



**RIEDEL**  
RESOURCES

RIEDEL RESOURCES LIMITED  
ABN: 91 143 042 022

ANNUAL REPORT FOR THE FULL YEAR ENDED  
30 JUNE 2018

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

ASX Code RIE  
ACN 143 042 022

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## CORPORATE DIRECTORY

### DIRECTORS

Jeffrey Moore  
Alexander Sutherland  
Scott Cuomo

### COMPANY SECRETARIES

Henko Vos  
Abby Siew

### REGISTERED & PRINCIPAL OFFICE

Suite 1  
6 Richardson Street  
WEST PERTH WA 6005

Telephone: (08) 9226 0866  
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### AUDITORS

PKF Mack  
Level 5, 35 Havelock Street  
WEST PERTH WA 6005

### SHARE REGISTRY

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
PERTH WA 6000

### SECURITIES EXCHANGE LISTING

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

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 2018.

### DIRECTORS

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

<b>Jeffrey Moore</b>	Executive Chairman (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.</p> <p>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 Cougar Metals NL from 2008 to 2012 and Wild Acre Metals Limited from 2014 to 2016.</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 is currently Non-executive Director for Myanmar Metals Limited.</p>
Directorships of other listed companies	Myanmar Metals Limited
Interest in Shares	14,499,999
Interest in Options	5,000,000
<b>Alexander Sutherland</b>	Non-executive Director (Appointed 26 July 2017)
Qualifications	B.Com UWA
Experience	<p>Mr Sutherland has extensive experience in international commercial operations, including 15 years in Europe, 8 in the Asia Pacific region and two years in the United States. He is currently based in Switzerland and is Vice President of Finance (Extrusion Europe) for Sapa AB, a subsidiary of Norsk Hydro. Prior to this, he held the position of Strategy Director (Extrusion Europe) for Sapa AB.</p> <p>Mr Sutherland was previously Global Projects Manager for Alcoa Europe and has held senior management positions in multinational firms, including KPMG. Mr Sutherland brings his significant knowledge of international finance and the resources sector to provide depth to the Company's management team as it pursues exploration and development opportunities outside of Australia.</p>

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Directorships of other listed companies Nil

Interest in Shares 1,959,596  
Interest in Options Nil

**Scott Cuomo** Non-executive Director (Appointed 26 July 2017)

**Experience** Mr Cuomo is a highly experienced and successful entrepreneur in the mobile telecommunications sector. His career spans over 25 years and includes establishing Vodafone's largest Australian retail partner. Prior to that he was the National Business Development Manager of Optus reseller, B Digital Limited, an ASX listed company that was subject to take-over in 2007.

He offers valuable experience in strategic planning, risk management and has vast networks in the mobile telecommunications industry.

Mr Cuomo is currently an Associate Director with Oracle Capital.

Directorships of other listed companies Nil

Interest in Shares Nil  
Interest in Options Nil

**Luke Matthews** Former Non-executive Director (Appointed 19 January 2016; Resigned 26 July 2017)

**Qualifications** B.Com (Hons) ADA (ASX)

**Experience** Mr Matthews graduated from the University of Western Australia with a B.Com. in 1996 and commenced his career in the financial services industry at Hartley Poynton in 1997.

Since that time, Mr Matthews has been engaged as a Senior Equities & Derivatives Advisor, providing advice on a wide range of financial instruments and structures including share trading, exchange traded option strategies, superannuation and corporate finance.

Directorships of other listed companies Nil

Interest in Shares\* 1,120,105  
Interest in Options\* Nil

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### **Mark Skiffington**

Former Non-executive Director (Appointed 19 January 2016; Resigned 26 July 2017)

#### Qualifications

B.Ec (UWA) BPE (UWA)

#### Experience

Since graduating from the University of Western Australia with a B.Ec. in 1993, Mr Skiffington has been engaged as a financial investment adviser in the stockbroking industry, having worked at three large brokerage houses before co-founding Oracle Securities Pty Ltd with Luke Matthews in 2010.

#### Directorships of other listed companies

Interest in Shares\* 23,319,371

Interest in Options\* Nil

*\* Shares/options held at the time of resignation.*

### **Henko Vos**

Joint Company Secretary (Appointed 28 December 2016)

Mr Vos is a member of the Governance Institute of Australia and Certified Practising Accountants Australia with more than 15 years' experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resources sectors. He is currently an Associate Director with Nexia Perth, a mid-tier corporate advisory and accounting practice.

### **Abby Siew**

Joint Company Secretary (Appointed 28 December 2016)

Ms Siew graduated from Curtin University with a Bachelor of Commerce majoring in Accounting and Finance. She is a member of Certified Practising Accountants Australia. She is currently employed by Nexia Perth, a mid-tier corporate advisory and accounting practice.

The Directors and Company Secretaries 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 \$636,758 (2017: net profit \$142,568).

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### REVIEW OF OPERATIONS

#### CHARTERIS CREEK



**Figure 1 Location of Western Australian projects**

In May 2018 the cash sale of the Charteris Creek Project (E45/2763) for A\$500,000, (exclusive of GST) to LMTD Wits Pty Ltd ('LMTD'), was completed.

The sale provided the Company with additional funding to be deployed towards the near-term exploration activities at Riedel's flagship Cármenes Cobalt Copper Project in Northern Spain.

#### **Key Terms of the Agreement**

LMTD was granted a sixty-day exclusivity period to undertake all relevant due diligence work.

The purchase price of A\$500,000 (exclusive of GST) was payable as follows:

- A non-refundable option fee of A\$25,000 was payable within 14 days of executing the Agreement;
- A tranche 1 payment of A\$175,000 was payable within 5 days of LMTD formally giving notice of their intention to proceed;
- A tranche 2 payment of A\$150,000 was payable within 3 months of LMTD formally giving notice of their intention to proceed; and
- A tranche 3 payment of A\$150,000 was payable within 6 months of LMTD formally giving notice of their intention to proceed.

#### MARYMIA

On 21 May 2018 Riedel announced that Australian Mines Limited (ASX: AUZ; USA OTCQB: AMSLF) had increased its interest in the Marymia Gold and Copper Project in Western Australia to 80%, having satisfied its Stage 2 expenditure requirements ("Stage 2 Earn-in").

Pursuant to the Stage 2 Earn-in provisions of the Heads of Agreement ("HOA") signed on 30 April 2014, AUZ was required to spend an additional A\$2 million on exploration across the Marymia tenements, taking AUZ's total exploration spend to A\$3 million (inclusive of Stage 1 Earn-in expenditure of A\$1 million).

AUZ previously secured a 51% interest in the Marymia Project having successfully completed the Stage 1 Earn-in requirements, with both parties commenced procedures to transfer the additional 29% aggregate share in the project to AUZ.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**

**CÁRMENES COBALT-COPPER PROJECT JOINT VENTURE, NORTHERN SPAIN**

***Project Overview***

On 21 July 2017, Riedel signed a Joint Venture Agreement with SIEMCALSA (Sociedad De Investigación Y Exploración Minera De Castilla Y León S.A.) whereby Riedel can earn interests of up to 90% in the Cármenes Project, with provision for Riedel to acquire the remaining 10% interest from SIEMCALSA.

The Cármenes cobalt-copper-nickel project in Spain is host to historical high grade cobalt-copper production with recorded concentrate grades of 14% cobalt and 33% copper. Significant historic cobalt, copper, nickel and gold mines exist within the Project area at La Profunda and Divina Providencia<sup>1</sup>, with additional mines at Fontun and Valverdin.



**Figure 2 Cármenes Project Location**

<sup>1</sup> Excised from Cármenes Project joint venture tenement area.

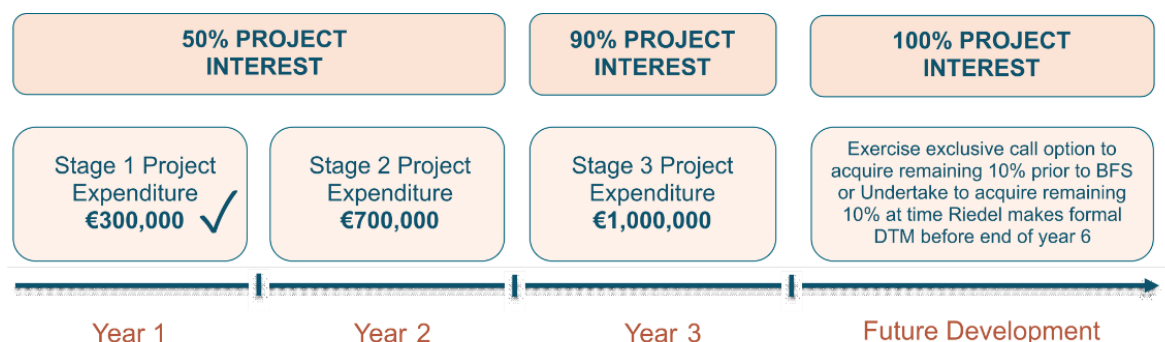


**DIRECTORS' REPORT  
 FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**

**Joint Venture Agreement**

Riedel has exceeded the Stage 1 minimum expenditure requirements as per the SIEMCALSA-Riedel Joint Venture Agreement, whereby Riedel can earn interests of up to 90% in the Cármenes Project located in Northern Spain ("the Project") by funding staged exploration and development expenditure, with provision to acquire the remaining 10% interest.



