

RIEDEL RESOURCES

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

ANNUAL REPORT

30 JUNE 2015

RIEDEL RESOURCES LIMITED
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RIEDEL RESOURCES LIMITED
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CORPORATE DIRECTORY

DIRECTORS

Andrew Childs
Ian Tchacos
Jeffrey Moore
Ed Turner

COMPANY SECRETARY

Leonard Math

REGISTERED & PRINCIPAL OFFICE

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6 Richardson Street
WEST PERTH WA 6005

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AUDITORS

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Level 4
35 Havelock Street
WEST PERTH WA 6005

SHARE REGISTRY

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Level 11, 172 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: RIE

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DIRECTORS' REPORT

Your directors present the following report on Riedel Resources Limited (the Company) and the entities it controlled during or at the end of the financial year (the Group) for the financial year ended 30 June 2015.

DIRECTORS

The Directors of the Company at any time during or since the end of financial year are:

Ian Tchacos	Non-executive Chairman (Appointed on 9 April 2010)
Qualifications	B.Eng (Mech.)
Experience	Mr Tchacos is a mechanical engineer with over 25 years international experience in corporate development and strategy, mergers and acquisitions, exploration, development and production operations, marketing and finance. He has a proven management track record in a range of international Company environments. In his last appointment as Managing Director of Nexus Energy he was responsible for this Company's development from an onshore micro cap explorer to an ASX top 200 offshore producer and operator. He is currently non-executive Chairman of ADX Energy Limited and non executive Director of Xstate Resources Ltd.
Directorships of other listed companies	ADX Energy Limited Xstate Resources Ltd
Interest in Shares	2,230,205
Jeffrey Moore	Executive Director (Appointed on 30 September 2010)
Qualifications	B.Sc, MAusIMM, MGSA
Experience	<p>Mr Moore is a geologist with extensive technical, managerial and project finance experience in exploration and mining for publicly listed companies. During his career, he has generated and managed projects for commodities including precious metals, base metals, diamonds, nickel and industrial minerals throughout Australia, Central and South America, Africa and Asia.</p> <p>Mr Moore has held previous directorships with Allied Gold Limited from 2004 to 2008, Great Australian Resources Limited from 2005 to 2007, Abra Mining Limited from 2006 to 2011, Alchemy Resources Limited from 2010 to 2011 and Cougar Metals NL from 2008 to 2012.</p> <p>Mr Moore is also a Corporate Member of the Australasian Institute of Mining and Metallurgy and a Member of the Geological Society of Australia. He was appointed as a non-executive Director of Wild Acre Metals Limited on 8 September 2014.</p>
Directorships of other listed companies	Nil
Interest in Shares	2,661,305

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DIRECTORS' REPORT (con't)

Andrew Childs

Non-executive Director (Appointed on 9 April 2010)

Experience

Mr Childs is currently Chairman of Australian Oil Company Limited and non-executive Director of ADX Energy Limited. He also sits on the Boards of a number of unlisted private and public companies including AIM listed Stratic Energy Corporation. Andrew graduated from the University of Otago, New Zealand in 1980 with a Bachelor of Science in Geology and Zoology.

Having started his professional career as an Exploration Geologist in the Eastern Goldfields of Western Australia, Andrew moved to petroleum geology and geophysics with Perth-based Ranger Oil Australia (later renamed Petroz NL). He gained technical experience with Petroz as a Geoscientist and later commercial experience as the Commercial Assistant to the Managing Director. Andrew is a member of the Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists.

Directorships of other listed companies

ADX Energy Limited
Australian Oil Company Limited

Interest in Shares

2,987,305

Ed Turner

Qualifications

Executive Director (appointed 5 December 2012)
BAppSc (Geology), MAIG

Experience

Mr Turner joined the company as Exploration Manager in July 2011. He was appointed to the Board as Technical Director in December 2012. Prior to this he accumulated 25 years of experience as a geologist in Australia and overseas, with primary focus on gold, nickel, uranium and base metals exploration and underground gold mining. He has extensive experience in project review, due diligence and acquisition.

Mr Turner has established exploration teams and managed exploration programmes in Romania, the Ukraine, Brazil, Burkina Faso and the Democratic Republic of Congo for companies including RSG Global (now Coffey Mining), Anvil Mining and Cougar Metals. In Romania Ed led the exploration team that added five million ounces of gold to the Rosia Montana gold resource in a twelve month period.

Directorships of other listed companies

Nil

Interest in Shares

1,588,234

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DIRECTORS' REPORT (con't)

Sue Symmons

Company Secretary (Resigned 28 August 2015)

Experience

Ms Symmons is a corporate services executive with GDA Corporate.

Prior to joining GDA Corporate, Ms Symmons was Company Secretary of Jetset Travelworld Limited, Automotive Holdings Group Limited and Evans & Tate Limited.

Ms Symmons was also Company Secretary to Heytesbury Pty Ltd, a private company with interests in property, construction and agribusiness.

Ms Symmons is a member of the Governance Institute of Australia and Australian Institute of Company Directors, holds a Bachelor of Commerce majoring in Accounting and Corporate Administration and is nearing completion of a Master of Business Law.

Leonard Math

Company Secretary (Appointed 28 August 2015)

Experience

Leonard graduated from Edith Cowan University in 2003 with a Bachelor of Business majoring in Accounting and Information Systems. He is a member of the Institute of Chartered Accountants. He previously worked as an auditor at Deloitte.

He is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. He is a Director and Company Secretary of ASX listed companies Elemental Minerals Limited, RMA Energy Limited and Kangaroo Resources Limited.

The directors and Company Secretary have been in office to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The net loss of the Group for the financial period after provision for income tax was \$794,639 2014: \$7,715,487)

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DIRECTORS' REPORT (con't)

REVIEW OF OPERATIONS

Riedel Resources Limited ("Riedel") assets include a portfolio of gold, copper and nickel projects and significant land holdings in prospective Archaean- and Proterozoic-age terranes of Western Australia (see Figure 1 for location of projects).

The Company has a mixture of advanced and early stage prospects, including:

- Marymia – Australian Mines earning up to 80% (copper, gold, nickel and base metals);
- Charteris Creek – FMGR earning up to 80% (copper, molybdenum, gold and iron-ore);
- Cheritons Find (gold - Inferred Resources of 1.4Mt @ 2.4g/t Au for 108,000 oz);
- Millrose (gold - ¹Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz).

Furthermore, the Western Australian Projects are augmented with a number of additional royalty agreements.



Figure 1: Project locations

¹ Phil Jones (Al Maynard & Assoc) – 2010. This information was previously prepared and disclosed on the basis of compliance with the JORC Code – 2004 Edition. The Inferred Mineral Resources have not been subsequently updated to satisfy compliance with the JORC Code - 2012 Edition as the information has not materially changed since it was last reported.

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DIRECTORS' REPORT (con't)

MARYMIA PROJECT JOINT VENTURE

Australian Mines Limited (ASX: AUZ) earning interests up to 80%

On April 30 2014 Riedel agreed to a farm-in and joint venture with Australian Mines Limited ("Australian Mines") over exploration licences 52/2394 and 52/2395. If the farm-in and joint venture arrangement proceed to its full conclusion, the earn-in will be worth up to \$3.3M.

During the 2014-2015 financial year:

- Australian Mines spent \$150,000 in exploration on the Marymia Project within six months from commencement ("Minimum Expenditure") and elected to continue with the farm-in arrangement.
- Upon exercising its option to continue with the farm-in arrangement after satisfying the Minimum Expenditure, Australian Mines made a **cash payment to Riedel of \$250,000**;
- Australian Mines spent more than **\$1,000,000 (including the Minimum Expenditure) on exploration** within the initial two year period from commencement and earned a 51% interest in the Marymia Project ("Stage 1 Earn-in");
- Australian Mines notified Riedel that it has elected to progress with Stage 2 in the Marymia Project Joint Venture ("Stage 2 Earn-in") by spending a further **\$2,000,000 on exploration** within a further 3 year period following the Stage 1 Earn-in. Australian Mines can earn an additional 29% interest (taking the total interest to 80%) by completing this expenditure by July 2018.

Geological Setting

The Marymia Project is located approximately 30 kilometres east of the 4.7M oz Plutonic gold mine, 55 kilometres north-east of Sandfire Resources NL's DeGrussa copper-gold mine (550,000 tonnes contained copper metal), and 12 kilometres east-north-east of Ventnor Resources Limited's Green Dragon and Thaduna copper deposits (100,000 tonnes contained copper metal) in Western Australia's Mid-West region (*see Figure 2*).

Significant regional structures identified in the project area include the Jenkin Fault and prospective, mineralised geology including the Archaean-aged Baumgarten Greenstone Belt and Proterozoic-aged sediments belonging to the Yerrida and Earahedy Groups. The project is prospective for copper, gold and nickel mineralisation.

DIRECTORS' REPORT (con't)

Work Activities

Australian Mines initially refined its exploration activities to focus on the Simmons prospect, in response to a ground-based EM survey which identified a strongly conductive body beneath an historic nickel-in-soil anomaly. As a result, two diamond drill holes were completed for a total of 1,230 metres at Simmons. Two distinct sulphide zones (>10% sulphides), were observed in drill core from both holes, with both zones appearing to contain iron sulphides with trace amounts of other sulphides including chalcopyrite (copper sulphide) in hole number SMDD001.

Although drilling intersected multiple sulphide zones, neither of the drill holes adequately explain the strong nickel and copper soil anomalies previously reported across the prospect area or the strong conductive EM anomaly.

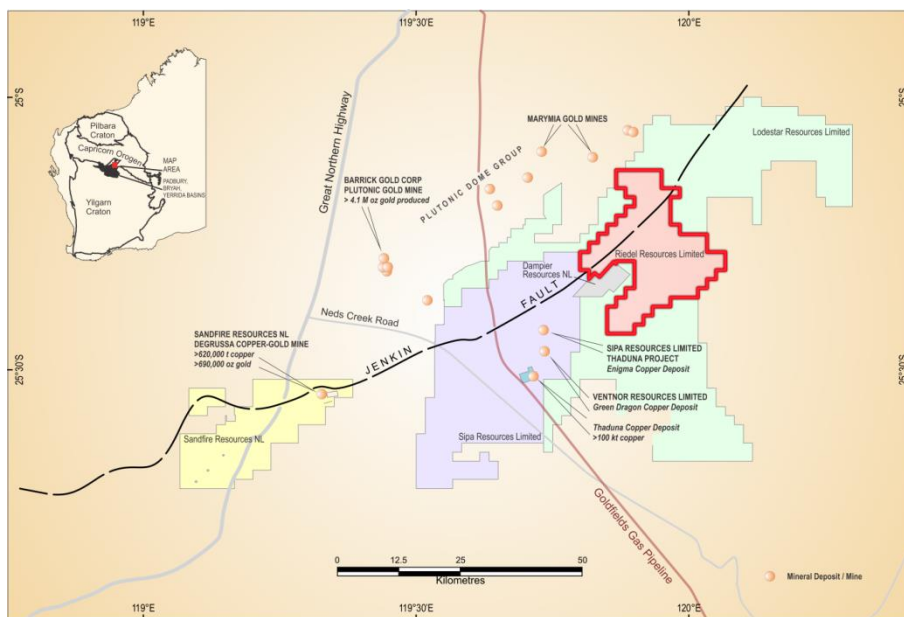


Figure 2: Marymia Project - Location Map

Australian Mines subsequently completed a follow-up EM survey across a broader area to investigate additional priority targets prospective for nickel sulphide mineralisation. The EM surveys were designed to identify further Kambalda-type bedrock conductors within the northern continuation of the Simmons ultramafic (komatiite) sequence, which included large nickel geochemical soil anomalies MM001 and MM004 (see Figure 3).

