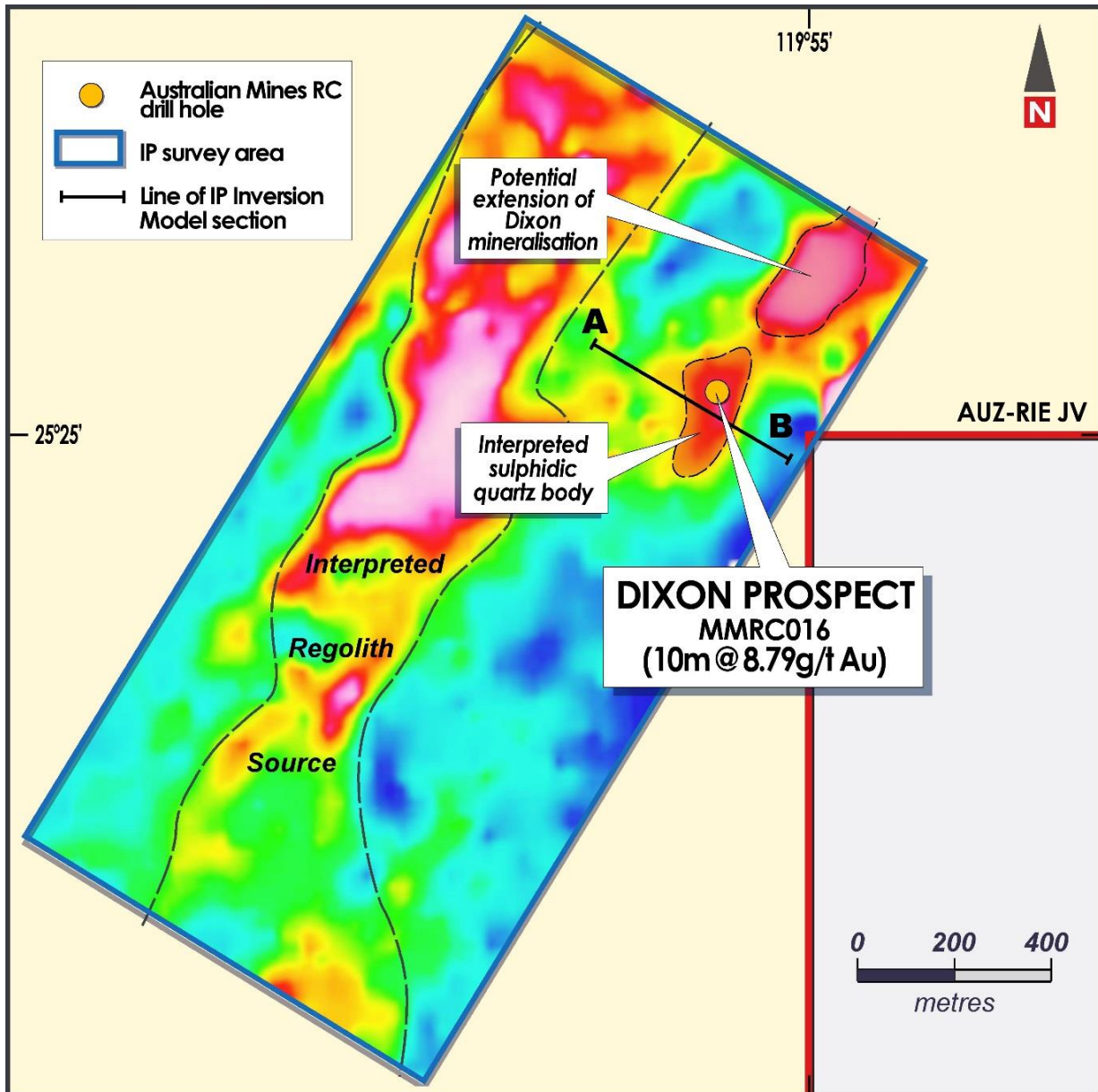


Figure 4: Plan view of the gradient array Induced Polarisation (IP) survey showing the chargeability anomaly coincident with the highgrade gold intersection in MMRC016 as well as a possible extension zone associated with another IP anomaly to the north east.