**Key Terms of the Agreement**

**INTEREST EARNED FROM PROJECT EXPENDITURE**

Riedel has the exclusive right to acquire interests of up to 90% in the Project by staged expenditure on exploration activities within the Tenements (i.e. by 'Earn-in'). Furthermore, Riedel can acquire the remaining 10% interest in the Tenements, as per the key terms outlined below.

No other payments (cash or shares) are required to be paid to SIEMCALSA.

Riedel has the right (but not the obligation) to fund the following Project expenditure to earn the associated Project interest:

Year 1 – Stage 1 Project Expenditure – condition met

Riedel may spend a minimum of €300,000 on exploration programmes at the Cármenes Project.

Year 2 – Stage 2 Project Expenditure

Riedel may spend a minimum of €700,000 on exploration programmes at the Cármenes Project.

50% Interest Earned After Stage 1 and 2

If Riedel successfully completes the Stage 1 and 2 Project Expenditure by the end of Year 2 (or earlier or later if force majeure determines or the parties agree to a longer timeframe), Riedel will have earned a 50% interest in the Project (Tenements).

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### REVIEW OF OPERATIONS (con't)

#### Year 3 – Stage 3 Project Expenditure

Riedel may spend a minimum of €1,000,000 on exploration programmes at the Cármenes Project.

#### 90% Interest Earned After Stage 1, 2 and 3

If Riedel successfully completes the Stage 1, 2 and 3 Project Expenditure by the end of Year 3 (or earlier or later if force majeure determines or the parties agree to a longer timeframe), Riedel will have earned a 90% interest in the Project (Tenements).

#### Remaining 10% interest in the Tenements

Subsequent to Riedel earning its 90% interest in the Tenements, Riedel may choose to acquire the remaining 10% interest held by SIEMCALSA in the Project in one of two ways:

*Call option:* Exercising its exclusive call option and acquiring the remaining 10% before its decision to commence a Bankable Feasibility Study (BFS), by cash payment at agreed price or a net smelter return (“NSR”) royalty or;

*Undertaking:* If Riedel makes a formal decision to mine (DTM), it undertakes to acquire the remaining 10% by cash payment at agreed price or NSR royalty which must occur before the end of year 6.

### EXTRAORDINARY EXTENSION PROVISION

The Agreement makes provision for Riedel to request SIEMCALSA to apply for a further three year extraordinary extension of the duration of the Tenements subject to certain conditions and minimum expenditure commitments being satisfied.

### PROJECT MANAGEMENT

Riedel will be the operator and manager of the Project for the term of the Agreement.

Riedel may choose to engage SIEMCALSA as a subcontractor to advise on exploration planning, perform technical services, execute work programmes on agreed budgets and prepare documentation of exploration and deliverables, thereby minimising overhead costs to Riedel associated with mobilising an onsite geological team.

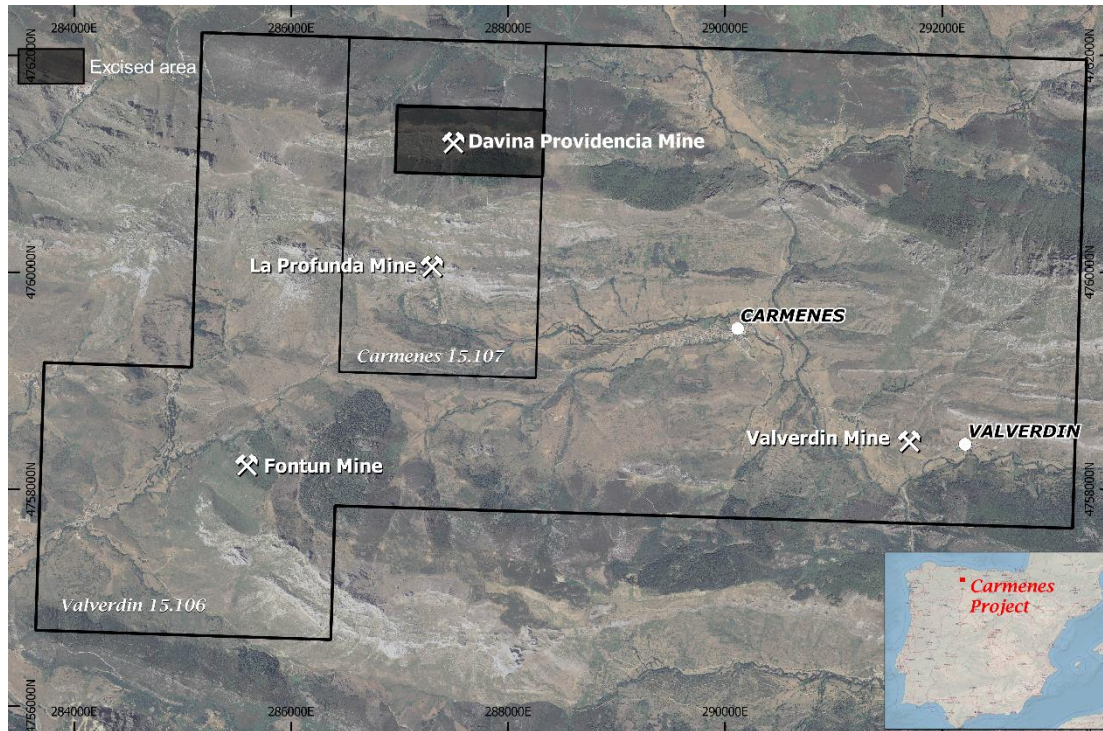
#### *Tenement Details*

The Project is held by SIEMCALSA. SIEMCALSA is a parastatal corporation established in 1988 by initiative of the Regional Government of Castille and León (Junta de Castilla y León).

SIEMCALSA is committed to the promotion and stimulation of the mining sector in Castille and León and strongly encourages the exploration, development and exploitation of mineral resources in the region. The Cármenes Project is covered by two mining investigation permits (“Permits” or “Tenements”) held by SIEMCALSA; Cármenes (n°15.107) and Valverdin (n°15.106). Cármenes is 4.8 square kilometres in area and Valverdin is 34.8 square kilometres in area (see *Figure 3*). The duration of an investigation permit is three (3) years, with 3 year extensions of term available upon request. Both tenements were granted 3 year extensions on 12 May 2017.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**



**Figure 3 Cármenes Project Investigation Permits - Cármenes (15.107) and Valverdein (15.106)**

**Table 1 Cármenes Project Tenure**

Cármenes Project Investigation Permits	Expiry Date	Coverage Area	Eligible to apply for 3 Year Extension <sup>2</sup>
Cármenes (n°15.107)	12 May 2020	4.8km <sup>2</sup>	Yes
Valverdein (n° 15.106)	12 May 2020	34.7km <sup>2</sup>	Yes

**Access and infrastructure**

The Project area is strategically located near well-established local infrastructure. Access to the Project area is via modern motorways, good local roads and rail network. The local availability of power and other essential services is also well developed and conducive to project development.

<sup>2</sup> Application for an extraordinary extension may be granted subject to additional conditions or may be rejected

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**



***Figure 4 Cármenes Project area in background with historic Villamanin concentrator building and local rail and electricity grid in foreground***

A newly constructed road along the Profunda mine trend has facilitated vehicle and equipment access into areas previously considered difficult to explore.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**



**Figure 5 The newly constructed road along Profunda mine trend showing recently completed drill hole collars**

**History**

The region has been subject to artisanal mining activity since Prehistoric times. Underground mining began in 1870, with high grade ore being discovered at -100 metres in 1883. Mining continued underground at La Profunda until 1890. Complex cobalt/copper/nickel ore was treated at the nearby Villamanin plant and approximately 100,000 tonnes of ore produced 38,000 tonnes of concentrates, with <sup>3</sup>concentrate streams averaging:

Single concentrate stream (18,000 tonnes):

4% cobalt and 20% copper.

Dual concentrate streams (20,000 tonnes):

Cobalt concentrate - 14% cobalt plus 4% nickel and 5-6% copper.

Copper concentrate - 33% copper plus 1% nickel.

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<sup>3</sup> Source SIEMCALSA presentation (Cármenes project Cu-Co-Ni ± Au Deposit – September 2016)

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### REVIEW OF OPERATIONS (con't)

Mining resumed between 1924 to 1931, including the treatment of dump material and tailings, with average ore grades recorded of 2.2% Cu, 1.5% Ni, 0.9% Co, 0.1% Se, and up to 100 g/t Au.

Other deposits within the investigation permit areas, including Valverdin (gold) and Fontun (lead-copper-zinc-silver) were mined by artisanal miners in the 1960's and 1940-1950's respectively (see Figure 3).