DIRECTORS' REPORT (con't)

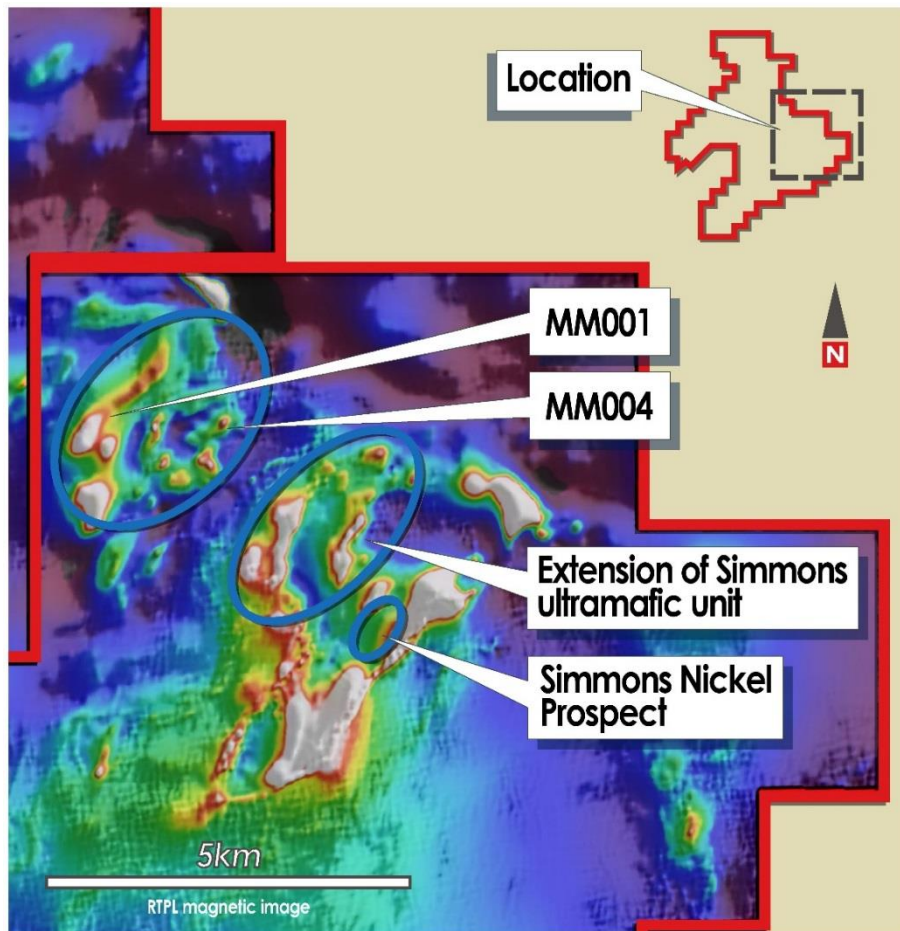


Figure 3: Marymia Project - Ground EM survey area on aeromagnetic background.

A discrete bedrock conductor identified below the MM001 anomaly (now named the Wyman Prospect), represents the northern extension of the Simmons ultramafic sequence (see Figure 4).

High-resolution MLEM surveys were also completed over other target areas within the project and these successfully identified a strong late-time conductor, subsequently named **the Burton Prospect**. Burton is located beneath a thick layer of nickel oxide mineralisation which was recognised by a historic scout drilling intercept of **22 metres @ 0.58% nickel from 22 metres** depth (see Figure 4).

DIRECTORS' REPORT (con't)

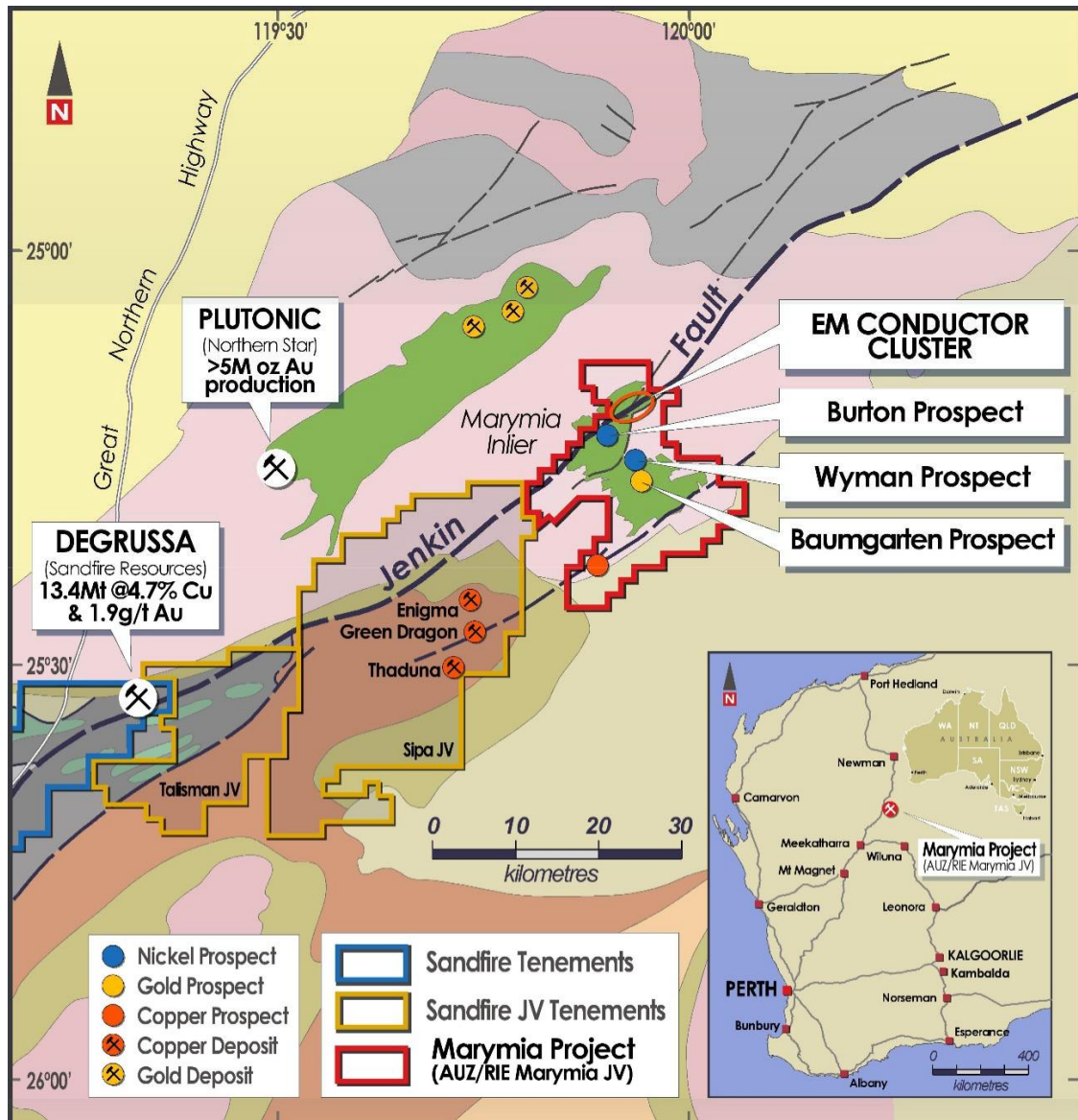


Figure 4: Marymia Project region - Schematic geological map showing EM conductor cluster in relation to the Burton Prospect, Wyman Prospect and the Jenkin Fault.

In April 2015 Australian Mines completed a 12 hole RC program totalling 2,237 metres which tested six different nickel, copper and gold targets including the Burton, Wyman and Baumgarten Prospects (see Table 1 and Figure 4). The best intersection was 21 metres @ 0.05% copper and 0.21% zinc from 193 metres in MMRC003 at the Burton Prospect (see Figure 5). Australian Mines has concluded that this drill hole was not in the optimal position and follow up drilling is planned to commence in September 2015.

DIRECTORS' REPORT (con't)

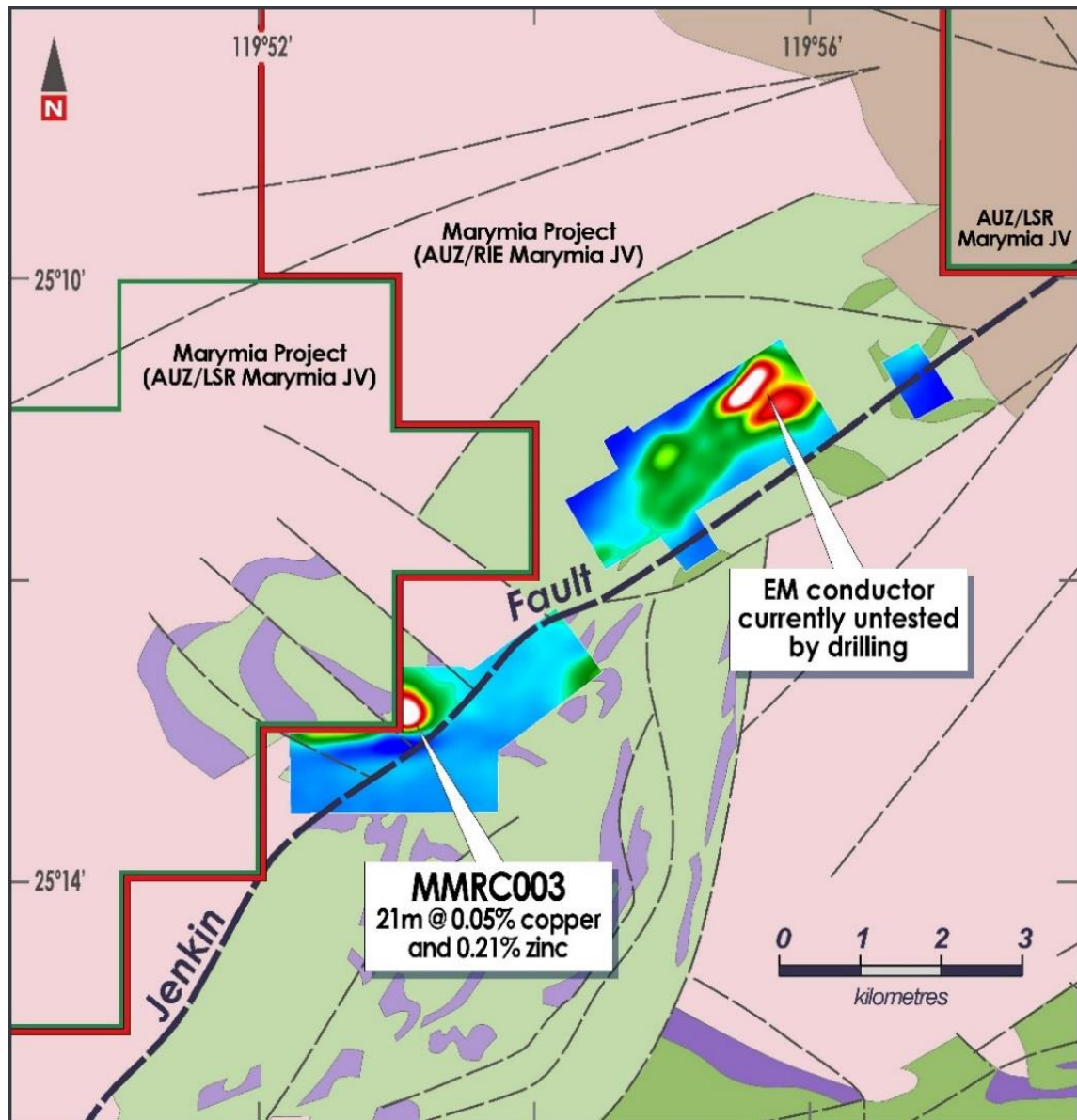


Figure 5: Location of MMRC003 and EM anomalies at the Burton Prospect and along the Jenkin Fault. Due to the Burton target's close proximity to the tenement boundary, Australian Mines drilled a single, sub-optimal RC hole designed to test the eastern edge of this conductor. Following the recently announced joint venture with Lodestar Minerals², Australian Mines is proposing to extend the drilling of the Burton conductor.

² Australian Mines Limited, Australian Mines increases Marymia ground holding, released 11 June 2015

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Table 1: Marymia Reverse Circulation (RC) Drill Program – Drill Hole Information Summary

Hole ID	Depth (m)	Easting (MGA50)	Northing (MGA50)	RL	Dip (°)	Azimuth	Tenement
MMRC001	198	788477	7189772	580	-60	145	E52/2394
MMRC002	185	791249	7189460	580	-60	135	E52/2394
MMRC003	252	790652	7207945	580	-60	180	E52/2395
MMRC004	120	798572	7203541	580	-60	180	E52/2394
MMRC005	156	798827	7203543	580	-60	180	E52/2394
MMRC006	237	799805	7201241	580	-60	140	E52/2394
MMRC007	219	799325	7200730	580	-60	130	E52/2394
MMRC008	198	799330	7200732	580	-60	310	E52/2394
MMRC009	126	799347	7201207	580	-60	130	E52/2394
MMRC010	216	794855	7211721	580	-60	150	E52/2395
MMRC011	150	794816	7211751	580	-60	150	E52/2395
MMRC012	180	794861	7211675	580	-60	150	E52/2395

CHARTERIS CREEK JOINT VENTURE

FMG Resources Pty Ltd earning interests up to 80%

On 16 January 2014 Riedel announced that Fortescue Metals Group Limited, through its wholly-owned subsidiary FMG Resources Pty Ltd (“FMGR” or “Fortescue”), has entered into a Farm In and Joint Venture Agreement worth up to \$1M over Exploration Licence 45/2763 (see Figure 1 for location of project).

Geological Setting

The Company’s 100%-owned tenement is 131km² in area and is located approximately 45km north of Nullagine and 50km south-east of Marble Bar in the Pilbara Region of Western Australia.

The Charteris Creek Project has very favourable geology for the discovery of mineral deposits, as highlighted by the presence of numerous gold, copper, base metals, iron ore and specialty metals discoveries and deposits proximal to the exploration licence (see Figure 6).

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Despite the strong similarities between the geological/structural setting at Charteris Creek to that which hosts nearby mineral deposits, only limited exploration has been previously carried out within the tenement.