CHARTERIS CREEK PROJECT JOINT VENTURE

FMG Resources Pty Ltd ("FMGR") Earning Up to 80% (EL 45/2763)

A re-visit of the Lightning Ridge Prospect in September 2015, including the area north of known mineralisation, focussed on lithology to distinguish between different sets of intrusive rocks and clarify relationships between intrusive, sedimentary and volcanic rocks. As a result of this work, three different intrusive suites were identified within the greater Lightning Ridge area, adding one more suite to known intrusive rocks associated with the Gobbos Granodiorite intrusion (BAGAS, L., 2005, Geology of the Nullagine 1:100,000 sheet, p. 12).

The additional intrusive suite, the Lightning Ridge (LR) Porphyry, has been recognized for Lightning Ridge and another nearby part of the outcropping Gobbos Granodiorite intrusive complex. An additional 8 rock chip samples were taken and sent for geochemical and, for selected samples, petrological analysis. Results are pending.

In addition to the reassessment of the geology around the Lightning Ridge prospect, the north western part of the tenement will be tested for potential precious and base metal mineralisation. A stream sediment sampling program has been designed within the Marble Bar greenstone belt and is expected to be completed in the first half of 2016.

CHERITONS FIND PROJECT

In November 2015 the Cheriton's Find Gold Project was sold to Hanking Gold Mining Company Pty Ltd for a cash consideration of \$700,000, with all funds received.

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 now well positioned for future growth and the Company will continue to judiciously manage its cash resources.

MILLROSE PROJECT

No field work was completed during the reporting period following granting of Retention Status over E53/1304 and the relinquishment of E53/1305 earlier in 2015.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ed Turner, who is a Member of The Australian Institute of Geoscientists. Mr Turner is a consulting geologist to Riedel Resources Limited. Mr Turner 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 Turner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

SIGNIFICANT CHANGE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 19 January 2016 Mr Mark Skiffington and Mr Luke Matthews were appointed as Non-Executive Directors of the Company. Mr Ian Tchacos has stepped down as Chairman of the Company and Mr Jeffrey Moore has replaced Mr Tchacos in the role of Executive Chairman.

On 1 February 2016, the Company 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 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 31 May 2016, to enable the Purchaser to carry out due diligence of the project.

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, in addition to the Purchase Price, within 14 days of the signing of the Letter Agreement.

On 9 February 2016, Bowlane 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 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.

There are no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 10 for the half year ended 31 December 2015.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

On behalf of the Directors

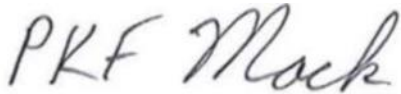


Jeffrey Moore
Managing Director

Date: 11 March 2016

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF RIEDEL RESOURCES LIMITED

In relation to our review of the financial report of Riedel Resources Limited for the half year ended 31 December 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SHANE CROSS
PARTNER

11 MARCH 2016
WEST PERTH,
WESTERN AUSTRALIA

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

		31 December 2015 \$	31 December 2014 \$
Revenue	Note		
Interest revenue	4(a)	1,688	3,321
Other income	4(a)	4,991	36,000
Gain on sale of tenement	4(a)	691,937	-
		<hr/> 698,616	<hr/> 39,321
 Expenses	 4(b)		
Administration expenses		(118,935)	(326,694)
Depreciation and amortisation expense		(6,722)	(7,590)
Employee benefits expense		(15,502)	(9,918)
Impairment of exploration expenditure		(155,828)	(100,040)
		<hr/>	<hr/>
Profit/(Loss) before income tax		401,629	(404,921)
 Income tax expense		 -	 -
		<hr/>	<hr/>
Profit/(Loss) for the period		401,629	(404,921)
 Other comprehensive income			
Items that maybe reclassified subsequently to profit and loss			
Exchange difference on translation of foreign operation		(16)	(156)
Other comprehensive income (net of tax)		<hr/> (16)	<hr/> (156)
 Total comprehensive income/(loss) for the period		 401,613	 (405,077)
		<hr/>	<hr/>
 Basic earnings/(loss) per share (cents per share)		 0.22	 (0.28)
Diluted earnings/(loss) per share (cents per share)		0.22	(0.28)