#### *Work completed in Stage 1*

As at 30 June 2018, Riedel has spent a total of €453,644 on exploration in the Cármenes Project and SIEMCALSA have acknowledged that Riedel has exceeded the Stage 1 minimum expenditure requirements as per the Joint Venture Agreement. Under the terms of the agreement, Riedel is required to spend a minimum of €300,000 on exploration programmes during Year 1 of the agreement.

Exploration during this stage has included extensive geological, ground geophysical, radiometric and geochemical surveys at the Profunda Mine Prospect area and elsewhere throughout the Cármenes Project area. Archaeological and cultural studies have been completed, drilling permits for work were obtained. A newly constructed road along Profunda mine trend has facilitated vehicle and equipment access into areas previously considered difficult to explore.

Access track construction	Rock-chip sampling
Geological and structural mapping	Mineralogical studies
Radiometric and pH surveys	Ground magnetic surveys
Gradient array and pole-dipole IP surveys	Archaeological surveys
Soil geochemistry - Ion Leach surveys	Topographic surveys
Target generation	Drilling

The key focus by Riedel and SIEMCALSA during the Stage 1 joint venture programme has been on the identification, refining and testing of new target anomalies using extensive modern geological, geophysical, radiometric and geochemical surveys, initially at the Profunda Mine Prospect area near the historic La Profunda cobalt mine and surrounding the historic Valverdin Mine to the south east.

Modern geophysical techniques including radiometric, gradient array induced polarisation (GAIP), dipole-dipole induced polarisation (PDIP) and ground magnetic surveys were employed by Riedel and SIEMCALSA using geophysical contracting company IGT. These work programmes were focused along the prospective zones that extend to the east and west of the historical high grade Profunda mine, and the Fontun Prospect situated 2.6km to the southwest resulting in the identification of eleven key target areas which were selected for follow-up exploration including IP surveys, Ion-Leach soil geochemical surveys, detailed geological and structural mapping and diamond drilling<sup>4</sup>.

Eleven radiometric target areas were recognised over 3km along the Profunda Mine Trend and over a distance of more than 1.2km along a regional fold closure at the Fontun Prospect.

<sup>4</sup> ASX release 15 May 2018

**DIRECTORS' REPORT**  
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**REVIEW OF OPERATIONS (con't)**

**Analysis and interpretation of the data**

In tandem with the geophysical programmes, Ion Leach and pH soil surveys, geological and structural mapping, lithochemical and mineralogical studies were completed during the year. Rock samples were taken at high priority radiometric targets and initially prepared for dispatch and transport at ALS Laboratories in Spain prior to final analysis at ALS Laboratories in Vancouver, Canada. Five mineralised vein sets and zones of alteration were selectively sampled from dolomite wallrock which forms the rim or edge of the previously mined La Cueva stope at the La Profunda Mine<sup>5</sup>.

Significant results compare favourably to historic sampling carried out by Riedel's joint venture partner SIEMCALSA (1998, 2004) and are also consistent with previous sampling carried out by Andrés Paniagua (1993)<sup>6</sup> as part of his PhD thesis.

**High grade veins & alteration**

- 27.2% Cu, 0.27%Co, 35.3g/t Ag, 0.32% Sb, 0.24% Ni (sample 26625)
- 11.2% Cu, 0.51%Co, 14.2g/t Ag, 0.33% Ni (sample 26623)
- 7.20% Cu, 0.28%Co, 5.7g/t Ag, 0.15% Ni (sample 26624)

**SIEMCALSA (1998, 2004)**

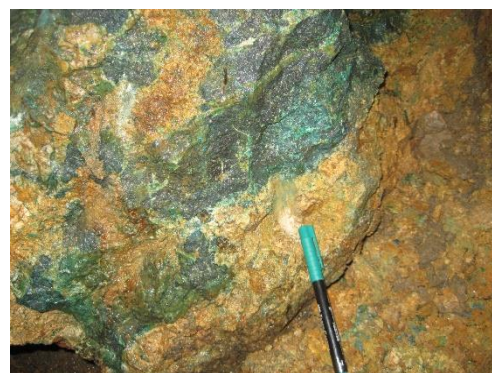
- 12.2% Cu, 1.06%Co, 8.4g/t Ag, 0.39% Ni, 0.22% Zn (sample 891)
- 6.64% Cu, 0.75%Co, 8.3g/t Ag, 0.28% Ni, 0.30% Zn (sample 887)
- 2.88% Cu, 0.27%Co, 5.0g/t Ag, 0.56% Ni (sample 890)

**Andrés Paniagua (1993)**

- 27.2% Cu, 1.13%Co, 22.2g/t Au, 9.2g/t Ag, 0.51% Ni (sample PF4)
- 9.99% Cu, 0.07%Co, 103.2g/t Au, 0.27% Zn (sample PF1)
- 4.50% Cu, 0.90%Co, 48.1g/t Ag, 2.07% Ni (sample PF109)



Sample 26623—11.2% Cu, 0.51%Co,  
14.2g/t Ag, 0.33% Ni



Sample 26625—27.2% Cu, 0.27%Co,  
35.3g/t Ag, 0.32% Sb, 0.24% Ni

<sup>5</sup> This work is described in more detail in RIE ASX and Media Release 26 April 2018.

<sup>6</sup> Andrés Paniagua (1993). Mineralisation associated with Late Hercinic Fractures in the Southern Branch of the Cantabrian Zone (Spain), Universidad de Oviedo, Department de Geología.

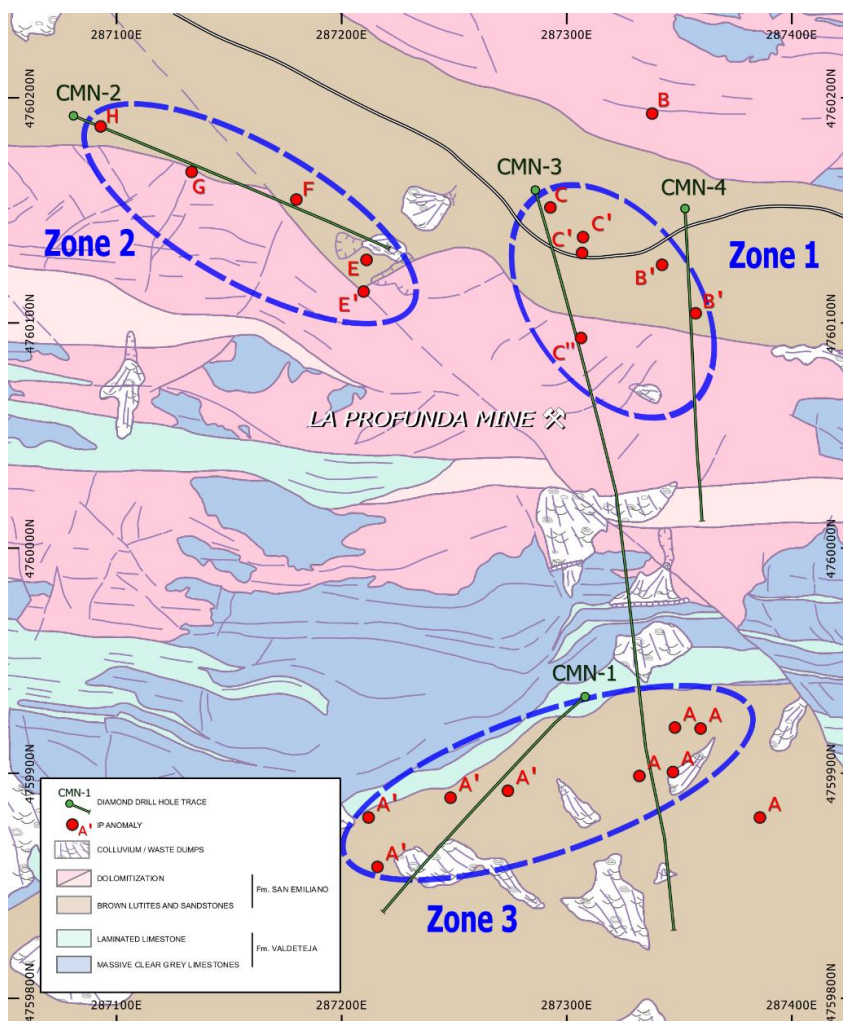
## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### REVIEW OF OPERATIONS (con't)

In response to the encouraging results Riedel, in conjunction with its JV Partner SIEMCALSA, immediately commenced preparations for detailed follow-up geophysical and geochemical surveys. Six lines and line extensions (2.7 line km) of PDIP surveys were completed at the Profunda Mine Prospect to further investigate three target clusters within 200 metres of the historic Profunda Co-Cu-Ni Mine workings, two of which are coincident with radiometric and geochemical anomalies.

An application for a (minimum) 750 metre Diamond Drilling programme for up to five holes to test three significant target clusters near the Profunda cobalt-copper-nickel mine was lodged with the relevant Spanish government and local authorities. Following notification of consent to drill Riedel engaged experienced diamond drilling contractor SPI (Sondeos y Perforaciones Industriales del Bierzo S. A.) for the drilling contract which commenced on 12 July and was completed on 14 August. In total, four drill holes for a total of 1,031 metres of core drilling were completed in this first-pass drilling programme (see Figure 6).