Mineral deposit and mineralisation types that the Company has identified as exploration targets in the tenement include:

- Copper-lead-zinc and copper-molybdenum mineralisation associated with a granodiorite intrusion has been identified in the south-east part of the exploration licence. This mineralisation forms part of a larger cluster of base metal and specialty-metal occurrences related to stockwork mineralisation in the Gobbos Granodiorite.
- Laconia Resources' Lennons Find VHMS deposit (³ *Indicated and Inferred Mineral Resources of **1.85M tonnes @ 5.1% Zn, 1.4% Pb, 0.2% Cu and 82g/t Ag***) is located approximately one kilometre to the north of E45/2763. Reconnaissance work by Riedel confirms that the prospective Warrawoona Group host rocks extend into E45/2763.
- In 1968 ⁴Conwest Australia reported significant copper intercepts from drilling in porphyry rocks, including **50 feet @ 1.34% Cu** from 40 feet in drillhole OS4 and **20 feet @ 1.38% Cu** from 130 feet in drillhole OS3. The drilling was carried out several kilometres to the south of E45/2763 in geology analogous to the granitic porphyry within Riedel's exploration licence.
- In 1987 ⁵Concord Mining NL completed exploration within the Bridget, Otways and Gobbos Prospects, located several kilometres to the south and south east of E45/2763. Concord collected 130 stream sediment samples with 20 samples being considered anomalous. Assay results up to **1.5g/t Au** at the Otways prospect, **6.92g/t Au** east of Gobbos, and **1150 ppm Cu** at Gobbos were reported. Encouraging sample results from costean 1 at Otways included **21m @ 3.89% Cu** and **2.22g/t Au**.
- Numerous small but very high grade gold deposits are located adjacent to the north-western boundary of the tenement in Warrawoona Group rocks and several structures that control, or are associated with these gold deposits, extend into E45/2763.

³ Laconia Resources Limited website - January 2014

⁴ Western Australian Mineral Exploration Index (WAMEX) Report No. a1696

⁵ Western Australian Mineral Exploration Index (WAMEX) Report No. a24511

DIRECTORS' REPORT (con't)

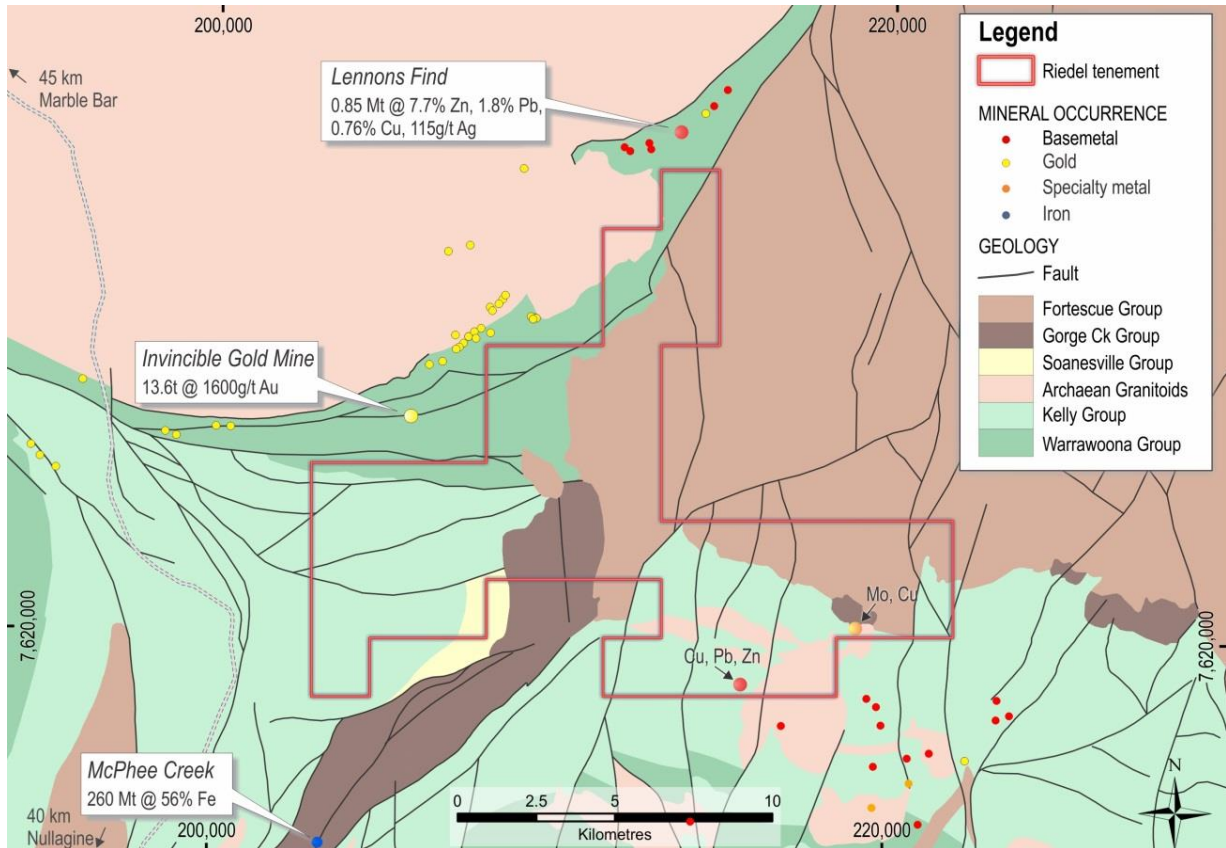


Figure 6: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits

Work Activities

FMGR continued field work around the Lightning Ridge prospect during the year. This included further detailed geological mapping and rock chip sampling as well as stream sediment and soil sampling. The rock chip sampling, including assays from samples taken in the previous quarter, produced some highly anomalous results with the best summarised in Table 2 below.

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Table 2: Summary of most significant rock chip assays

Sample ID	Cu (%)	Au (ppb)	Mo (ppm)	Pb (ppm)	Ni (ppm)	W (ppm)
D167533	8.41	1220	59.5	340	74	5.5
D167410	7.91	413	3	123	106	2
D167419	5.73	95	12.5	270	12	9.5
D167512	3.93	45	288	90	52	1.5
D167411	3.20	120	30	67	62	19
D167464	2.48	284	9.5	339	70	17.5
D167453	1.06	95	202	27	26	8.5
D167418	0.79	16	9	7	54	4
D167513	0.78	16	13	34	20	4.5
D167459	0.29	24	6.5	20	24	81

In total 2 rock chip, 122 stream sediment and 271 soil samples were collected. Regional geological mapping was also completed over areas identified as anomalous by the stream sediment sampling.

To date, the empirical data acquired indicates that there are structural and porphyritic elements interacting to control the zones of anomalous copper and molybdenum seen within the project area. The observed alteration systems, surrounding what has historically been believed to be the core of an Archaean copper-porphyry system, show typical alteration assemblages although they are less prominent than those seen in younger known porphyries.

Hydrothermal alteration at Lightning Ridge is characterised by mafic mineral-destructive quartz- clay-mica-pyrite (i.e. phyllic) alteration. The sites of the magmatic mafic minerals (e.g. biotite, hornblende and pyroxene) have been obscured and the feldspars replaced by sericite and clay. This type of phyllic alteration is common in late-stage overprinting of porphyry copper systems. Marginal to the phyllic alteration zones, sericite and chlorite alteration as well as silicification can be observed in adjacent basalt rocks. Mafic minerals in the basalt are commonly replaced by chlorite and/or leucoxene.

Another zone of alteration and copper mineralisation to the north-east of the main prospect also shows signs of porphyry-style alteration. A high density of 'B-type' quartz veins was observed, reaching total rock volumes of 5-20%. This high density of veining indicates a more proximal location to the centre of a possible porphyry system. Malachite and disseminated *in-situ pitch limonite* also occur, together with strong clay- and sericite alteration. Alteration and 'B-type' quartz veins disappear underneath Archaean metasediments of the Gorge Creek Group.

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Hence, one of the concepts being investigated is that the majority of the porphyry intrusion may be concealed beneath Archaean sedimentary and volcanic rocks. If this is the case, the alteration seen in the field may only be the peripheral alteration halo to a much broader concealed system. This hypothesis is supported by the analysis of soil geochemical copper and molybdenum values over the Lightning Ridge prospect, where coincident copper-molybdenum enrichment can be observed. An open anomaly at the northern end of the soil grid is of particular interest, as the observed alteration of the host rock disappears below Archaean sediments.

CHERITONS FIND PROJECT

Riedel continued work during the year aimed at the development of the Redwing gold deposit, potentially as a toll treatment project.

Redwing is located within Riedel's wholly-owned Cheritons Find Gold Project in the Forrestania-Southern Cross Greenstone Belt in the Eastern Goldfields Region of Western Australia (see *Figures 1 and 7*). Importantly, Redwing is only ≈ 45 kilometres to the south of Hanking Gold Mining Pty Ltd's ("Hanking") gold processing plant at Marvel Loch, which has been recently recommissioned.

Based on 121 RC drill holes completed by Sons of Gwalia in the late 1990s and subsequent Mineral Resource estimation work, Redwing contains an Inferred Mineral Resource of *1.4Mt @ 2.4g/t Au for 108,000 oz.*, which can be reported in accordance with requirements of the 2012 Edition of the JORC Code.

Riedel considers that, given current market contract mining and toll treatment processing costs, and assuming a toll treatment agreement can be negotiated, *Redwing has potential to generate significant value from an open-pit mining operation for a relatively low initial capital investment.*

The opportunity to develop the Cheritons Find (Redwing) gold deposit is substantially de-risked by the recent (2015) re-commissioning of Hanking's Marvel Loch processing facility located only 45 kilometres to the north of Cheritons Find. Hanking has indicated to Riedel a willingness to discuss proposals from third parties in the area who may wish to make use of the Marvel Loch processing facilities and other infrastructure (including camp and admin buildings where required).

In January 2015 Riedel engaged Amec Foster Wheeler to provide an independent review of the Cheritons Find Project and to best establish realistic options to bring the gold project into production. The review concentrated on establishing and assessing the key pre-development components which need to be satisfactorily completed, including establishing timelines and order of magnitude costs, to facilitate development of the Cheritons Find project.

DIRECTORS' REPORT (con't)

Amec Foster Wheeler Review

Scope of Work and Deliverables

The scope of work and deliverables from Amec Foster Wheeler's project review comprised:

- Review of the Redwing Mineral Resource Estimates ("MREs") database and MREs model with respect to the requirements of the JORC Code 2012 Edition. From this review Amec Foster Wheeler provided:
 - Recommendations on the steps Riedel will need to take to upgrade the MREs so that it can be used for Ore Reserve estimation in accordance with the JORC Code (2012) requirements.
 - An assessment of the drill hole in fill spacing that will be required to allow Ore Resource estimation to at least an Indicated Resource category along with a plan and budget estimate to upgrade the MREs.
- Review of the mining assumptions and basis for a pit optimisation study including:
 - Geotechnical (and if necessary hydrogeological) assumptions.
 - Order of magnitude estimates of:
 - Contract mining (ore and waste) and road-train haulage costs.
 - Mine capital costs associated with mine set up, road-train haulage and development approvals.
 - Cost associated with converting the mine area to a Mining Lease and other statutory approvals.
 - Cost to prepare an Ore Reserve estimate in accordance with the JORC Code 2012.
 - Preparation of a conceptual a project development schedule with key milestones that must be achieved for the project to continue.
- Review of ore processing assumptions including:
 - Reasonableness of assumptions regarding metallurgical recovery and/or recommendations and cost estimates for metallurgical tests.
 - Order of magnitude estimates regarding processing costs and reasonable toll treatment rates for the target toll treatment operations.
 - Costs to carry out metallurgical tests (if needed) to confirm the expected metallurgical recovery and other process characteristics of the ore.

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Key Findings

In April 2015 Amec Foster Wheeler completed a high-level review of information provided by Riedel relating to the prior MREs, metallurgical testing and mining studies completed for the project by Sons of Gwalia Ltd ("SOG") in 2000, and by Annett Consulting ("Annett") in 2011.