The accompanying condensed notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents	5	808,850	142,630
Trade and other receivables	6	24,038	30,571
TOTAL CURRENT ASSETS		832,888	173,201
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	7	1,635,521	1,737,558
Property, plant and equipment		13,697	20,418
TOTAL NON-CURRENT ASSETS		1,649,218	1,757,976
TOTAL ASSETS		2,482,106	1,931,177
CURRENT LIABILITIES			
Trade and other payables		88,720	31,265
Convertible notes		-	407,978
TOTAL CURRENT LIABILITIES		88,720	439,243
TOTAL LIABILITIES		88,720	439,243
NET ASSETS		2,393,386	1,491,934
EQUITY			
Issued capital	8	15,952,730	15,452,891
Option reserve		290,941	290,941
Share based payments reserve		525,145	525,145
Foreign currency translation reserve		652,501	652,517
Accumulated losses		(15,027,931)	(15,429,560)
TOTAL EQUITY		2,393,386	1,491,934

The accompanying condensed notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	15,452,891	290,941	652,517	525,145	(15,429,560)	1,491,934
Profit for the period	-	-	-	-	401,629	401,629
Other comprehensive loss	-	-	(16)	-	-	(16)
Total comprehensive income for the period	-	-	(16)	-	401,629	401,613
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	504,465	-	-	-	-	504,465
Less: share issue costs	(4,626)	-	-	-	-	(4,626)
Balance at 31 December 2015	15,952,730	290,941	652,501	525,145	(15,027,931)	2,393,386
Balance at 1 July 2014	15,110,833	290,941	652,361	509,458	(14,944,254)	1,619,339
Loss for the period	-	-	-	-	(404,921)	(404,921)
Other comprehensive loss	-	-	(156)	-	-	(156)
Total comprehensive loss for the period	-	-	(156)	-	(404,921)	(405,077)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	332,284	-	-	-	-	332,284
Issue of options	-	-	-	325,020	-	325,020
Options expired	-	-	-	(309,333)	309,333	-
Less: share issue costs	(7,499)	-	-	-	-	(7,499)
Balance at 31 December 2014	15,435,618	290,941	652,205	525,145	(15,039,842)	1,864,067

The accompanying condensed notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Note	31 December 2015 \$	31 December 2014 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(133,943)	(117,942)
Sublease income		4,991	36,000
Interest received		1,688	3,321
		<hr/>	<hr/>
Net cash used in operating activities		(127,264)	(78,621)
Cash Flows from Investing Activities			
Payments for plant and equipment		-	(5,072)
Proceeds from JV contribution		-	250,000
Proceeds from sale of tenement (inclusive of GST)		770,000	-
Payments for exploration and evaluation		(62,307)	(135,254)
		<hr/>	<hr/>
Net cash provided by investing activities		707,693	109,674
Cash Flows from Financing Activities			
Proceeds from issue of shares		90,417	298,320
Payments for share issue costs		(4,626)	(7,498)
		<hr/>	<hr/>
Net cash provided by financing activities		85,791	290,822
Net increase in cash and cash equivalents held		666,220	321,875
Cash and cash equivalents at beginning of the reporting period		<hr/>	<hr/>
		142,630	22,947
Cash and cash equivalents at end of the reporting period	5	<hr/>	<hr/>
		808,850	344,822

The accompanying condensed notes form part of these financial statements

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 1: REPORTING ENTITY

Riedel Resources Limited (the "Company") is a Company domiciled in Australia.

The address of the Company's registered office is Suite 1, 6 Richardson Street, West Perth WA 6005. The half year consolidated financial statements of the Company as at and for the six months ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group primarily is involved in mining and exploration activity.

The half year consolidated financial statements of the Company as at and for the half year ended 31 December 2015 are available upon request.

The financial statement were authorised for issue in accordance with a resolution of directors dated on 11 March 2016.

NOTE 2: BASIS OF PREPARATION

a) Statement of compliance

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting' as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b) Basis of preparation

The half-year consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year consolidated financial statements are consistent with those adopted and disclosed in the Group's 2015 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

c) Significant accounting judgments and key estimates

The preparation of the half year consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these half year consolidated financial statements, significant judgment made by management in applying the Company's accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 30 June 2015.