Drill hole locations are shown in relation to chargeability anomalies over geology in Figure 6.



**Figure 6 Profunda Mine Prospect drilling programme commenced to test chargeability and geochemical anomalies**



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**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**

**Target description**

The drilling programme was designed to test the geological nature of the clustered PDIP chargeability anomalies in the three target zones.

The anomalies were repeated in multiple surveys and the chargeability responses were interpreted to be characteristic of responses generated by metal sulphides disseminated in pipe-like structures. As yet, assay results are outstanding.

<b>Table 2 First-pass drilling programme details</b>							
<b>Hole Name</b>	<b>Easting<sup>7</sup> (utm X)</b>	<b>Northing (utm Y)</b>	<b>Elevation (m.)</b>	<b>Azimuth (°)</b>	<b>Dip (°)</b>	<b>Length (m)</b>	<b>Chargeability anomaly intersections</b>
CMN-1	287308	4759934	1409	229	-45	190	A' @ 89m to 150m
CMN-2	287081	4760192	1567	112	-46	220	H @ 22m; G @ 85m; F @ 156m
CMN-3	287286	4760159	1530	164	-42	421	C, C' and C'' @ 39m to 98m; A @ 310m to 357m Faulted 110m to 158m
CMN-4	287352	4760151	1525	177	-46	200	B' @ 79; 20m Galerias @ 128m

Coordinate System is ETRS89/UTM Zone 30

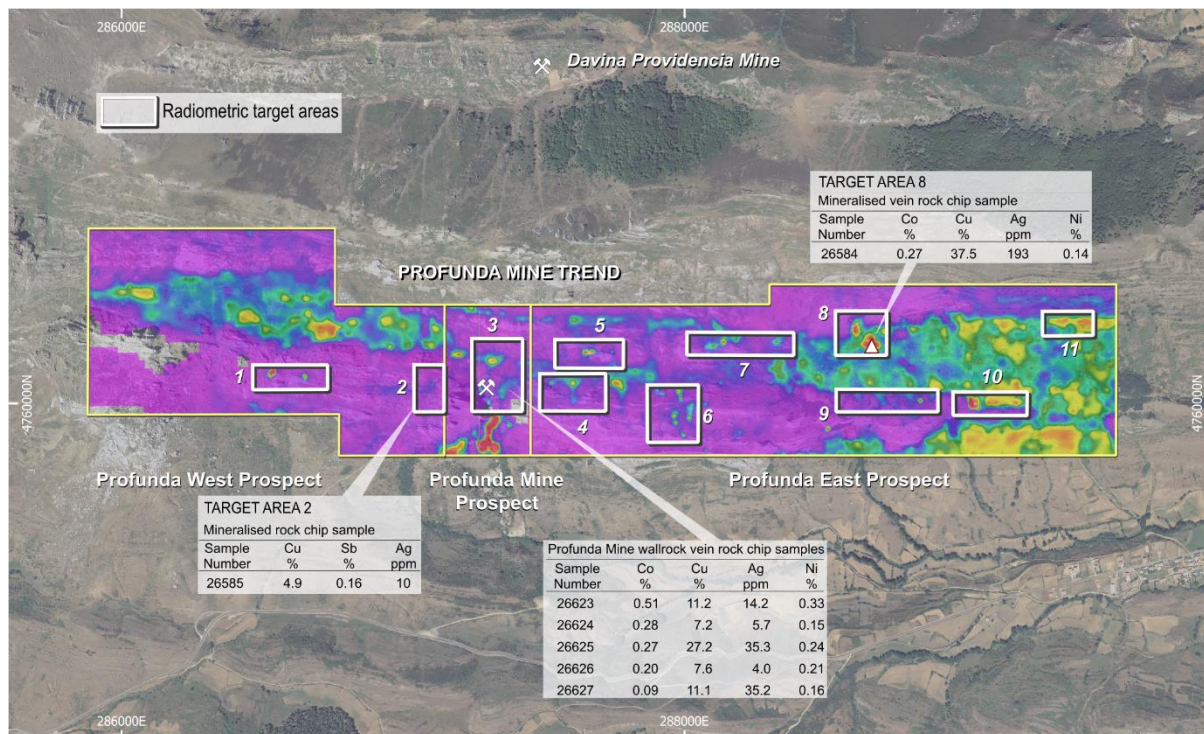
Geophysical and geochemical survey programmes have been expanded elsewhere to include other regional target areas throughout the Cármenes Project area at Profunda East, Profunda West along the Profunda Mine Trend, Providencia East, Fontun and Lancara (Indicio).

Highly mineralised dolomite vein material identified at a significant radiometric anomaly 1km to the east of La Profunda mine workings (Target Area 8) exhibited similar characteristics and grade to veins and alteration sampled in wallrock at the La Cueva ("the Big Cave") stope at the historic Profunda Mine workings.

<sup>7</sup> Coordinate projection system is ETRS89 / UTM zone 30N

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**REVIEW OF OPERATIONS (con't)**



**Figure 7 Mineralised vein and Profunda Mine wallrock vein rock chip sample comparison**

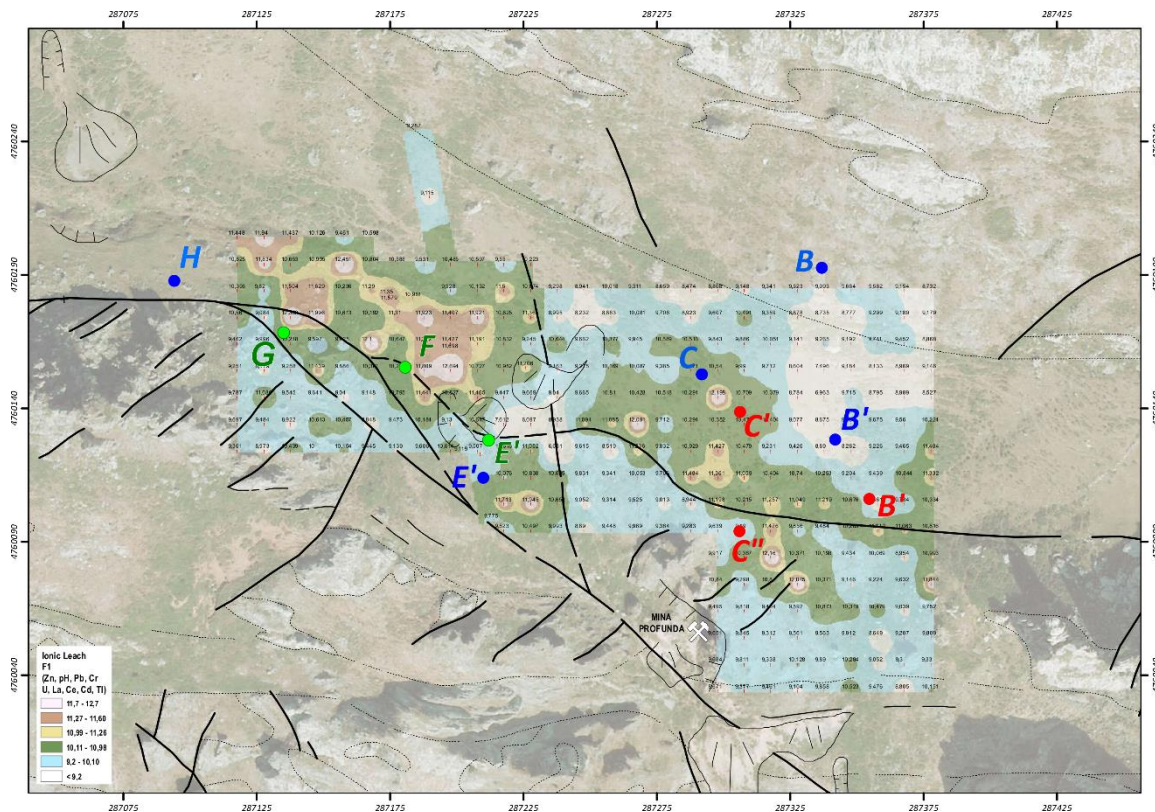
Ion Leach soil geochemical surveys were completed over the Profunda Mine Prospect by SIEMCALSA during Stage 1. Results were analysed by standard statistical methods including correlation, frequency histograms and probabilistic curves (Sigma Plots) for each element and Factorial analysis of 28 elements (excluding elements that were frequently under detection limits) and seven Factor maps were produced. Two of these Factor relationships (F1 and F2) were considered noteworthy:

- F1: Zn, pH, Pb, Cr, U, La, Ce, Cd and Tl
- F2: Cu, As, Sb, Au, Co, Hg, Ag and Sr

Two areas showing a strong correlation between As, Au, Cu, U and, to a lesser extent, Co and Ni in areas to the northeast of IP anomaly F and to the north-northwest of IP anomaly C'' (see Figure 8, Figure 9) were recognised. In both cases, high metal content occurs in soils over terrigenous bedrock (S. Emiliano Fm.). The soil anomaly close to IP anomaly C'' could be related to the lithological contact of Massive Limestone with bedrock. In a similar geological position, IP anomalies E' and G have a lesser relationship with high metals values in soils. The anomalous area to the northeast of IP anomaly F is close to the contact and to the main northwest-southeast fault, although on a terrigenous bedrock.