Amec Foster Wheeler's key findings from the study are as follows:

- The prior MREs prepared by SOG and Annett are sufficiently robust to prepare a Public Report as defined in the current (2012) edition of the JORC Code.
- Prior mining studies indicate that the Redwing deposit could be profitably exploited using current contract mining and ore toll treatment assumptions, however:
 - Amec Foster Wheeler cautions that these are order of magnitude estimates of net value and are additionally sensitive to the geological risks discussed below.
- Amec Foster Wheeler's review of the metallurgical testing completed by SOG has found:
 - The tests completed are positive with high CIL extractions (>90%) and with low reagent consumption.
 - Coarse gold is present and this needs to be considered in any toll treatment arrangements.
- The Redwing style of gold mineralisation currently has a number of geological risks which need to be addressed as follows:
 - The mineralised gold bearing lodes are narrow, and moderately dipping, and will be subject to relatively high dilution during mining.
 - Much of the value in the deposit is associated with ≈ 20 very high grade assay results (>10 ppm Au up to 100 ppm Au). The continuity of these high grade zones is not well understood, or confirmed, in the currently available drilling.
 - The direction of grade continuity is not clear on the current drill hole spacing with geological information suggesting a general NNW to SSE strike, while the grade data suggests a more NNE to SSW strike.
- To mitigate these geologic risks Amec Foster Wheeler proposes that:
 - Infill drilling will be required on a 20 m by 20 m collar spacing for MRE purposes and that one high grade area of the deposit should also be tested on a 10 m by 10 m grid.
 - The estimated cost of proposed drilling to mitigate geological risk and ***define Mineral Resources to Measured Mineral Resource class is estimated to be in the order of A\$500,000.***

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- To progress the Redwing project to execution Riedel will need to:
 - Prepare a mineralisation report that can be used to support a mining lease application (MLA) over the immediate deposit area.
 - Instigate the MLA process and associated survey works.
 - Complete the infill drilling, prepare an MRE, complete a Feasibility Study and mine plan to develop a toll treatment project.
 - Amec Foster Wheeler estimates an order of magnitude cost **to reach a decision point to proceed to be in the order of A\$1.0 million.**

In summary, Amec Foster Wheeler concluded that Riedel's Redwing toll treatment strategy appears to offer reasonable returns at reasonable risk for the initial drilling investment of ≈A\$500,000 to improve the Mineral Resource confidence to a level that will support a Feasibility Study.

Project Summary

Geological Setting

Exploration Licence 77/1793 covers a west-north-west striking sequence of mafic and ultramafic rocks, flanking the south-western part of the Parker Range Dome.

At the Redwing deposit, significant gold mineralisation has been discovered along a strike length of 500 metres and to a vertical depth of 160 metres. The mineralised deformation zone dips shallowly to the south and has a true thickness of between 5 metres and 30 metres although the host rock sequence and associated structural deformation zone extends for at least a further 2,500 metres to the south of Redwing.

Within the overall mineralised/deformation zone, free gold is hosted by a series of stacked, sheeted quartz veins ranging in thickness from one to four metres within alteration halos which are characterised by calc-silicate, carbonate, garnet and pyrite assemblages (see *Figure 7*).

Inferred Mineral Resources

In 2000, Sons of Gwalia Limited ("SOG") estimated an Inferred Mineral Resource Estimate for Redwing of 1.4 Mt @ 2.4g/t Au for 108,000 ounces of gold (see *Table 3*). Amec Foster Wheeler has completed a high-level review of the data methodology supporting SOG estimate and considers the SOG Inferred Resource Estimate can be reported in accordance with the requirements of the JORC Code 2012.

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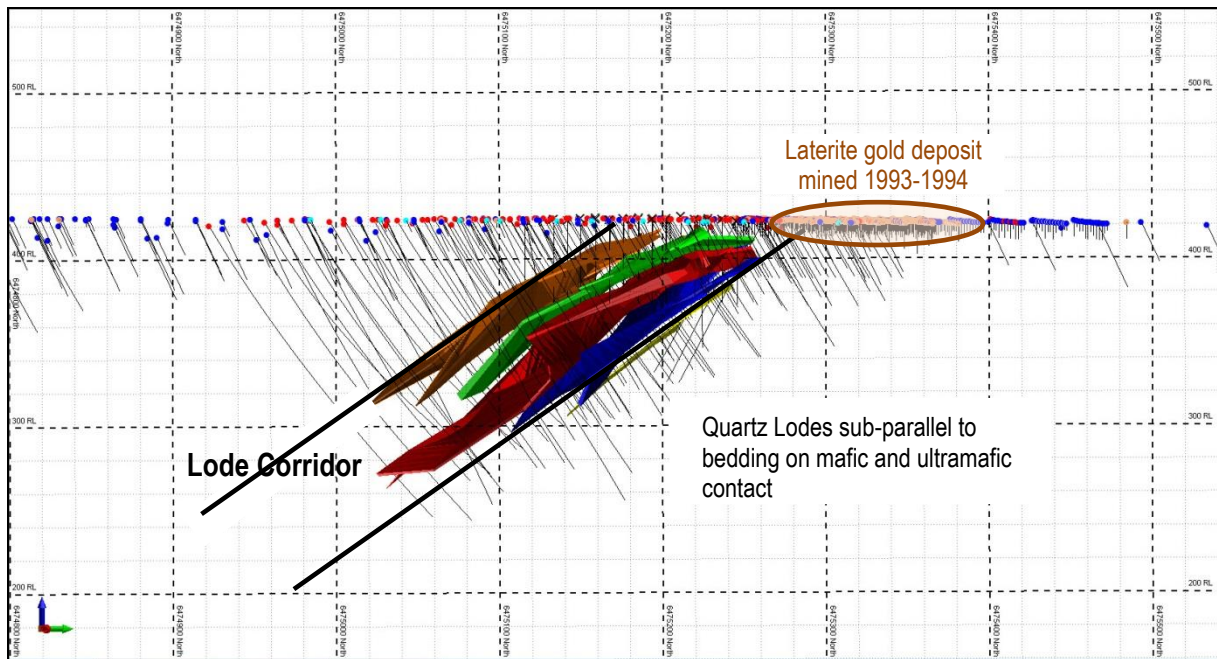


Figure 7: Cheritons Find – Redwing Gold Deposit Cross-Section – All lodes projected to single section looking west.

MILLROSE PROJECT

Subsequent to the end of the June Quarter Retention Status was granted over the part of Exploration Licence 53/1304 that includes the Millrose Gold Deposit (*Inferred Resource of 4.0Mt @ 2.4g/t Au for 309,000 oz; see Table 4*) and an extension of term was also granted. The tenement has reduced in size from 21 blocks to 8 blocks and has a new expiry date of 23 April 2019.

OTHER PROJECTS

Three tenements, E36/623, M36/670 and E36/734 near the Bronzewing Gold Mine were returned to Riedel Resources after Metaliko Resources did not earn their Stage 1 interest in the required time. M36/670 was relinquished and E36/734 expired and an extension of term was not applied for.

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DIRECTORS' REPORT (con't)

MINERAL RESOURCE STATEMENTS

Table 3: Cheritons Find (Redwing) Gold Deposit – Inferred Mineral Resources

Material	Resource Category	Lower Gold Cutoff (g/t Au)	Top Gold Cut (g/t Au)	Tonnes	Gold Grade (g/t Au)	Contained Gold (oz Au)
Oxide	Inferred	0.5	20	30,000	2.3	2,200
Transition	Inferred	0.5	20	100,000	2.0	6,400
Primary	Inferred	0.5	20	1,270,000	2.5	102,000
TOTAL	Inferred	0.5	20	1,400,000	2.4	108,000

In April 2015 Amec Foster Wheeler completed a high-level review of information provided by Riedel relating to the prior MREs, metallurgical testing and mining studies completed for the project by Sons of Gwalia Ltd (“SOG”) in 2000, and by Annett Consulting (“Annett”) in 2011 and considers the SOG Inferred Resource Estimate can be reported in accordance with the requirements of the JORC Code 2012. The tonnes, grade and contained ounces of gold in the Redwing Resource are the same at 30 June 2015 as they were at 30 June 2014.

Table 4: Millrose Gold Deposit – Inferred Mineral Resource

Material	Resource Category	Lower Gold Cutoff (g/t Au)	Top Gold Cut (g/t Au)	Tonnes	Gold Grade (g/t Au)	Contained Gold (oz Au)
Surface	Inferred	0.5	N/A	50,000	2.5	4,000
Supergene	Inferred	0.5	N/A	900,000	3.6	105,000
Primary	Inferred	0.5	N/A	3,100,000	2.0	200,000
TOTAL	Inferred	0.5	N/A	4,000,000	2.4	309,000

This resource estimate was calculated by Phil Jones (Al Maynard & Assoc) – 2010. This information was previously prepared and disclosed on the basis of compliance with the JORC Code – 2004 Edition. The Inferred Mineral Resources have not been subsequently updated to satisfy compliance with the JORC Code - 2012 Edition as the information has not materially changed since it was last reported. The tonnes, grade and contained ounces of gold in the Millrose Resource are the same at 30 June 2015 as they were at 30 June 2014.

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DIRECTORS' REPORT (con't)

GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Riedel Resources ensures that Mineral Resource estimates are subject to governance arrangements and internal controls. Riedel Resources reports its Mineral Resources on an annual basis in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) 2012 Edition.

Mineral Resources have been reported as a combination of JORC 2012 and 2004 compliant estimates. The Cheritons Find (Redwing) Mineral Resource was reported to JORC 2012 standard in the ASX release dated 15 April 2015. This release contains JORC Table 1 and details the assumptions and methodologies used. The annual review of the Redwing Resource did not result in a change to the tonnes, grade or contained ounces of gold. Therefore the total resource is the same as it was at 30 June 2014.

The annual review of the Millrose Gold Deposit did not result in any changes to the tonnes, grade or contained ounces of gold. Therefore the total resource is the same as it was at 30 June 2014. The Millrose Gold Deposit resource is expected to be upgraded to JORC 2012 compliant when a material change occurs following further drilling.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on, and fairly represents, information compiled by Mr Ed Turner, who is a Member of The Australian Institute of Geoscientists. Mr Turner is a full time employee of 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.

TENEMENT SCHEDULE

Following is the schedule of Riedel Resources mining tenements as at 30 June 2015.

Area of Interest	Tenement reference	Nature of interest	Interest
Western Australia			
Charteris Creek	E45/2763	Direct	100%
Bronzewing South	E36/623	Indirect	80%
Bronzewing South	M36/670	Indirect	80%
Delaney Well	E36/734	Direct	100%
Cheritons Find	E77/1793	Direct	100%
Marymia	E52/2394	Direct	49%
Marymia	E52/2395	Direct	49%
Millrose	E53/1304	Direct	100%
Porphyry	M31/157	Royalty	0%
West Yandal	M36/615	Royalty	0%

RIEDEL RESOURCES LIMITED
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DIRECTORS' REPORT (con't)

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 9 July 2015, the Company issued 997,260 shares to Convertible Note holders in consideration of interest payable for the June 2015 quarter.

On 20 August 2015, the Company issued 18,083,477 fully paid ordinary shares at an issue price of \$0.005 per share to raise \$90,417 from an unrelated sophisticated investor, 5% placement fee of \$4,521 will be paid to the facilitator Oracle Securities Pty Ltd.

On 28 August 2015, the Company announced further extension to convertible note redemption date to 30 September 2015. A further extension will be negotiated in the next general meeting to be held in October.

On 28 August 2015, the Company announced the resignation of Company Secretary Ms Sue Symmons and the appointment of Mr Leonard Math as the Company Secretary.

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

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid or declared since the start of the financial year.

LIKELY DEVELOPMENT AND RESULTS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report, as inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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DIRECTORS' REPORT (con't)

INDEMNITIES

The Group has not, during or since the financial year, in respect of any person who is or has been an officer of the Company:

- Indemnified or made any relevant agreement for the indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

During the financial year the Company paid a premium of \$5,800 (excluding GST) in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings that may be brought against the directors and secretary of the Company.

MEETINGS OF DIRECTORS

During the financial year, 14 meetings of directors were held. The number of meetings attended by each director during the period is stated below:

	Number of eligible to attend	Number attended
Ian Tchacos	14	13
Jeff Moore	14	13
Andrew Childs	14	14
Ed Turner	14	14

OPTIONS

Unissued shares under options

At the date of this report, the unissued ordinary shares of Riedel Resources Limited under option are as follows:

Expiry date	Exercise price (cents)	Quantity
31/01/2016	15	9,333,329
31/12/2016	5.2	10,000,000
31/12/2017	1.1	23,728,195
31/01/2018	15	1,250,000
		<hr/> 44,311,524

Each option entitles the holder to one fully paid ordinary share in the Company at any time up to expiry date. To the date of this report no shares had been issued as a result of the exercise of options.

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DIRECTORS' REPORT (con't)

CONVERTIBLE NOTES

Redemption date	Quantity
30/09/2015	400,000

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and is included in the financial report on page 31.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for the key management personnel of Riedel Resources Limited (the "Company") for the financial year ended 30 June 2015. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company, and includes the two executives in the Company and the Group receiving the highest remuneration.

Key Management Personnel

Directors

Ian Tchacos (Chairman)
Jeffrey Moore (Executive Director)
Andrew Childs
Ed Turner (Executive Director)

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

Remuneration Philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration Committee

The Remuneration Committee, the role and duties of which are undertaken by the Board, establishes human resources and compensation policies and practices for the Directors (executive and non-executive) and senior executives, including retirement termination policies and practices, Company share schemes and other incentive schemes, Company superannuation arrangements and remuneration arrangements.

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the Board. All executives are to receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Directors and executives are also entitled to participate in the Employee Incentive Option Scheme and Performance Rights Plan. The executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.5% for the year ended 30 June 2015, and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes or Binomial Option Pricing models.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate fees that can be paid to non-executive directors is \$250,000 per

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

annum as detailed in the Company's prospectus dated 12 November 2010. Amendments to this amount are subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors will not be linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Employee Incentive Option Scheme.

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Non-executive Directors are not currently paid any fee.

