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30 May 2016

## Millrose Project Sale Completed Cash Proceeds of \$950,000 Received

Riedel Resources Limited (ASX: RIE "Riedel" or "the Company") is pleased to announce that the divestment of Exploration Licence E53/1304 to Bowlane Nominees (WA) Limited for total cash consideration of **\$950,000 has been completed and the funds received.**

Riedel's Chairman Jeff Moore said: *"This divestment represents another excellent outcome for Riedel as it further boosts the Company's treasury, without the requirement for dilution of shareholders equity in the Company. Completion of this sale agreement follows the \$700,000 cash sale of the Cheritons Find Gold Project (as announced to ASX on 27 November 2015). Riedel holds a debt-free balance sheet and will continue to carefully manage its cash resources.*

*Encouragingly, in the near-term Riedel is strongly leveraged to further value creation and share price growth in the event of significant exploration success and deliverables from current drilling programmes at the Dixon Prospect in the Marymia Joint Venture Project. Importantly, all Marymia Joint Venture exploration and drilling funding remains fully attributable to the operator (Australian Mines Limited) during the current joint venture earn-in stage".*

### MILLROSE PROJECT SALE– Key Terms

On 1 February 2016 Riedel ("Vendor") announced that it had 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 summarised below:

The Vendor granted 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.

In consideration of the Vendor granting the Option to the Purchaser, Bowlane paid 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 (as announced to ASX on 9 February 2016).

The Option Fee is in addition to the Purchase Price such that on completion of the Sale Agreement, the Purchaser has made **total cash payments to the Vendor of A\$950,000**.

Riedel also advises that the Company has received notification from ASX that the sale of the Millrose Project is not 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.



## OTHER PROJECTS

MARYMIA PROJECT – East Gascoyne Region, Western Australia  
*Australian Mines earning up to 80% by project expenditure of up to \$3.3M*

Riedel holds interests in the Marymia Joint Venture, which covers Exploration Licences E52/2394 and E52/2395 with Australian Mines Limited (“Australian Mines”). During the current Australian Mines “Earn-In” stage, Riedel holds 49% and Australian Mines holds 51% of the Joint Venture Interests. Australian Mines has elected to earn interests of up to 80% by total project expenditure of \$3.3M.

The Marymia Project is particularly prospective for gold, copper, nickel and base metals mineralisation.

On 16 November 2015, Australian Mines announced to the ASX that a single drillhole test (MMRC016) at the Dixon Prospect intersected gold mineralisation averaging **10 metres @ 8.79 g/t gold from 130 metres** down hole, including particularly significant intercepts of:

- 1 metre @ 29.11 g/t gold from 133 metres down hole;
- 1 metre @ 14.85 g/t gold from 134 metres down hole; and
- 1 metre @ 29.22 g/t gold from 136 metres downhole.

Follow-up RC (5 drill holes for 1,159 metres) and diamond drilling (1 drill hole for 285.5 metres) completed in March 2016 returned significant intercepts for gold including<sup>2</sup>:

- 1 metre @ 8.99 g/t gold from 65 metres down hole (DXRC004);
- 11 metres @ 1.10 g/t gold from 136 metres down hole (DXRC003),  
*including 1 metre @ 5.75 g/t gold from 139 metres down hole; and*
- 1.1 metres @ 5.07 g/t gold from 186.9 metres down hole (DXDD001).

Further RC drilling commenced in May 2016 and Riedel looks forward to further positive results from this drilling programme at Dixon.

**CHARTERIS CREEK PROJECT – Pilbara Region, Western Australia**  
Riedel Resources Limited 100%

Riedel is focusing on exploration for copper, molybdenum, gold and base metals mineralisation. Recent and historic exploration work in the Project area shows strong evidence of the existence of an Archaean-age copper porphyry system.

**Jeff Moore**  
**Riedel Resources Limited**

#### **About Riedel Resources Limited**

Riedel Resources Limited listed on ASX on 31 January 2011 and is an Australian-based exploration company established to explore for and develop mineral deposits.

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

#### **Competent Person's Statement**

*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 provides consulting geological services 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.*

<sup>1</sup> Australian Mines ASX release – 6 November 2016 - High-grade gold zone extended at Dixon prospect, Doolgunna-Marymia Project

<sup>2</sup> Australian Mines ASX release – 18 April 2016 - RC drill results received from Dixon gold prospect  
Australian Mines ASX release – 29 April 2016 - Australian Mines closes in on high-grade gold zones at its emerging Dixon prospect