**DIRECTORS' REPORT**  
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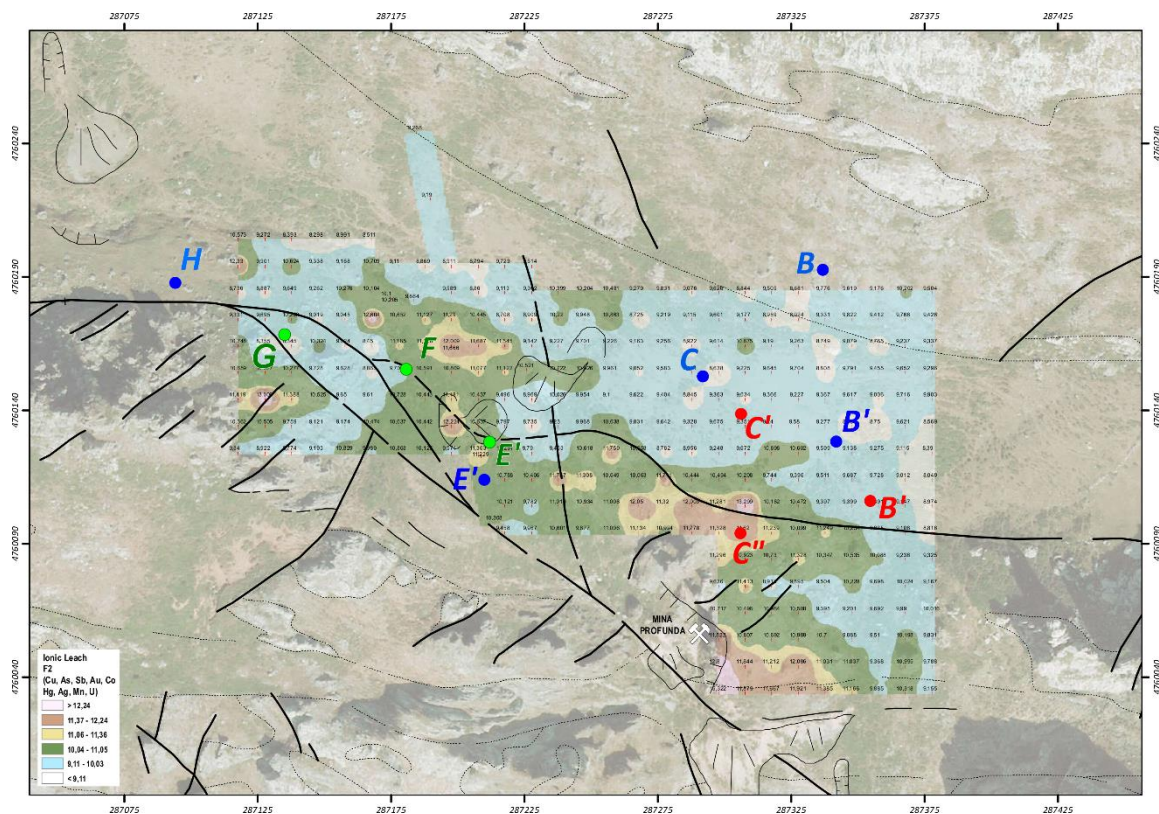
**REVIEW OF OPERATIONS (con't)**



**Figure 8 Ion Leach soil geochemistry coloured by Factor 1 (F1) element association: Zn, pH, Pb, Cr, U, La, Ce, Cd, Ti)**

**DIRECTORS' REPORT**  
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**REVIEW OF OPERATIONS (con't)**



**Figure 9 Ion Leach soil geochemistry coloured by Factor 2 (F2) element association: Cu, As, Sb, Au, Co, Hg, Ag, Mn, U)**

**Next Steps**

Detailed geological, structural and mineralogical logging of core from the recently completed drilling programme at Profunda Mine prospect is underway and selected “half-core” intervals will be prepared and dispatched for analysis.

Follow-up downhole IP surveys will be completed over selected intervals to assist to further interrogate the depth and lateral location of the chargeability anomalies under investigation and to determine the nature of sulphide bearing zones or mineralised horizons intersected by the drill holes or located near drill holes.

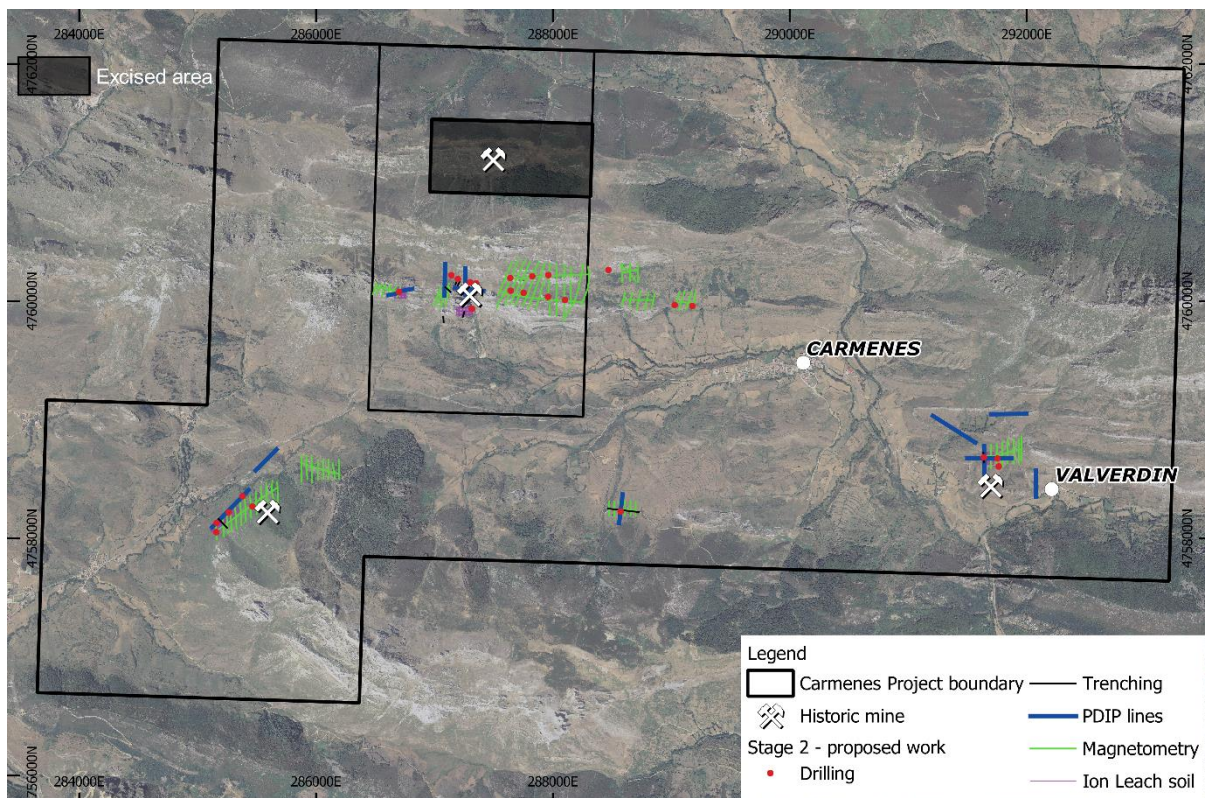
Further discussion of the drilling results will be made available after the follow-up work programmes and assay determination work is completed.

Other exploration planned over the Profunda Mine Prospect, Profunda Mine Trend, Providencia Trend, Fontun and Valverdin Prospects at the Cármenes Project will include trenching, geological mapping at 1:100 scale (mine workings), geophysical, geochemical and radiometric surveys as well as other supporting work such as structural, mineralogical and sedimentological studies.

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**REVIEW OF OPERATIONS (con't)**

Archaeological studies	PDIP profiles
Drilling	Radiometry
Geological-Mining mapping 1:100	Roads
Litho-geochemistry	Soil geochemistry (Ionic Leach)
Magnetometry	Structural and sedimentological studies
Mineralogical study	Trenches



**Figure 10 Proposed Stage 2 work programmes**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REVIEW OF OPERATIONS (con't)**

**TENEMENT SCHEDULE**

Following is the schedule of Riedel Resources minerals tenements as at 30 June 2018.

Area of Interest	Tenement reference	Nature of interest	Interest
<b>Spain</b>			
Carmenes	n°15,107	Joint Venture	Earning 90%
Valverdin	n°15,106	Joint Venture	Earning 90%
<b>Australia</b>			
Marymia	E52/2394	Direct	20%
Marymia	E52/2395	Direct	20%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

**COMPETENT PERSON'S STATEMENT**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Jeffrey Moore, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Moore is a full-time employee of Riedel Resources Limited. Mr Moore 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 Moore consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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.

### 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 \$6,500 (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 secretaries of the Company.