Bonuses

No bonuses were given to key management personnel during the 2014 and 2015 years.

Performance based remuneration

The Company currently offers eligible Directors and Key Executives participation in the Company Performance Rights Plan and/or Incentive Option Scheme. This is in addition to cash remuneration.

Company performance, shareholder wealth and director's and executive's remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options or Performance Rights to eligible directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options and performance rights at year end, refer below for details.

In order to preserve cash in the Company, the non-executive Directors have not received Directors fees since 1 May 2013 and the executive Directors receive Directors' fees only in the form of cash. All directors are entitled to participate in the Performance Rights Plan and/or Incentive Option Scheme.

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

Remuneration of directors and key management personnel

For the year ended 30 June 2015

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments	Total	Value of equity as proportion of remuneration
	Directors Fees	Salary and Consulting Fees	Superannuation			
	\$	\$	\$	\$	\$	%
Directors						
Ian Tchacos	-	-	-	-	-	-
Jeffrey Moore	61,129	-	5,807	5,297	72,233	7.3%
Andrew Childs	-	-	-	-	-	-
Ed Turner	59,677	-	5,669	-	65,346	-
Total	120,806	-	11,476	5,297	137,579	

For the year ended 30 June 2014

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments	Total	Value of equity as proportion of remuneration
	Directors Fees	Salary and Consulting Fees	Superannuation			
	\$	\$	\$	\$	\$	%
Directors						
Ian Tchacos	-	-	-	-	-	-
Jeffrey Moore	69,194	-	6,400	77,333	152,927	51
Andrew Childs	-	-	-	-	-	-
Ed Turner	50,000	-	4,625	-	54,625	-
Bruce Franzen ¹	-	20,000	-	25,778	45,778	56
Total	119,194	20,000	11,025	103,111	253,330	

¹ Resigned as a Director on 31 January 2013 and Company Secretary on 1 October 2013.

The overall level of key management personnel remuneration takes into account the performance of the Company since the Company's incorporation on 9 April 2010.

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

Options and rights over equity instruments granted as compensation

No options were granted to key management personnel as compensation during the period or since the end of the financial year.

Performance rights

On 14 July 2011, 8,000,000 performance rights were issued under the Company Performance Rights Plan to Jeffrey Moore (Managing Director) and Bruce Franzen (Director until 31 January 2013 and Company Secretary until 1 October 2013) as incentive to align the directors' interests with Company objectives. The following issues of securities to related parties were approved by shareholders as follows:

Holder	Number of Performance Rights	Exercise Price
Jeffrey Moore	2,000,000	27 cents
	2,000,000	36 cents
	2,000,000	45 cents
Bruce Franzen ¹	666,667	27 cents
	666,667	36 cents
	666,666	45 cents

¹ Resigned as a Director on 31 January 2013 and Company Secretary on 1 October 2013. This was the balance on resignation.

The performance rights are exercisable at the conversion price determined at the grant date. The terms and conditions relating to these performance rights including the parameters used to value them are as follows:

	Performance Rights
Underlying security spot price	\$0.135
Exercise price	\$0.27-\$0.45
Volatility	75%
Risk free rate	5.05%
Grant date	26/07/2011
Expiration date	25/07/2014
Expiration period (years)	3 yrs
Number of options	8,000,000
Valuation per option/performance rights	\$0.031-\$0.047
Total performance rights valuation	\$309,333

The total value of the performance rights of \$309,333 are expensed proportionately until 25 July 2014, being the vesting date. The total amount being expensed for the year ended 30 June 2015 is \$7,062 (30 June 2014: \$103,111).

Shares issued as compensation during the year.

No shares were issued as compensation during the year.

RIEDEL RESOURCES LIMITED
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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:-

Name: Jeffrey Moore
Title: Executive Director
Agreement commenced: 4 April 2011*
Term of agreement: 3 years (Subject to re - election every 3 years from 1 May 2013)
Details: Directors Fees of \$60,000 plus super. Directors Fees are reviewed annually by the Board. The Executive is entitled to Performance Rights.

Name: Ian Tchacos
Title: Non-executive Chairman
Agreement commenced: 22 October 2010
Term of agreement: Subject to re - election every 3 years.
Details: Base salary for the year ended 30 June 2013 of \$50,000 plus superannuation, to be reviewed annually by the Board.
Note: Salary foregone from 1 May 2013.

Name: Andrew Childs
Title: Non-executive Director
Agreement commenced: 22 October 2010
Term of agreement: Subject to re - election every 3 years.
Details: Base salary for the year ended 30 June 2013 of \$30,000 plus superannuation, to be reviewed annually by the Board.
Note: Salary foregone from 1 May 2013.

Name: Ed Turner
Title: Executive Director and Exploration Manager
Agreement commenced: 11 July 2011* (appointed as Director 5 December 2012)
Term of agreement: Subject to re - election every 3 years.
Details: Directors Fees of \$60,000 plus super. Directors Fees are reviewed annually by the Board. The Executive is entitled to Company options.

* Agreements terminated effective 30 April 2013. Currently receiving Directors fees only on an ongoing basis with no specified termination period.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

Ordinary shares held in Riedel Resources Limited (number)

	Balance at beginning of period	Granted as remuneration	Exercise of options	Net change other*	Balance at end of period
2015					
Ian Tchacos	465,500	-	-	1,764,705	2,230,205
Jeffrey Moore	896,600	-	-	1,764,705	2,661,305
Andrew Childs	2,987,305	-	-	-	2,987,305
Ed Turner	1,000,000	-	-	588,234	1,588,234
Total	5,349,405	-	-	4,117,644	9,467,049

* Acquired on market.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at beginning of period	Granted as remuneration	Exercised	Net change other	Balance at end of period
2015					
Ian Tchacos	-	-	-	-	-
Jeffrey Moore	-	-	-	-	-
Andrew Childs	-	-	-	-	-
Ed Turner	-	-	-	-	-
Total	-	-	-	-	-

Performance Rights of Key Management Personnel

The number of performance rights in the Company held during the financial year by each director and other key management personnel of the Group, including their personally related parties, is set out below:

	Balance at beginning of period	Granted as remuneration	Exercised	Net change other	Balance at end of period
2015					
Jeffrey Moore	6,000,000	-	-	(6,000,000)	-
Total	6,000,000	-	-	(6,000,000)	-

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DIRECTORS' REPORT (con't)

REMUNERATION REPORT – AUDITED (con't)

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black Scholes or Binomial Option Pricing Models taking into account the terms and conditions upon which the options were granted.

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the Board of Directors.



Jeffrey Moore
Director

Date: 23 September 2015

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

In relation to our audit of the financial report of Riedel Resources Limited for the year ended 30 June 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

23 SEPTEMBER 2015
WEST PERTH,
WESTERN AUSTRALIA

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Company's and Group's financial position as at 30 June 2015 and of their performance for the year ended on that date.
 - (c) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The director's have been given the declaration required by section 295A of the Corporations Act 2001.

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



Jeffrey Moore
Director

Date: 23 September 2015

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTES	2015 \$	2014 \$
Interest revenue		6,145	5,520
Other revenue		60,154	73,200
Total revenue	2(a)	66,299	78,720
Administration expenses		(645,342)	(493,658)
Depreciation		(15,351)	(15,197)
Employee benefits expense		(27,104)	(123,203)
Impairment of exploration expenditure		(143,704)	(2,626,294)
Write-off of exploration expenditure		(29,437)	(4,535,855)
Loss before income tax expense	2(b)	(794,639)	(7,715,487)
Income tax expense	3	-	-
Loss for the year		(794,639)	(7,715,487)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation		156	194,304
Total comprehensive loss for the year		(794,483)	(7,521,183)
Basic and diluted (loss) per share (cents)	16	(0.54)	(7.11)

The accompanying notes form part of these financial statements.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	NOTES	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	142,630	22,947
Trade and other receivables	6	30,571	66,273
TOTAL CURRENT ASSETS		173,201	89,220
NON CURRENT ASSETS			
Plant and equipment	7	20,418	30,696
Exploration and evaluation expenditure	8	1,737,558	1,966,415
TOTAL NON CURRENT ASSETS		1,757,976	1,997,111
TOTAL ASSETS		1,931,177	2,086,331
CURRENT LIABILITIES			
Trade and other payables	9	31,265	58,993
Convertible note	10	407,978	407,999
TOTAL CURRENT LIABILITIES		439,243	466,992
TOTAL LIABILITIES		439,243	466,992
NET ASSETS		1,491,934	1,619,339
EQUITY			
Issued capital	11	15,452,891	15,110,833
Option reserve	12	290,941	290,941
Share based payment reserve	12	525,145	509,458
Foreign currency translation reserve	13	652,517	652,361
Accumulated losses	14	(15,429,560)	(14,944,254)
TOTAL EQUITY		1,491,934	1,619,339

The accompanying notes form part of these financial statements.

RIEDEL RESOURCES LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	15,110,833	290,941	652,361	509,458	(14,944,254)	1,619,339
Loss for the period	-	-	-	-	(794,639)	(794,639)
Other comprehensive loss	-	-	156	-	-	156
Total comprehensive loss for the period	-	-	156	-	(794,639)	(794,483)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	349,555	-	-	-	-	349,555
Less: share issue costs	(7,497)	-	-	-	-	(7,497)
Issue of options	-	-	-	325,020	-	325,020
Expiry of options	-	-	-	(309,333)	309,333	-
	342,058	-	-	15,687	309,333	667,078
Balance at 30 June 2015	15,452,891	290,941	652,517	525,145	(15,429,560)	1,491,934
Balance at 1 July 2013	15,083,730	290,941	458,057	383,060	(7,228,767)	8,987,021
Loss for the period	-	-	-	-	(7,715,487)	(7,715,487)
Other comprehensive loss	-	-	194,304	-	-	194,304
Total comprehensive loss for the period	-	-	194,304	-	(7,715,487)	(7,521,183)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	33,213	-	-	-	-	33,213
Issue of options	-	-	-	126,398	-	126,398
Less: share issue costs	(6,110)	-	-	-	-	(6,110)
	27,103	-	-	126,398	-	153,501
Balance at 30 June 2014	15,110,833	290,941	652,361	509,458	(14,944,254)	1,619,339

The accompanying notes form part of their financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 \$	2014 \$
Cash Flows from Operating Activities			
Interest received		6,145	5,520
Other revenue		66,836	66,000
Payments to suppliers and employees		(319,543)	(423,242)
Net cash used in operating activities	15	<u>(246,562)</u>	<u>(351,722)</u>
Cash Flows from Investing Activities			
Payment for exploration and evaluation		(199,505)	(159,502)
Proceeds from term deposit		30,000	-
Proceeds from JV Contribution		250,000	-
Payments for plant and equipment		(5,073)	-
Net cash used in investing activities		<u>75,422</u>	<u>(159,502)</u>
Cash Flows from Financing Activities			
Payments for share issue costs		(7,497)	(6,110)
Proceeds from issue of convertible note		298,320	240,000
Net cash provided in financing activities		<u>290,823</u>	<u>233,890</u>
Net decrease in cash and cash equivalents held		119,683	(277,334)
Cash and cash equivalents at 1 July		<u>22,947</u>	<u>300,281</u>
Cash and cash equivalents at 30 June	5	<u><u>142,630</u></u>	<u><u>22,947</u></u>

The accompanying notes form part of these financial statements

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Riedel Resources Limited (the "Company") is a listed public company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group primarily is involved in mining and exploration activity.

New, revised or amending Accounting Standards and Interpretations adopted

The Group 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Board of Directors on 23 September 2015. The Directors have the power to amend and revise the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 40.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Riedel Resources Limited ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Riedel Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the directors. The directors are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Riedel Resources Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an independent external valuation using Black-Scholes and Binomial Option Pricing models, using the assumptions detailed in Note 12.

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Impairment of Exploration and Evaluation Assets and Investments in and Loans to Subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

RIEDEL RESOURCES LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

Going Concern

The accounts 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 Group incurred a loss of \$794,639 for the year ended 30 June 2015 (2014: \$7,715,487).

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company 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 Group's current exploration and evaluation projects, the Directors believe that the 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 Company and the Group 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. In the event that the Group is not successful in raising funds from the issue of new equity there exists a significant uncertainty as to whether the Group will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Income Tax

The charge for current income tax expense is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at reporting date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and development assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Financial Instruments

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics. All impairment losses are recognised either in the income statement or revaluation reserves in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) Non-Financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss in the statement of profit or loss and other comprehensive income.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss in the statement of profit or loss and other comprehensive income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date.

Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Group. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an independent external valuation using a Black-Scholes and Binomial Option Pricing models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	2 years
Exploration equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to the owners of Riedel Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New standards and interpretations not yet mandatory or early adopted

The AASB has issued the following new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards, and has not yet determined the potential impact on the financial statements from the adoption of these standards and interpretations.