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 2: BASIS OF PREPARATION (CONT)

d) Going concern

The half year consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The consolidated entity incurred a net profit after tax of \$401,629 for the period ended 31 December 2015 (31 December 2014: \$404,921 loss).

The ability of the consolidated entity to continue to pay its debts as and when they are due is dependent upon the consolidated entity successfully raising additional share capital and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:-

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the consolidated entity's current exploration projects, the Directors believe that any additional capital required can be raised in the market; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

The accounts have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

e) New or revised accounting standards and interpretations not yet adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated Group but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

AASB No.	Title	Application date of standard*	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	August 2014
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	December 2014
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	December 2014
AASB 1057	Application of Australian Accounting Standards	1 January 2016	July 2015
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014	1 January 2016	January 2015
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
IFRS 16	Leases	1 January 2019	January 2015

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 2: BASIS OF PREPARATION (CONT)

f) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

g) Operating segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the consolidated entity's chief operating decision maker which, for the consolidated entity, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the half year consolidated financial report have been included where applicable.

NOTE 3: OPERATING SEGMENTS

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Burkina Faso. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

31 December 2015	Australia \$	Burkina Faso \$	Unallocated \$	Total \$
Revenue from external sources	691,937	-	6,679	698,616
Net (profit)/loss before tax	(531,754)	-	130,125	401,629
Reportable segment assets	1,635,664	-	846,442	2,482,106
Reportable segment liabilities	69,565	423	18,732	88,720

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 3: OPERATING SEGMENTS (CONT)

31 December 2014	Australia \$	Burkina Faso \$	Unallocated \$	Total \$
Revenue from external sources	-	-	39,321	39,321
Net (profit)/loss before tax	100,393	(244)	304,772	404,921

30 June 2015	Australia \$	Burkina Faso \$	Unallocated \$	Total \$
Reportable segment assets	1,737,557	2,358	191,262	1,931,177
Reportable segment liabilities	469	405	438,369	439,243

NOTE 4: LOSS FROM ORDINARY ACTIVITIES

	31 December 2015 \$	31 December 2014 \$
(a) Other revenue		
Interest revenue	1,688	3,321
Other income	4,991	36,000
Gain on sale of tenement	691,937	-
	698,616	39,321
(b) Expenses		
Administration expenses	118,935	326,694
Depreciation and amortisation expense	6,722	7,590
Employee benefits expense	15,502	9,918
Impairment of exploration expenditure	155,828	100,040
	296,987	444,242

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	31 December 2015 \$	30 June 2015 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	1,204	1,204
Cash at bank	807,646	141,426
	808,850	142,630

NOTE 6: TRADE AND OTHER RECEIVABLES

Prepayments	2,356	9,333
Other	1,682	1,238
Term Deposit	20,000	20,000
	24,038	30,571

**NOTE 7: EXPLORATION AND EVALUATION
EXPENDITURE**

Exploration and evaluation expenditure reconciliation		
Opening balance	1,737,558	1,966,415
Proceed from farm in JV contribution	-	(250,000)
Exploration and development expenditure incurred	61,196	194,284
Exploration written off	-	(29,437)
Impairment	(155,171)	(143,704)
Reversal of impairment on tenement sold	219,098	-
Recognising cost base of tenement sold	(227,160)	-
Closing balance	1,635,521	1,737,558

The value of the exploration expenditures is dependent upon:

- The continuance of rights to tenure of the area of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 8: ISSUED CAPITAL

	31 December 2015 \$	30 June 2015 \$
(a) Share Capital		
Issued and paid up capital – consisting of ordinary shares	16,716,021	16,211,556
Less: Costs of issue	(763,291)	(758,665)
	<u>15,952,730</u>	<u>15,452,891</u>