#### **Indemnity and insurance of auditors**

The Company has not, during or since the end of financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of the contract to insure the auditor of the Company or any related entity.

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### MEETINGS OF DIRECTORS

During the financial year, 3 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
Jeffrey Moore	3	3
Alexander Sutherland <sup>1</sup>	2	2
Scott Cuomo <sup>1</sup>	2	2
Luke Matthews <sup>2</sup>	1	1
Mark Skiffington <sup>2</sup>	1	1

<sup>1</sup> Appointed 26 July 2017.

<sup>2</sup> Resigned 26 July 2017.

In addition to the above, the directors met by circular resolution on 9 occasions during the financial year.

### 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
11/03/2019	1.8	18,000,000

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.

### 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 2018 has been received and is included in the financial report on page 30.



## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### 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 2018. 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.

#### *Key Management Personnel*

##### **Directors**

Jeffrey Moore (Executive Chairman) (Appointed 30 September 2010)  
Alexander Sutherland (Non-executive Director) (Appointed 26 July 2017)  
Scott Cuomo (Non-executive Director) (Appointed 26 July 2017)  
Luke Matthews (Non-executive Director) (Appointed 19 January 2016, Resigned 26 July 2017)  
Mark Skiffington (Non-executive Director) (Appointed 19 January 2016, Resigned 26 July 2017)

#### *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

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

### REMUNERATION REPORT – AUDITED (con't)

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 2018, 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 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.

#### **Bonuses**

No bonuses were given to key management personnel during the 2017 and 2018 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.

**DIRECTORS' REPORT  
 FOR THE YEAR ENDED 30 JUNE 2018**

**REMUNERATION REPORT – AUDITED (con't)**

**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.

All directors are entitled to participate in the Performance Rights Plan and/or Incentive Option Scheme.

**Remuneration of directors and key management personnel**

**For the year ended 30 June 2018**

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments	Total	Value of equity as proportion of remuneration
	Salaries & Fees	Consulting Fees	Superannuation			%
	\$	\$	\$	\$	\$	
<b>Directors</b>						
Jeffrey Moore	141,667	-	13,458	-	155,125	0.0%
Alexander Sutherland <sup>1</sup>	27,984	-	-	-	27,984	0.0%
Scott Cuomo <sup>2</sup>	27,984	-	2,658	-	30,642	0.0%
Luke Matthews <sup>3</sup>	-	-	-	324,000	324,000	100.0%
Mark Skiffington <sup>3</sup>	-	-	-	324,000	324,000	100.0%
<b>Total</b>	<b>197,635</b>	<b>-</b>	<b>16,116</b>	<b>648,000</b>	<b>861,751</b>	

<sup>1</sup> Appointed 26 July 2017. \$27,984 represents directors fees accrued during the year but not yet paid as at 30 June 2018.

<sup>2</sup> Appointed 26 July 2017.

<sup>3</sup> Resigned 26 July 2017. 4,000,000 shares each were issued to Mr Matthews and Mr Skiffington in December 2017 in lieu of forgone remuneration. See note 20 for further details. The value disclosed is the fair value at grant date of the shares.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REMUNERATION REPORT – AUDITED (con't)**

**For the year ended 30 June 2017**

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments	Total	Value of equity as proportion of remuneration
	Salaries & Fees	Consulting Fees	Superannuation			
	\$	\$	\$	\$	\$	%
<b>Directors</b>						
Jeffrey Moore	100,000	-	9,500	21,433	130,933	16.4%
Andrew Childs <sup>1</sup>	-	-	-	-	-	0.0%
Luke Matthews <sup>2</sup>	-	-	-	-	-	0.0%
Mark Skiffington <sup>2</sup>	-	-	-	-	-	0.0%
<b>Total</b>	<b>100,000</b>	<b>-</b>	<b>9,500</b>	<b>21,433</b>	<b>130,933</b>	

<sup>1</sup> Resigned 30 March 2017.

<sup>2</sup> Resigned 26 July 2017.

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.

**Options and rights over equity instruments granted as compensation**

**Options**

In May 2018, the Board resolved to issue 5,000,000 unlisted options each to non-executive directors, Scott Cuomo and Alexander Sutherland (10,000,000 unlisted options in total). The options have an exercise price of \$0.11 per option and will expire three years from the date of obtaining relevant shareholder approval, which the Company will seek at the next available General Meeting. The proposed issue of the unlisted options are to recognise the directors' contribution to the Company and to serve as an incentive for future performance.

As at the date of this report, these options have not been issued yet.

**Shares issued as compensation during the year**

Pursuant to Resolution 7 and 8 approved by the shareholders at the 2017 AGM, 4,000,000 shares each were issued to Mr Luke Matthews and Mr Mark Skiffington, former Non-Executive Directors (resigned 26 July 2017) or their nominees in lieu of forgone remuneration for the period 19 January 2016 to 20 July 2017.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 Chairman  
Agreement commenced: 18 January 2016  
Term of agreement: 3 years (Subject to re-election every 3 years from 18 January 2016)  
Details: Director's fees of \$100,000 plus superannuation (effective 1 September 2017 increased to \$150,000 plus superannuation). The Executive is entitled to Performance Rights.

Name: Alexander Sutherland (Appointed 26 July 2017)  
Title: Non-executive Director  
Agreement commenced: 26 July 2017  
Term of agreement: 3 years (Subject to re-election every 3 years from 26 July 2017)  
Details: Director's fees of \$30,000 exclusive of superannuation (if applicable).

Name: Scott Cuomo  
Title: Non-executive Director  
Agreement commenced: 26 July 2017  
Term of agreement: 3 years (Subject to re-election every 3 years from 26 July 2017)  
Details: Director's fees of \$30,000 plus superannuation.

Name: Luke Matthews (Appointed 18 January 2016; Resigned 26 July 2017)  
Title: Former Non-executive Director  
Agreement commenced: 18 January 2016  
Term of agreement: Subject to re-election every 3 years.  
Details: Not entitled to director's fees due to previous position of the Company.

Name: Mark Skiffington (Appointed 19 January 2016; Resigned 26 July 2017)  
Title: Former Non-executive Director  
Agreement commenced: 18 January 2016  
Term of agreement: Subject to re-election every 3 years.  
Details: Not entitled to director's fees due to previous position of the Company.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**REMUNERATION REPORT – AUDITED (con't)**

**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:

**Ordinary shares held in Riedel Resources Limited (number)**

	<b>Balance at beginning of period</b>	<b>Granted as remuneration</b>	<b>Exercise of options/ performance rights</b>	<b>Net change*</b>	<b>Other</b>	<b>Balance at end of period</b>
<b>2018</b>						
Jeffrey Moore	12,661,305	-	-	1,838,694	-	14,499,999
Alexander Sutherland <sup>1</sup>	-	-	-	1,959,596	-	1,959,596
Scott Cuomo <sup>1</sup>	-	-	-	-	-	-
Mark Skiffington <sup>2</sup>	23,319,371	4,000,000	-	-	(27,319,371)	-
Luke Matthews <sup>2</sup>	1,120,105	4,000,000	-	-	(5,120,105)	-
<b>Total</b>	<b>37,100,781</b>	<b>8,000,000</b>	<b>-</b>	<b>3,798,290</b>	<b>(32,439,476)</b>	<b>16,459,595</b>

<sup>1</sup> Appointed 26 July 2017.

<sup>2</sup> Resigned 26 July 2017. Therefore not key management personnel at 30 June 2018. 4,000,000 shares each were issued to Mr Matthews and Mr Skiffington in December 2017 in lieu of forgone remuneration.

\* Net change represent shares that were purchased or sold during the year

*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:

**Options held in Riedel Resources Limited (number)**

	<b>Balance at beginning of period</b>	<b>Granted as remuneration</b>	<b>Exercised</b>	<b>Net change*</b>	<b>Other</b>	<b>Balance at end of period</b>
<b>2018</b>						
Jeffrey Moore	5,000,000	-	-	-	-	5,000,000
Alexander Sutherland <sup>1</sup>	-	-	-	-	-	-
Scott Cuomo <sup>1</sup>	-	-	-	-	-	-
Mark Skiffington <sup>2</sup>	2,966,025	-	-	-	(2,966,025)	-
Luke Matthews <sup>2</sup>	-	-	-	-	-	-
<b>Total</b>	<b>7,966,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,966,025)</b>	<b>5,000,000</b>

<sup>1</sup> Appointed 26 July 2017.

<sup>2</sup> Resigned 26 July 2017. Therefore not key management personnel at 30 June 2018.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**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.