AASB NO.	TITLE	APPLICATION DATE	OPERATIVE DATE (ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER)
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part C - Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts	Part D - 1 January 2016 Part E - 1 January 2018	June 2014
AASB 2014-3	Amendments to Australian Accounting Standard – Accounting for Acquisition of	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116	1 January 2016	August 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2017	December 2014
AASB 2014-6	Amendments to Australian Accounting Standard – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	1 January 2016	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-8	Amendments to Australian Accounting Standards Arising From AASB 9	1 January 2015	December 2014
AASB 2014-9	Amendments to Australian Accounting Standard - Equity Method in Separate Financial Statements	1 January 2016	December 2014
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2016	December 2014

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AASB NO.	TITLE	APPLICATION DATE	OPERATIVE DATE (ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER)
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	January 2015
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	January 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent **	1 July 2015	January 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	January 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to NFP Public Sector Entities	1 July 2016	March 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014
AASB 1056	Superannuation Entities	1 July 2016	June 2014

NOTE 2: LOSS FROM ORDINARY ACTIVITIES

	2015	2014
	\$	\$
(a) Other Revenue		
Bank interest	6,145	5,520
Other revenue – office subleasing	60,154	73,200
	66,299	78,720

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	2015	2014
NOTE 2: LOSS FROM ORDINARY ACTIVITIES (con't)	\$	\$
(b) Expenses		
Depreciation	15,351	15,197
Convertible note – cost	317,958	80,756
Exploration expenditure written off	29,437	4,535,855
Equity-settled share based payments expense	342,919	140,798
Superannuation - defined contribution	11,477	12,792
Impairment of exploration expenditure	143,704	2,626,294
Rental expense – operating lease	99,719	112,194

NOTE 3: INCOME TAX EXPENSE

Income tax expense/(benefit):

Current tax	-	-
Prior year under provision	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-

The prima facie income tax expense/(benefit) on pre-tax accounting loss from operations reconciles to the income tax expense/ (benefit) in the financial statements as follows:

Prima facie income tax benefit on loss at 30% (2014: 30%)	(238,391)	(2,314,646)
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Add:

Tax effect of:		
Other non-allowable items	82	284
Share based payment	7,488	42,239
Impairment of exploration expenditure	43,111	787,888
Write off exploration expenditure	8,831	1,360,757
Revenue losses not recognised	209,028	285,822
Accrued income	16,715	-
	<hr/>	<hr/>
	285,255	2,476,990

Less:

Tax effect of:

Exploration and evaluation expenditure	-	107,399
Capital raising costs	45,070	45,070
Website costs	894	1,788
Provisions and accruals	900	8,087
	<hr/>	<hr/>
	46,864	162,344

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FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: INCOME TAX EXPENSE (con't)	2015	2014
	\$	\$
Income tax expense/(benefit)	-	-
The applicable average weighted tax rates are as follows:	0%	0%
The following deferred tax balances have not been recognised:		
Deferred Tax Assets:		
At 30%:		
Carry forward revenue losses	1,350,933	1,017,792
Capital raising cost	21,845	66,915
Website costs	-	894
Provisions and accruals	3,000	3,900
	<u>1,375,778</u>	<u>1,089,501</u>

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

Deferred Tax Liabilities:
At 30%:

Exploration and evaluation expenditure	<u>521,267</u>	<u>589,925</u>
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The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the Deferred Tax Asset has not been recognised.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: AUDITORS' REMUNERATION

	2015	2014
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	22,208	21,375
- Tax compliance and accounting advice	-	-
	22,208	21,375
Remuneration of firms other than the auditor		
- Tax compliance	6,650	1,550
- Other non-audit services	60,000	55,800
	66,650	57,350

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	1,204	1,204
Cash at bank	141,426	21,743
	142,630	22,947

Refer to note 18 for further information on financial instruments.

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Sublease income	1,238	7,920
Term deposit	20,000	50,000
Prepayments	9,333	8,353
	30,571	66,273

Refer to note 18 for further information on financial instruments.

NOTE 7: PLANT & EQUIPMENT

Office Equipment

At cost	36,141	31,068
Accumulated amortisation	(31,223)	(26,903)
Total office equipment	4,918	4,165

Exploration Equipment

At cost	55,304	55,304
Accumulated amortisation	(39,804)	(28,773)
Total exploration equipment	15,500	26,531

Total plant and equipment	20,418	30,696
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FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7: PLANT & EQUIPMENT (con't)

Reconciliations

Reconciliations of the carrying amounts of each class of plant & equipment at the beginning and end of the current and previous financial year are set out below:

	2015	2014
	\$	\$
<i>Office Equipment</i>		
Carrying amount at beginning of period	4,165	8,331
Additions/(disposals)	5,073	-
Depreciation	(4,320)	(4,166)
Carrying amount at end of period	4,918	4,165
<i>Exploration Equipment</i>		
Carrying amount at beginning of period	26,531	37,562
Additions/(disposals)	-	-
Depreciation	(11,031)	(11,031)
Carrying amount at end of period	15,500	26,531

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure

Gross capitalised exploration and evaluation expenditure	7,393,348	7,592,709
Less provision for impairment	(5,655,790)	(5,626,294)
Net amount	1,737,558	1,966,415

Exploration and evaluation expenditure reconciliation

Opening balance	1,966,415	8,770,570
Exploration written off	(29,437)	(4,535,855)
Impairment	(143,704)	(2,626,294)
Proceed from farm in JV contribution	(250,000)	-
Exploration and development expenditure incurred	194,284	357,994
Closing balance	1,737,558	1,966,415

NOTE 9: TRADE AND OTHER PAYABLES

Trade creditors	12,225	35,359
Accruals	12,275	13,000
Payroll liabilities	2,046	2,847
GST payable	2,449	5,687
Other	2,270	2,100
	31,265	58,993

Refer to note 18 for further information on financial instruments.

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NOTE 10: CONVERTIBLE NOTE	2015	2014
	\$	\$
Convertible note payable	400,000	400,000
Interest payable	7,978	7,999
Carrying amount	<u>407,978</u>	<u>407,999</u>

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.

NOTE 11: ISSUED CAPITAL	2014	2014
	Shares	\$
(a) Share capital		
Ordinary shares		
Issued and paid up capital – consisting of ordinary shares	109,662,979	15,862,000
Less: cost of issue	-	(751,167)
Closing balance at 30 June 2014	<u>109,662,979</u>	<u>15,110,833</u>
	2015	2015
	Shares	\$
Issued and paid up capital – consisting of ordinary shares	151,020,586	16,211,556
Less: cost of issue	-	(758,665)
Closing balance at 30 June 2015	<u>151,020,586</u>	<u>15,452,891</u>

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NOTE 11: ISSUED CAPITAL (con't)

(b) Movement in ordinary shares capital

Date	Details	No of Shares	\$
1 July 2013	Opening balance	107,489,109	15,083,730
17 October 2013	Convertible note interest	600,137	4,024
17 October 2013	Issue of shares as broker fee	275,000	9,900
10 January 2014	Convertible note interest	547,510	6,899
10 January 2014	Issue of shares as broker fee	125,000	4,500
1 April 2014	Convertible note interest	375,734	4,734
1 April 2014	Convertible note interest	250,489	3,156
	Costs of issue	-	(6,110)
30 June 2014	Closing balance	109,662,979	15,110,833
1 July 2014	Opening balance	109,662,979	15,110,833
7 July 2014	Convertible note interest	1,025,461	7,999
21 July 2014	Audax SPP	1,764,709	15,000
21 July 2014	Underwriting of SPP	33,331,784	283,320
12 August 2014	Oracle August 2014 SPP	2,105,788	17,899
9 October 2014	Convertible note interest	806,576	8,066
11 February 2015	Convertible note interest	1,008,219	8,066
15 April 2015	Convertible note interest	1,315,070	9,205
	Costs of issue	-	(7,497)
30 June 2015	Closing balance	151,020,586	15,452,891

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. The fully paid ordinary shares have no par value.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(c) Capital management

Management controls the capital of the Group by monitoring performance against budget to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's liabilities and capital includes ordinary share capital, options and financial liabilities, supported by financial assets.

The Company issued 400,000 Convertible Notes. 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 September 2015.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

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NOTE 11: ISSUED CAPITAL (con't)

There have been no changes in the strategy by management to control the capital of the Group since the prior year.

NOTE 12: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE

	2015	2014
	\$	\$
Options reserve (a)	290,941	290,941
Share based payments reserve (b)	525,145	509,458
	816,086	800,399

(a) Refers to money received in consideration for issued 29,094,050 options.

(b) Refers to fair value of options and performance rights issued in accordance with AASB 2 Share Based Payment.

Options reserve

Movements in options reserve:

	2014	2014
	Options	\$
Opening balance at 1 July 2013	-	290,941
Options issued	-	-
Closing balance at 30 June 2014	-	290,941
	2015	2015
	Options	\$
Opening balance at 1 July 2014	-	290,941
Options issued	-	-
Closing balance at 30 June 2015	-	290,941

Share based payment reserve

	2014	2014
	Quantity	\$
Options	22,295,662	207,187
Performance rights	8,000,000	302,271
Total share based payments reserve	30,295,662	509,458
	2015	2015
	Quantity	\$
Options	44,311,524	525,145
Performance rights	-	-
Total share based payments reserve	44,311,524	525,145

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NOTE 12: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE (con't)

Movements in options (share based payments reserve):

	Weighted Average Exercise Price	2014 Options	2014 \$
Opening balance at 1 July 2013	0.186	26,295,662	183,900
Free attached options for convertible note holders (5.2c exercise, 31 Dec 2016)	0.052	6,000,000	23,287
Options lapsed on 30 June 2014	0.300	(10,000,000)	-
Closing balance at 30 June 2014	0.099	22,295,662	207,187
		2015 Options	2015 \$
Opening balance at 1 July 2014	0.099	22,295,662	207,187
Free attached options for convertible note holders (1.1c exercise, 31 Dec 2017) (i)	0.011	23,728,195	317,958
Options lapsed on 30 April 2015	0.010	(1,712,333)	-
Closing balance at 30 June 2015	0.050	44,311,524	525,145

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.59 years (2014: 2.74 years).

- (i) The value of options granted during the period was calculated using the Black-Scholes Option Pricing Model and totalled \$317,958. The values and inputs are as follows;

	Convertible Note Options
Options issued	23,728,195
Underlying share value	\$0.017
Exercise price	\$0.011
Risk free interest rate	2.62%
Share price volatility	116.83%
Expiration period	31/12/2017
Valuation per option	\$0.0134

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NOTE 12: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE (con't)

Movements in performance rights:

	2014	2014
	Options	\$
Opening balance at 1 July 2013	8,000,000	199,160
Vesting expense charge for the year	-	103,111
Closing balance at 30 June 2014	8,000,000	302,271
	2015	2015
	Options	\$
Opening balance at 1 July 2014	8,000,000	302,271
Vesting expense charge for the year	-	7,062
Write off rights expired 25 July 2014	(8,000,000)	(309,333)
Closing balance at 30 June 2015	-	-

NOTE 13: FOREIGN CURRENCY TRANSLATION RESERVE

	2015	2014
	\$	\$
Opening balance	652,361	458,057
Foreign currency translation of foreign subsidiaries	156	194,304
	652,517	652,361

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTE 14: ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	14,944,254	7,228,767
Net loss for the year	794,639	7,715,487
Expired options	(309,333)	-
Accumulated losses at the end of the year	15,429,560	14,944,254

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NOTE 15: NOTES TO THE STATEMENT OF CASH FLOWS

	2015	2014
	\$	\$
Reconciliation of cash flow from operating activities to loss		
Loss from ordinary activities after income tax	(794,639)	(7,715,487)
Add: non cash items:		
Share based payments	24,960	140,798
Depreciation	15,351	15,197
Impairment of exploration expenditure	29,437	2,626,294
Exploration and evaluation expenditure written off	143,704	4,535,855
Convertible note costs amortised	351,292	80,756
Changes in assets and liabilities:		
Decrease/(increase) in receivables	16	5,513
Increase/(decrease) in payables	(16,683)	(33,734)
Increase/(decrease) in provisions	-	(6,914)
	(246,562)	(351,722)

(a) Non-cash investing and financing activities.

There were no other non-cash investing and financing activities, except the shares and options issued detailed in notes 11 and 12.

NOTE 16: EARNINGS PER SHARE

Loss from operations attributable to ordinary equity holders of Riedel Resources Limited used to calculate basic loss per share

	794,639	7,715,487
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	2015	2014
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	146,731,578	108,572,381

The Company has not disclosed diluted earnings per share as the effect of potential ordinary shares is to decrease the loss per share.

NOTE 17: SEGMENT REPORTING

The Company 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

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NOTE 17: SEGMENT REPORTING (con't)

of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

Operating segments are identified by management based on exploration activities in Australia and Burkina Faso.