(b) Movements in ordinary share capital

	Number of shares	\$
Opening balance at 1 July 2015	151,020,586	15,452,891
Issue of shares on 09/07/2015	997,260	5,984
Issue of shares on 20/08/2015	18,083,477	90,416
Issue of shares on 27/10/2015	1,344,293	8,065
Issue of shares on 30/10/2015	61,653,937	400,000
Less: capital issue costs		(4,626)
Closing balance at 31 December 2015	<u>233,099,553</u>	<u>15,952,730</u>
Opening balance at 1 July 2014	109,662,979	15,110,833
Issue of shares on 07/07/2014	1,025,461	7,999
Issue of shares on 21/07/2014	1,764,709	15,000
Issue of shares on 21/07/2014	33,331,784	283,320
Issue of shares on 12/08/2014	2,105,788	17,899
Issue of shares on 09/10/2014	806,576	8,066
Issue of shares on 11/02/2015	1,008,219	8,066
Issue of shares on 15/04/2015	1,315,070	9,205
Less: capital issue costs	-	(7,497)
Closing balance at 30 June 2015	<u>151,020,586</u>	<u>15,452,891</u>

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

NOTE 9: CONVERTIBLE NOTE	31 December 2015 \$	30 June 2015 \$
Convertible note payable	-	400,000
Interest payable	-	7,978
Carrying amount	-	407,978

On 27 June 2013 the Company issued a Secured Convertible Note to Oracle Securities Pty Ltd (or its nominees). The Convertible Note (and any accrued interest) can be converted in full or any part thereof into Shares in the Company at the lender's sole discretion at any time after 30 June 2015.

Shares issued in lieu of accrued interest will be issued at the lower of \$0.036 or 90% of the 10 day VWAP preceding the due date for payment of that accrued interest.

The amended agreement between the parties stated that shares issued on conversion are currently issued at the lower of 80% of the 10 day VWAP preceding the date of execution of the Convertible Note Deeds or 80% of the 10 day VWAP preceding the date of the Conversion Notice. Shareholders voted at the General Meeting held on 7 August 2014 to approve the amendments to the terms of the Convertible Notes. The redemption date was 30 June 2015, however on 31 July 2015 the Company agreed with the Convertible Noteholders to extend the redemption date of the Convertible Note Deeds from 30 June 2015 to 31 August 2015. On 28 August 2015 the Company agreed with the Convertible Noteholders to extend the redemption date of the Convertible Note Deeds from 31 August 2015 to 30 September 2015. On 30 September 2015 the Company agreed with the Convertible Noteholders to extend the redemption date of the Convertible Note Deeds from 30 September 2015 to 31 October 2015.

On 30 October 2015 an agreement has been reached with the Convertible Note holders to convert all of the outstanding Convertible Notes, with a face value of \$400,000, into ordinary fully paid shares of Riedel. A total of 61,653,937 fully paid shares of Riedel were issued to the Convertible Note holders at a price of \$0.0065 per share to redeem the Convertible Notes.

NOTE 10: RELATED PARTY TRANSACTIONS

Other than as disclosed below, arrangements with related parties continue to be in place. For details on these arrangements, please refer to the 2015 Annual Report.

(a) Transactions with key management personnel

Key management personnel continue to receive remuneration in the form of short term benefits and post-employment benefits.

The Company subleases its office at Suite 1, 6 Richardson Street, WEST PERTH WA 6005 to Virtual Curtain Limited, a related entity of Mr Jeffery Moore. Virtual Curtain Limited pays 25% of Riedel's monthly rental and outgoings.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 19 January 2016 Mr Mark Skiffington and Mr Luke Matthews were appointed as Non-Executive Directors of the Company. Mr Ian Tchacos has stepped down as Chairman of the Company and Mr Jeffrey Moore has replaced Mr Tchacos in the role of Executive Chairman.

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

On 1 February 2016, the Company 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 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 31 May 2016, to enable the Purchaser to carry out due diligence of the project.

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, in addition to the Purchase Price, within 14 days of the signing of the Letter Agreement.

On 9 February 2016, Bowlane 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 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.

There are no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future years.

NOTE 12: CONTINGENT ASSETS AND LIABILITIES

The company has a \$20,000 (31 December 2014: \$20,000) term deposit against a credit card facility that expires 30 May 2016.

The company is not aware of any other contingent assets or liabilities.

NOTE 13: Fair Value Measurement

The carrying amounts of trade and other receivables and trade and other payable and assumed to be approximately the fair value due to their short term nature.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jeffrey Moore
Managing Director

Date: 11 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

RIEDEL RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Riedel Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2015, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Riedel Resources Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Riedel Resources Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



PKF MACK



SHANE CROSS
PARTNER

11 MARCH 2016
WEST PERTH,
WESTERN AUSTRALIA