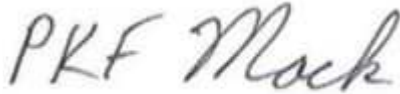
**Jeffrey Moore**  
**Executive Chairman**

Date: 25 September 2018

## 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 2018, 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

25 SEPTEMBER 2018  
WEST PERTH,  
WESTERN AUSTRALIA



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
 AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2018**

	NOTES	2018 \$	2017 \$
Interest revenue		15,533	21,935
Other revenue		219,467	10,591
Gain on deregistration		-	652,518
Reversal of impairment of exploration and evaluation due to sale of tenement		210,305	-
Total revenue	2(a)	445,305	685,044
Administration expenses		(253,916)	(195,618)
Depreciation		(807)	(5,618)
Employee benefits expense		(766,610)	(62,849)
Impairment of exploration expenditure		(2,208)	(87,414)
Exploration and evaluation expenditure incurred		(58,515)	(190,900)
Finance costs		(7)	(77)
<b>Profit/(Loss) before income tax expense</b>	2(b)	<b>(636,758)</b>	<b>142,568</b>
Income tax expense	3	-	-
<b>Profit/(Loss) for the year</b>		<b>(636,758)</b>	<b>142,568</b>
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation		(1,116)	-
Foreign currency translation reserve on deregistration of foreign subsidiaries		-	(652,096)
<b>Total comprehensive profit/(loss) for the year</b>		<b>(637,874)</b>	<b>(509,528)</b>
Basic and diluted earnings per share (cents)	15	(0.17)	0.06

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	NOTES	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,339,803	899,219
Trade and other receivables	6	136,974	34,068
<b>TOTAL CURRENT ASSETS</b>		<b>2,476,777</b>	<b>933,287</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	2,342	1,592
Exploration and evaluation expenditure	8	2,408,180	1,638,167
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,410,522</b>	<b>1,639,759</b>
<b>TOTAL ASSETS</b>		<b>4,887,299</b>	<b>2,573,046</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	158,639	34,219
<b>TOTAL CURRENT LIABILITIES</b>		<b>158,639</b>	<b>34,219</b>
<b>TOTAL LIABILITIES</b>		<b>158,639</b>	<b>34,219</b>
<b>NET ASSETS</b>		<b>4,728,660</b>	<b>2,538,827</b>
<b>EQUITY</b>			
Issued capital	10	19,237,097	16,091,432
Option reserve	11	-	-
Share based payment reserve	11	214,200	597,158
Foreign currency translation reserve	12	(1,116)	-
Accumulated losses	13	(14,721,521)	(14,149,763)
<b>TOTAL EQUITY</b>		<b>4,728,660</b>	<b>2,538,827</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Share Based Payments Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	<b>16,091,432</b>	-	-	<b>597,158</b>	<b>(14,149,763)</b>	<b>2,538,827</b>
Profit/(Loss) for the period	-	-	-	-	(636,758)	(636,758)
Other comprehensive loss	-	-	(1,116)	-	-	(1,116)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,116)</b>	<b>-</b>	<b>(636,758)</b>	<b>(637,874)</b>
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	3,027,927	-	-	-	-	3,027,927
Expiry of options	-	-	-	(65,000)	65,000	-
Less: Cost of capital raising	(200,220)	-	-	-	-	(200,220)
Conversion of options	317,958	-	-	(317,958)	-	-
	<b>3,145,665</b>	<b>-</b>	<b>-</b>	<b>(382,958)</b>	<b>65,000</b>	<b>2,827,707</b>
<b>Balance at 30 June 2018</b>	<b>19,237,097</b>	<b>-</b>	<b>(1,116)</b>	<b>214,200</b>	<b>(14,721,521)</b>	<b>4,728,660</b>
<b>Balance at 1 July 2016</b>	<b>15,981,731</b>	<b>290,941</b>	<b>652,096</b>	<b>827,612</b>	<b>(14,725,459)</b>	<b>3,026,921</b>
Profit/(Loss) for the period	-	-	-	-	142,568	142,568
Other comprehensive loss	-	-	(652,096)	-	-	(652,096)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(652,096)</b>	<b>-</b>	<b>142,568</b>	<b>(509,528)</b>
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	109,701	-	-	(109,701)	-	-
Issue of rights	-	-	-	21,434	-	21,434
Expiry of options	-	(290,941)	-	(142,187)	433,128	-
	<b>109,701</b>	<b>(290,941)</b>	<b>-</b>	<b>(230,454)</b>	<b>433,128</b>	<b>21,434</b>
<b>Balance at 30 June 2017</b>	<b>16,091,432</b>	<b>-</b>	<b>-</b>	<b>597,158</b>	<b>(14,149,763)</b>	<b>2,538,827</b>

The accompanying notes form part of their financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	NOTES	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Interest received		15,533	21,935
Finance costs		(7)	(77)
Other revenue		18,442	8,780
Payments to suppliers and employees		(437,833)	(350,428)
Net cash used in operating activities	14	<b>(403,865)</b>	<b>(319,790)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for plant and equipments		(1,557)	-
Payment for exploration and evaluation		(802,975)	(280,795)
Proceeds from sale of tenements		500,000	-
Net cash used in investing activities		<b>(304,532)</b>	<b>(280,795)</b>
<b>Cash Flows from Financing Activities</b>			
Payments for share issue costs		(63,525)	-
Proceeds from issued capital		2,213,807	-
Net cash provided in financing activities		<b>2,150,282</b>	-
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>1,441,885</b>	<b>(600,585)</b>
<b>Cash and cash equivalents at 1 July</b>		<b>899,219</b>	<b>1,499,804</b>
Effects of foreign exchange		(1,301)	-
<b>Cash and cash equivalents at 30 June</b>	5	<b>2,339,803</b>	<b>899,219</b>

The accompanying notes form part of these financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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 2018 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.

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

#### **New standards and interpretations not yet mandatory or early adopted**

At the date of authorisation of the financial statements, the Group's assessment of the impact of the new Standards and Interpretations issued but not yet effective, most relevant to the Group, are set out below:

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2014
AASB 16	Leases	1 January 2019	February 2016

\* Annual reporting periods beginning after

The impact of these recently issued or amended standards and interpretations have been determined as not material by the Group.

#### *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 25 September 2018. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### *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 in note 17.

#### **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 25.

#### **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 2018 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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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 or Binomial Option Pricing models, using the assumptions detailed in Note 11.

#### *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.

#### *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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### **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.

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 consolidated 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### **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.

#### *(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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

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.

#### **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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### *(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.

#### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### **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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### 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.

#### 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 recognised 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

#### *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 recognized 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 corporate 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 profit/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.

#### **Comparative figures**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

<b>NOTE 2: GAIN FROM ORDINARY ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
(a) Revenue		
Bank interest	15,533	21,935
Gain on deregistration	-	652,518
Revenue from office sublease	18,853	9,165
Net gain on sale of tenement <sup>1</sup>	200,614	-
Reversal of impairment of exploration and evaluation expenditure	210,305	-
Other revenue	-	1,426
	<hr/>	<hr/>
	445,305	685,044
(b) Expenses		
Loss for the year includes the following expenses:		
Depreciation	807	5,618
Exploration and evaluation expenditure incurred	58,515	190,900
Equity-settled share based payments expense	648,000	21,434
Superannuation – defined contribution	21,048	15,200
Impairment of exploration expenditure	2,207	87,414
Rental expense – operating lease	45,021	38,898

<sup>1</sup> In November 2017, LMTD Wits Pty Ltd exercised its option to purchase the Riedel's Charteris Creek Project (E45/2763) for \$500,000 exclusive of GST. Pursuant to the Sale Agreement, all instalments have been received in full by the Company.

<b>NOTE 3: INCOME TAX EXPENSE</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Income tax expense/(benefit):		
Current tax	-	-
Prior year under provision	-	-
Deferred tax	-	-
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	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 3: INCOME TAX EXPENSE (con't)**

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 profit/(loss) at 30%. (2017: 27.5%)	(191,027)	39,206
Add:		
Tax effect of:		
Other non-allowable items	35	266
Share based payment	194,400	5,894
Impairment of exploration expenditure	662	24,039
Write off exploration expenditure	17,555	-
Superannuation payable	986	-
Derecognition of foreign subsidiary	-	(179,210)
Other non-deductible amount	2,844	-
	<u>216,482</u>	<u>(149,011)</u>
Less:		
Tax effect of:		
Exploration and evaluation expenditure	3,901	-
Impairment on sale	63,091	-
Capital raising costs	15,084	10,613
Revenue losses not recognised	(56,321)	(120,280)
Provisions and accruals	(300)	(138)
Tax losses deducted	-	-
	<u>25,455</u>	<u>(109,805)</u>
Income tax expense/(benefit)	<u>-</u>	<u>-</u>

The applicable average weighted tax rates are as follows:

0% 0%

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2017: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law. The full company tax rate of 30% applies to all companies that are not eligible for the lower company tax rate.

The following deferred tax balances have not been recognised:

Deferred Tax Assets:  
 At 30%: (2017:27.5%)

Carry forward revenue losses	1,567,093	1,462,977
Capital raising cost	53,461	7,773
Website costs	-	-
Provisions and accruals	4,676	3,108
Exploration and evaluation expenditure	17,555	-
Impairment of exploration expenditure	662	-
	<u>1,643,447</u>	<u>1,473,858</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 3: INCOME TAX EXPENSE (con't)**

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%: (2017:27.5%)

Exploration and evaluation expenditure	494,689	450,496
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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.