2015	Australia	Burkina Faso	Unallocated	Total
	\$	\$	\$	\$
Revenue from external sources	-	-	66,299	66,299
Net loss before tax	173,564	4,058	617,017	794,639
Reportable segment assets	1,737,557	2,358	191,262	1,931,177
Reportable segment liabilities	469	405	438,369	439,243
2014				
Revenue from external sources	-	-	78,720	78,720
Net loss before tax	113,638	4,572,951	3,028,898	7,715,487
Reportable segment assets	1,961,806	237	124,288	2,086,331
Reportable segment liabilities	602	7,441	458,949	466,992

NOTE 18: FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors, creditors and convertible notes which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) *Interest Rate Risk*

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 180 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group has issued 400,000 Convertible Notes. The Convertible Notes (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 September 2015. The Group does not have any other short or long term debt, and therefore this risk is minimal.

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NOTE 18: FINANCIAL INSTRUMENTS (con't)

(b) *Foreign exchange risk*

The Group undertakes certain transactions in foreign currencies, hence exposure to exchange rate fluctuations arise. Payments made by the Group are made at the prevailing exchange rate at the time of payment. Loans advanced from the ultimate holding Company to subsidiary companies are denominated in Australian dollars. The Group does not utilise derivative instruments to hedge the exchange rate risk.

(c) *Credit Risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(a) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount 2015	Carrying Amount 2014
Financial assets	\$	\$
Cash and cash equivalents	142,630	22,947
Other receivables	30,571	66,273
	173,201	89,220

(b) Impairment losses

None of the Group's other receivables are past due hence no impairment were provided for.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The Company does anticipate a need to raise additional capital in the next 12 months to meet forecasted operational and exploration activities.

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements are shown at (f) below.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
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NOTE 18: FINANCIAL INSTRUMENTS (con't)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(e) Currency risk

The Group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies in other than the Group measurement currency. The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the US Dollar and the Burkina Faso CFA. The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2015	2014	2015	2014
	\$	\$	\$	\$
Burkina Faso CFA	405	1,967	-	237

Sensitivity analysis

The Group's main foreign currency risk arises from cash and cash equivalents held in foreign currency bank accounts and trade and other payable amounts denominated in currencies other than the functional currency. At 30 June 2015 and 30 June 2014 the Group's exposure to foreign currency risk is not considered material.

(f) Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 30-180 day rolling periods.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
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NOTE 18: FINANCIAL INSTRUMENTS (con't)

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non Interest Bearing	Total
			Within 1 year	Over 1 year		
2015						
FINANCIAL ASSETS	%	\$	\$	\$	\$	\$
Cash and cash equivalents	2.10	134,438	-	-	8,192	142,630
Trade and other receivables	2.40	-	20,000	-	10,571	30,571
Total Financial Assets		<u>134,438</u>	<u>20,000</u>	-	<u>18,673</u>	<u>173,201</u>
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	31,265	31,265
Convertible note	8.00	-	400,000	-	7,978	407,978
Total Financial Liabilities		-	<u>400,000</u>	-	<u>39,243</u>	<u>439,243</u>
2014						
FINANCIAL ASSETS						
Cash and cash equivalents	2.25	16,084	-	-	6,863	22,947
Trade and other receivables	2.76	-	50,000	-	16,273	66,273
Total Financial Assets		<u>16,084</u>	<u>50,000</u>	-	<u>23,136</u>	<u>89,220</u>
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	58,993	58,993
Convertible note	8.00	-	400,000	-	7,999	407,999
Total Financial Liabilities		-	<u>400,000</u>	-	<u>66,992</u>	<u>466,992</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 18: FINANCIAL INSTRUMENTS (con't)

(h) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis is performed on the same basis for 2014.

	2015	2014
	\$	\$
Change in profit		
Increase in interest rate by 1% (100 basis points)	1,544	661
Decrease in interest rate by 1% (100 basis points)	(1,544)	(661)
Change in equity		
Increase in interest rate by 1% (100 basis points)	1,544	661
Decrease in interest rate by 1% (100 basis points)	(1,544)	(661)

NOTE 19: COMMITMENTS AND CONTINGENCIES

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	-	52,800
After one year but not more than five years	-	-
More than five years	-	-
	-	52,800

The lease of Company offices at Suite 1, 6 Richardson Street, West Perth is settled on monthly basis from March 2015.

Sublease commitments

Committed at the reporting date but not recognised as receivable:

Within one year	-	64,800
After one year but not more than five years	-	-
More than five years	-	-
	-	64,800

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: COMMITMENTS AND CONTINGENCIES (con't)

Exploration commitments

Future minimum commitments in relation to exploration and mining tenements as at 30 June are as follows:

	2015	2014
	\$	\$
Within one year	131,500	348,641
After one year but not more than five years	148,214	292,954
More than five years	-	152,334
	279,714	793,929

NOTE 20: INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Riedel Resources Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	Equity Interest %	
		2015	2014
AuDAX Minerals Pty Ltd	Australia	100	100
Riedel (Burkina Faso) Limited	Mauritius	100	100
BF Exploration SARL	Burkina Faso	100	100

Riedel Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

NOTE 21: RELATED PARTY DISCLOSURE

Entity with significant influence over the Group

ADX Energy Limited owns 18% of the ordinary shares in Riedel Resources Limited (2014: 23%).

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. The following balances were outstanding at the reporting date in relation to transactions with related parties:

	2015	2014
	\$	\$
<i>Loans to related parties:</i>		
Audax Minerals Pty Ltd	2,686,580	2,737,133
Riedel (Burkina Faso) Limited	5,283,717	4,285,035
	7,970,297	7,022,168

Key management personnel compensation

Detailed remuneration disclosures are provided in the Remuneration Report on pages 23 to 30.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21: RELATED PARTY DISCLOSURES (con't)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2015	2014
	\$	\$
Short term employee benefits	120,806	119,194
Post-employment benefits	11,476	11,025
Share-based payments	5,297	103,111
	<hr/>	<hr/>
Total	137,579	233,330

NOTE 22: EVENTS AFTER THE REPORTING DATE

On 9 July 2015, the Company issued 997,260 shares to Convertible Note holders in consideration of interest payable for the June 2015 quarter.

On 20 August 2015, the Company issued 18,083,477 fully paid ordinary shares at an issue price of \$0.005 per share to raise \$90,417 from an unrelated sophisticated investor, 5% placement fee of \$4,521 will be paid to the facilitator Oracle Securities Pty Ltd.

On 28 August 2015, the Company announced further extension to convertible note redemption date to 30 September 2015. A further extension will be negotiated in the next general meeting to be held in October.

On 28 August 2015, the Company announced the resignation of Company Secretary Ms Sue Symmons and the appointment of Mr Leonard Math as the Company Secretary.

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

NOTE 23: CONTINGENT ASSETS AND LIABILITIES

The Company is not aware of any contingent assets or liabilities.

The Company also has a \$20,000 (2014: \$20,000) term deposit against a credit card facility that expires 2 December 2015.

NOTE 24: DIVIDENDS

No dividends were paid or declared during the year.

NOTE 25: COMPANY DETAILS

The registered office and principal place of business of the Company is Suite 1, 6 Richardson Street, West Perth, WA 6005.

RIEDEL RESOURCES LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 26: PARENT ENTITY DISCLOSURES

Financial Position

	2015	2014
	\$	\$
Assets		
Current Assets	173,201	87,906
Non-Current Assets	20,418	30,697
Total Assets	193,619	118,603
Liabilities		
Current Liabilities	438,370	453,263
Total Liabilities	438,370	453,263
Equity		
Issued Capital	15,452,891	15,110,833
Reserves	816,086	800,399
Accumulated Losses	(16,513,728)	(16,245,892)
	(244,751)	(334,660)

Financial Performance

	2015	2014
	\$	\$
Loss for the year	577,169	2,701,721
Total comprehensive loss	577,169	2,701,721

Commitments

For details see note 19.

Contingent Liabilities/Guarantees

For details see note 23.

NOTE 27: FAIR VALUE MEASUREMENT

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIEDEL RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Riedel Resources Limited (the company), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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PO Box 609 | West Perth | Western Australia 6872 | Australia

Opinion

In our opinion:

- (a) the financial report of Riedel Resources Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2015 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matters

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicated that the consolidated entity incurred a net loss after tax of \$794,639 during the year ended 30 June 2015 (2014: \$7,715,487). These conditions, along with other matters as set for in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's and consolidated entity's ability to continue as a going concern and therefore, the company and consolidated entity maybe unable to realise its assets and discharge its liabilities in the normal course of business.

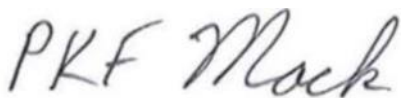
The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and/or the consolidated entity not continue as going concerns.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Riedel Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



PKF MACK



SHANE CROSS
PARTNER

23 SEPTEMBER 2015
WEST PERTH,
WESTERN AUSTRALIA

CORPORATE GOVERNANCE

The Company's Board governs the business on behalf of shareholders as a whole with the prime objective of protecting and enhancing shareholder value. The Board is committed to, and ensures that the:-

- (i) executive management runs the Group in accordance a high level of ethics and integrity;
- (ii) Board and management complies with all applicable laws and regulations;
- (iii) Company continually reviews the governance framework and practices to ensure it fulfils its corporate governance obligations.

Good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. The Board endorses the ASX Corporate Governance Principles and Recommendations ('ASX CGP') however, as a junior exploration company, at this stage of the Company's corporate development, implementation of the ASX CGP is not practical in every instance given the modest size and scale of the Company operations.

During the year ended 30 June 2015, the Company considered the 3rd Edition of the ASX CGP. This Statement reports on the revised recommendations and outlines the main corporate governance practices employed by the Board. Where it has not adopted a particular recommendation, an explanation is provided.

This Corporate Governance Statement was approved by the Board on 17 September 2015 and is current as at that date in accordance with ASX Listing Rule 4.10.3.

1. Laying solid foundations for management and oversight

Role and Responsibility of Board and Management

The relationship between the Board and senior management is critical to the Company's long term success. The Board is responsible for the performance of the Company in both the short and longer term and seeks to balance sometimes competing objectives in the best interests of the Group as a whole. The key aims of the Board are to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and senior management.

The responsibilities of the Board as a whole, the Chairman and individual Directors are set out in the Company's Board Charter and are consistent with ASX CGP 1. A copy of the Board Charter is available in the Corporate Governance section of the Company's website.

RIEDEL RESOURCES LIMITED
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CORPORATE GOVERNANCE (Cont')

Before appointing a new director, the Company will undertake appropriate checks such as a character reference, police clearance certificate, bankruptcy check and any other check it deems appropriate. Where a director is to be re-elected or a candidate is put up for election to shareholders, all material information will be provided to shareholders for consideration.

To ensure that Directors clearly understand the requirements of their role, formal letters of appointment are provided to them. The content of the appointment letter is consistent with that set out in ASX CGP 1.

To ensure that Executive Directors clearly understand the requirements of the role, service contracts and formal job descriptions are provided to them, the content of which is consistent with ASX CGP1.

Access to information

Directors may access all relevant information required to discharge their duties in addition to information provided in Board papers and regular presentations delivered by executive management on business performance and issues. With the approval of their Chairman, Directors may seek independent professional advice, as required, at the Company's expense.

Company Secretary

The Company Secretary, Leonard Math is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The role of the Company Secretary is consistent with ASX CGP1.

Diversity

The Board has established a diversity policy which supports the commitment of the Company to an inclusive workplace that embraces and promotes diversity and provides a framework for new and existing diversity-related initiatives, strategies and programs within the business. A copy of the policy is available in the Corporate Governance section of the Company's website and terms are consistent with ASX CGP

In accordance with this policy and ASX CGP, the Board has established the following measurable objectives in relation to gender diversity:-

- Recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- Identifying specific factors to take account of in recruitment and selection processes to encourage gender diversity;
- Developing programs to develop a broader pool of skilled and experienced senior management and board candidates, including workplace development programs, mentoring programs and targeted training and development; and
- Developing a culture which takes account of domestic responsibilities of employees.

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CORPORATE GOVERNANCE (Cont')

The Company currently has 2 employees, neither of whom are female. Further, there are no females on the Company's Board. If and when an opportunity to recruit at Board or Company level arises, the Company will consider such recruitment in accordance with its measurable objectives.

Board performance

The Board undertakes an annual self-assessment of its collective performance by way of a series of questionnaires. The results are collated and discussed at a Board meeting and any action plans are documented together with specific performance goals which are agreed for the coming year.

The Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each director to discuss this assessment. A director is nominated to review the individual performance of the Chairman and meets privately with him to discuss this assessment. The 2015 Board review will be undertaken in accordance with this process in December 2015.

Senior executive performance

The Managing Director undertakes an annual review of the performance of his direct reports and provides a report to the Board for consideration.

The Chairman undertakes an annual review of the CEO and provides a report to the Board for consideration. The 2015 senior executive review will be undertaken in accordance with this process in December 2015.

2. Structure of the Board

Board composition

The Directors determine the composition and size of the Board in accordance with the Company's Constitution. The Constitution empowers the Board to set upper and lower limits with the number of Directors not permitted to be less than three. There are currently four Directors appointed to the Board and their skills and experience, qualifications, term of office and independence status is set out in the Directors' Report.

Nominations committee

Due to the Company's size and scale, the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Nomination Committee. The Board is charged to undertake the responsibilities normally undertaken by a Nomination Committee.

Board succession/Board skills matrix

The Board has adopted a Board skills matrix which identifies its collective mix of skills and diversity. The Board's collective skills include financial, fundraising, industry knowledge, leadership, lobbying/networking, marketing/PR, risk management, strategic planning, technology/IT.

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CORPORATE GOVERNANCE (Cont')

The Board skills matrix also identifies the demographic background of the Board as follows:-

Male	4
Female	0
Age 25-40	
41-55	1
56-70	3
Over 70	

The current composition of the Board is regarded as balanced with a complementary range of skills, independence, diversity and experience to enable it to discharge its duties and responsibilities effectively.

Should the Company be in the position where it believes that it or a new director does not have the requisite skills and experience, the Company will ensure that appropriate training or development is provided to ensure that the current or new director has sufficient knowledge, skills and understanding of their responsibilities.

Director independence

Based on the definition of independence published in ASX CGP 2, no Directors are deemed Independent Directors. The Board are not independent for the following reasons:-

Ian Tchacos – Director of a substantial shareholder
Jeff Moore – Executive Director
Ed Turner – Executive Director
Andrew Childs – Director of a substantial shareholder

Independent Decision Making

A Board is not independent and the Company recognises that this is a departure from ASX CGP 2. All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.

The Board Charter sets out the criteria the Board uses to determine director independence. Materiality thresholds used to assess director independence have not as yet been established however the Board considers a director to be independent where he or she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the director's ability to act in the best interests of the Company. The Board believes that the interests of the shareholders are best served by the current composition of the Board which is regarded as balanced with a complementary range of skills, diversity and experience as detailed in the Directors' Report.

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CORPORATE GOVERNANCE (Cont')

The following measures are in place to ensure the decision making process of the Board is subject to independent judgments:-

- The role of the Chair and CEO are not exercised by the same individual;
- A standard item on each Board Meeting agenda requires Directors to focus on and declare any conflicts of interest in addition to those already declared;
- Directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman;
- All Directors must act all times in the interest of the Company; and
- Directors meet as required independently of executive management.

Adoption of these measures ensure that the interests of shareholders, as a whole, are pursued and not jeopardised by a lack of independence.

Inducting new directors

New Non Executive Directors will be provided with a pack of information and documents relating to the Company including the Constitution, Group structure, financial statements, recent Board papers and the various Board policies and charters. Site visits are arranged at an appropriate and cost effective time.

3. Ethical and Responsible Decision Making

Code of Conduct

A Code of Conduct Policy is in place to promote ethical and responsible practices and standards for directors, employees and consultants of the Company to discharge their responsibilities. This Policy reflects the directors' and key officers' intention to ensure that their duties and responsibilities to the Company are performed with the utmost integrity. A copy of the Standards of Conduct policy is available to all employees and is also available in the Corporate Governance section of the Company's website. The terms are consistent with ASX CGP 3.

4. Integrity of corporate reporting

Audit Committee

Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by an Audit Committee.

The full Board undertakes all Audit Committee responsibilities in accordance with its Audit Committee Charter located on the Company's website. The responsibilities include the following:-

- Reviewing and approving statutory financial reports and all other financial information distributed externally;
- Monitoring the effective operation of the risk management and compliance framework;
- Reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;
- The nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and
- Considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's independence.

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CORPORATE GOVERNANCE (Cont')

The Company will give consideration at an appropriate time in the Company's development, for the creation of an Audit Committee.

CEO/CFO Sign Off

Before the Board approves the Company's financial statements it receives a declaration from its CEO and CFO in accordance with ASX CGP 4.

External Auditor

The lead audit partner responsible for the Group's external audit is required to attend each Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

A summary of procedures for the selection and appointment of external auditors and rotation of external audit engagement partners is contained in the Audit Committee Charter located on the Company's website.

5. Timely and balanced disclosure

Continuous Disclosure Policy

The Company has a written policy on information disclosure that focuses on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities.

A copy of the Continuous Disclosure Policy is located in the Corporate Governance section of the Company's website and the terms are consistent with ASX CGP 5.

The Company Secretary has been nominated as the person responsible for communications with the Australia Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

6. Rights of Securityholders

Website

The Company maintains a website at www.riedelresources.com.au. The website contains information consistent with ASX CGP 6.

Communication

The Company's Shareholder Communications Policy promotes effective communication with the Company's shareholders and encourages shareholder participation at general meetings. A copy of this Policy, which deals with communication through the ASX, the Share Registry, shareholder meetings and the annual report, may be found in the Corporate Governance section of the Company's website. All of the Company's announcements to the market may also be accessed through the Company's website. The Company's annual reports are posted on the Company's website.

CORPORATE GOVERNANCE (Cont')

Shareholders are provided with the opportunity to question the Board concerning the operation of the Company at the annual general meeting. They are also afforded the opportunity to question the Company's auditors at that meeting concerning matters related to the audit of the Company's financial statements.

Shareholders are also encouraged and given the opportunity to receive electronic communications from, and send electronic communications to, the Company and its share registry.

7. Recognising and Managing Risk

Risk Committee

Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Risk Committee.

The Board is responsible for ensuring that risks, as well as opportunities are identified on a timely basis and receive an appropriate and measured response, recognising however that no cost effective internal control system will preclude all errors and irregularities. Areas of significant business risk and the effectiveness of internal controls are monitored and reviewed regularly. The Board has adopted a Risk Management Strategy document, a copy of which is located on the Company's website.

The Board has undertaken a review of its significant business risks and the effectiveness of internal controls for the year ended 30 June 2015.

Internal Audit

The Company does not currently have an internal audit function. Once the Company is at a size and scale that warrants an internal auditor or nears production status, the Board will be responsible for the appointment and overseeing of the internal auditor.

Specific internal control processes include the review of monthly management accounts with analysis of the differences between actual and budgeted expenditures, weekly cash flow review and delegation of authority.

Exposure to Economic, Environmental and Social Sustainability Risks

The Company's corporate ethics includes a strong focus on environmental responsibility. This approach is integral to ensuring the long-term sustainability of the Company's mining and exploration operations. An Environmental Policy has been established to ensure that its field operations comply with permits and licenses, and have minimal impact on the surrounding environments. A copy of this policy is available on the Company's website.

An important key to the Company's current and future success is open communications with all stakeholders. The Company acknowledges its responsibility towards local communities and are committed to being a good neighbor. An Indigenous Affairs Policy has been established to ensure that effective and positive communication is established with indigenous groups and a copy is available on the Company's website. The policy recognises cultural traditions, historical association occupation, social and economic needs and the requirement to deal with those groups on the basis of their interest in accordance with Government policy.

CORPORATE GOVERNANCE (Cont')

Part of the Company's long-term approach towards community relations includes:

- Recognise and observe all State and Commonwealth laws in respect to Indigenous and cultural matters;
- Establish and make effective and positive communication with Indigenous groups the Company comes in contact with in the course of its activities;
- Recognise the desire of Indigenous people to fulfil their responsibilities as demanded by their traditional culture;
- Where possible and appropriate, provide local Indigenous groups with the opportunity to participate directly or indirectly in employment opportunities.
- Where appropriate, provide the opportunity for qualified Indigenous people to tender for the supply of goods and services for the Company's exploration and mining activities.

8. Remunerating Fairly and Responsibly

Remuneration and Nominations Committee

Due to the size and scale of the Company, during the year the Board has not established a sub-committee to undertake the responsibilities normally undertaken by a Remuneration & Nomination Committee.

The full Board approves all management remuneration including the allocation of options (if any) and involves itself in the nomination, selection and retirement of directors.

The Company will give consideration at an appropriate time in the Company's development, for the creation of sub-committees.

The Board seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.

Directors are re-elected, nominated and appointed to the Board in accordance with the Board's policy on these matters set out in the Remuneration Committee Charter, the Company's Constitution and ASX Listing Rules. In considering appointments to the Board, the extent to which the skills and experience of potential candidates complement those of the Directors in office is considered.

The Company's remuneration philosophy, objectives and arrangements are detailed in the Remuneration Report which forms part of the Directors' Report.

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CORPORATE GOVERNANCE (Cont')

Remuneration of Non Executive Directors

The annual total of fees to Non Executive Directors is set by the Company's shareholders and allocated as Directors' Fees by the Board on the basis of the roles undertaken by the Directors. Full details of Directors' remuneration appear in the Remuneration Report. These fees are inclusive of statutory superannuation contributions. No retirement benefits are paid to Non Executive Directors.

Remuneration of Executive Management

Remuneration packages for Executive management are generally set to be competitive so as to both retain executives and attract experienced executives to the Company. Packages comprise a fixed (cash) element and variable incentive components. Payment of the variable components will depend on the Company's financial and the executive's personal performance.

Current Director Remuneration

In order to preserve cash in the Company, the Non Executive Directors have not received Directors' fees since 1 May 2013 and the executive Directors receive Directors' fees only in the form of cash. All Directors are entitled to participate in the Performance Rights Plan and/or Incentive Option Scheme.

Equity Based Remuneration Scheme

The Company has an equity-based remuneration scheme. The Company's Share Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Share Trading Policy is available on the Company's website.

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SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is as at 2 September 2015

Shareholdings as at 2 September 2015

Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are:

Shareholder Name	Number of Shares	Percentage
ADX ENERGY LIMITED	26,764,709	15.73%
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	18,083,477	10.63%
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	17,815,621	10.47%
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	9,381,982	5.52%
MR JAMES WALLACE HOPE <JWH A/C>	9,336,479	5.49%
MERIWA STREET PTY LTD	5,760,769	3.39%

Unmarketable parcels

The number of shareholders holding less than a marketable parcel at 31 August 2015 is 198. There is only one class of share and all ordinary shareholders have equal voting rights.

Voting rights

All ordinary shares carry one vote per share without restriction.

Unquoted securities

Securities	Number of Options	Number of Holders	Holder with more than 20%
Options exercisable at \$0.15 on or before 31 January 2016	9,333,329	9	refer note 23
Options exercisable at \$0.15 on or before 31 January 2018	1,250,000	1	
Options exercisable at \$0.052 on or before 31 December 2016	10,000,000	10	
Options exercisable at \$0.011 on or before 31 December 2017	23,728,195	10	
Convertible Notes	400,000	10	

On-market buyback

There is no current on-market buy-back.

Statement in relation to Listing Rule 4.10.19

The Directors of Riedel Resources Limited confirm in accordance with ASX Listing Rule 4.10.19 that during the financial year ended 30 June 2015, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

Stock Exchange listing

Quotation has been granted for the Company's Ordinary Shares.

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SHAREHOLDER INFORMATION (con't)

Securities subject to escrow

There are no securities that are subject to escrow.

Distribution of security holders

Category	Number of Holders	Number of Shares
1 – 1,000	8	1091
1,001 – 5,000	8	34,054
5,001 – 10,000	54	519,720
10,001 – 100,000	153	6,877,946
100,001 and over	114	162,668,512
	337	170,101,323

Twenty largest shareholders – Ordinary Shares

Name	Number of ordinary shares held	Percentage of capital held
ADX ENERGY LIMITED	26,764,709	15.73
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	18,083,477	10.63
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	17,815,621	10.47
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	9,381,982	5.52
MR JAMES WALLACE HOPE <JWH A/C>	9,336,479	5.49
MERIWA STREET PTY LTD	5,760,769	3.39
QUINLYNTON PTY LTD <PURSER SUPER FUND A/C>	3,968,418	2.33
BOND STREET CUSTODIANS LIMITED <PNCORK - D00089 A/C>	3,113,504	1.83
PROVISTA HOLDINGS PTY LTD <MARVAL SUPER FUND A/C>	3,093,544	1.82
MR GARY TATASCIORE	3,093,544	1.82
MR PETER CHARLES MOREY + MRS VALMAI ANN MOREY <MOREY SUPER FUND A/C>	2,891,858	1.7
MR JEFFREY JOHN MOORE + MRS JULIA ROSALIND MOORE <PRIVATE SUPER FUND A/C>	2,661,305	1.56
CAMPEON PTY LTD	2,560,072	1.51
MR WILLIAM RICHARD BROWN	2,300,033	1.35
WARROORAH PTY LTD <THE TCHACOS SUPER FUND A/C>	2,230,205	1.31
MR MICHAEL ANTHONY BROWN + MRS JOANNA ELIZABETH BROWN <MJ SUPER FUND A/C>	2,199,488	1.29
MR ANDREW ROSS CHILDS	1,697,305	1
MR EDWARD JAMES TURNER + MRS ADINA LARISA TURNER	1,588,234	0.93
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	1,443,062	0.85
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,406,917	0.83
TOTAL	121,390,526	71.36

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

SCHEDULE OF MINING TENEMENTS

Area of Interest	Tenement reference	Nature of interest	Interest
Western Australia			
Cheritons Find	E77/1793	Direct	100%
Marymia	E52/2395	Direct	49%
Marymia	E52/2394	Direct	49%
Charteris Creek	E45/2763	Direct	100%
Millrose	E53/1304	Direct	100%
Bronzewing South	E36/623	Indirect	80%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%