**NOTE 4: AUDITORS' REMUNERATION**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	26,145	23,325
- Other non-audit services	950	-
	<u>27,095</u>	<u>23,325</u>
Remuneration of firms other than the auditor		
- Tax compliance and tax advice	9,470	4,350
- Other non-audit services	65,000	60,000
	<u>74,470</u>	<u>64,350</u>

**NOTE 5: CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	2,102	1,981
Cash at bank	2,337,701	897,238
	<u>2,339,803</u>	<u>899,219</u>

Refer to note 17 for further information on financial instruments.

**NOTE 6: TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Sublease income	2,222	1,812
Term deposit	20,000	20,000
Prepayments	7,128	6,584
GST/VAT paid	107,624	5,672
	<u>136,974</u>	<u>34,068</u>

Refer to note 17 for further information on financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 7: PLANT & EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Office Equipment</i>		
At cost	37,697	36,141
Accumulated amortisation	(35,355)	(34,549)
Total office equipment	<u>2,342</u>	<u>1,592</u>
<i>Exploration Equipment</i>		
At cost	55,304	55,304
Accumulated amortisation	(55,304)	(55,304)
Total exploration equipment	<u>-</u>	<u>-</u>
Total plant and equipment	<u>2,342</u>	<u>1,592</u>

**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:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Office Equipment</i>		
Carrying amount at beginning of period	1,592	2,831
Additions/(disposals)	1,557	-
Depreciation	(807)	(1,239)
Carrying amount at end of period	<u>2,342</u>	<u>1,592</u>
<i>Exploration Equipment</i>		
Carrying amount at beginning of period	-	4,379
Additions/(disposals)	-	-
Depreciation	-	(4,379)
Carrying amount at end of period	<u>-</u>	<u>-</u>

**NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE**

<i>Exploration and evaluation expenditure</i>		
Gross capitalised exploration and evaluation expenditure	2,410,717	7,572,734
Less: Provision for impairment	(2,537)	(5,934,567)
Net amount	<u>2,408,180</u>	<u>1,638,167</u>
<i>Exploration and evaluation expenditure reconciliation</i>		
Opening balance	1,638,167	1,635,520
Exploration and development expenditure incurred	915,175	90,061
Exploration and evaluation written off	(58,515)	-
Impairment	(2,208)	(87,414)
Tenement sold	(84,439)	-
Closing balance	<u>2,408,180</u>	<u>1,638,167</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	102,475	20,696
Accruals	8,500	7,500
Payroll liabilities	47,664	6,023
	<u>158,639</u>	<u>34,219</u>

Refer to note 17 for further information on financial instruments.

**NOTE 10: ISSUED CAPITAL**

	<b>2017</b>	<b>2017</b>
	<b>Shares</b>	<b>\$</b>
<b>(a) Share capital</b>		
Ordinary shares		
Issued and paid up capital – consisting of ordinary shares	244,099,553	16,845,724
Less: Cost of issue	-	(763,292)
Closing balance at 30 June 2017	<u>244,099,553</u>	<u>16,091,432</u>

	<b>2018</b>	<b>2018</b>
	<b>Shares</b>	<b>\$</b>
Ordinary shares		
Issued and paid up capital – consisting of ordinary shares	418,069,699	20,200,609
Less: Cost of issue	-	(963,512)
Closing balance at 30 June 2018	<u>418,069,699</u>	<u>19,237,097</u>

**(b) Movement in ordinary shares capital**

<b>Date</b>	<b>Details</b>	<b>No of Shares</b>	<b>\$</b>
1 July 2016	Opening balance	234,099,553	15,981,731
30 May 2017	Exercise of performance rights following vesting	10,000,000	109,701
<b>30 June 2017</b>	<b>Closing balance</b>	<u>244,099,553</u>	<u>16,091,432</u>
1 July 2017	Opening balance	244,099,553	16,091,432
1 August 2017	Issue of shares to sophisticated investors through Placement	36,614,932	549,224
30 August 2017	Issue of shares pursuant to Rights issue	93,571,495	1,403,572
6 December 2017	Issue of shares for payment of underwriting fees (pursuant to Resolution 6 approved by shareholders at the Company's 2017 AGM)	9,113,049	136,696
6 December 2017	Issue of shares in lieu of forgone remuneration (pursuant to Resolution 7 approved by Shareholders at the Company's 2017 AGM)	8,000,000	648,000
6 December 2017	Shares issued in lieu of cash payment to a consultant	2,942,475	29,425
21 December 2017	Issue of shares upon the conversion of unlisted options exp. 31 December 2017 ex price of \$0.011	23,728,195	261,010
21 December 2017	Transfer from reserve	-	317,958
	Less: capital issue costs		(200,220)
<b>30 June 2018</b>	<b>Closing balance</b>	<u>418,069,699</u>	<u>19,237,097</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 10: ISSUED CAPITAL (con't)

#### 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.

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.

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

### NOTE 11: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE

	2018 \$	2017 \$
Options reserve	-	-
Share based payments reserve (a)	214,200	597,158
	214,200	597,158

(a) Refers to fair value of options issued in accordance with AASB 2 Share Based Payment.

#### Options reserve

	2017 Options	2017 \$
Opening balance at 1 July 2016	-	290,941
Options expired	-	(290,941)
<b>Closing balance at 30 June 2017</b>	-	-
	-	-
	-	-
	2018 Options	2018 \$
Opening balance at 1 July 2017	-	-
Options expired	-	-
<b>Closing balance at 30 June 2018</b>	-	-
	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 11: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE (con't)**

**Share based payment reserve**

	<b>2017</b>	<b>2017</b>
	<b>Quantity</b>	<b>\$</b>
Options	42,978,195	597,158
Total share based payments reserve	42,978,195	597,158
	<b>2018</b>	<b>2018</b>
	<b>Quantity</b>	<b>\$</b>
Options	18,000,000	214,200
Total share based payments reserve	18,000,000	214,200

**Movements in options (share based payments reserve):**

	<b>Weighted Average Exercise Price</b>	<b>2017</b>	<b>2017</b>
		<b>Options</b>	<b>\$</b>
Opening balance at 1 July 2016	0.023	62,978,195	827,612
Options lapsed 30 June 2014 (reclassified between reserves)	0.300	-	(68,500)
Options lapsed on 31 December 2016	0.052	(10,000,000)	(73,687)
Performance rights vesting expense charge for the year	0.016	-	21,434
Performance rights exercised following vesting on 30 May 2017	0.016	(10,000,000)	(109,701)
<b>Closing balance at 30 June 2017</b>	<b>0.018</b>	<b>42,978,195</b>	<b>597,158</b>
	<b>Weighted Average Exercise Price</b>	<b>2018</b>	<b>2018</b>
		<b>Options</b>	<b>\$</b>
Opening balance at 1 July 2017	0.018	42,978,195	597,158
Conversion of options on 21 December 2017	0.006	(23,728,195)	(317,958)
Options lapsed unexercised on 31 January 2018	0.004	(1,250,000)	(65,000)
<b>Closing balance at 30 June 2018</b>	<b>0.018</b>	<b>18,000,000</b>	<b>214,200</b>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.70 years (2017: 1.01 years).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 11: OPTION RESERVE AND SHARE BASED PAYMENT RESERVE (con't)**

The value of 18,000,000 options was calculated using the Black-Scholes Option Pricing Model and totalled \$214,200. The values and inputs are as follows;

	<b>Options</b>
Options issued	18,000,000
Underlying share value	\$0.015
Exercise price	\$0.018
Risk free interest rate	2.045%
Share price volatility	150%
Expiration period	11/03/2019
Valuation per option	\$0.0119

**Movements in performance rights:**

	<b>2017</b>	<b>2017</b>
	<b>Options</b>	<b>\$</b>
Opening balance at 1 July 2016	10,000,000	88,267
Vesting expense charge for the year	-	21,434
Performance rights exercised following vesting on 30 May 2017	(10,000,000)	(109,701)
<b>Closing balance at 30 June 2017</b>	<b>-</b>	<b>-</b>

**NOTE 12: FOREIGN CURRENCY TRANSLATION RESERVE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	652,096
Foreign currency translation of deregistration of foreign subsidiaries	-	(652,096)
Foreign exchange reserve	(1,116)	-
<b>Closing balance</b>	<b>(1,116)</b>	<b>-</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13: ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(14,149,763)	(14,725,459)
Net profit/(loss) for the year	(636,758)	142,568
Expired options	65,000	433,128
Accumulated losses at the end of the year	<u>(14,721,521)</u>	<u>(14,149,763)</u>

**NOTE 14: NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of cash flow from operating activities to profit/(loss)		
Profit/(loss) from ordinary activities after income tax	(636,758)	142,568
Add: non-cash items:		
Foreign exchange loss	185	-
Share based payments	648,000	21,434
Depreciation	807	5,618
Gain on sale of tenements	(200,614)	-
Impairment of exploration expenditure	2,208	87,414
Exploration and evaluation expenditure written off	58,515	190,900
Gain on deconsolidation	-	(652,518)
Reversal of impairment	(210,305)	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(102,904)	(6,146)
Increase/(decrease) in payables	37,001	(109,060)
	<u>(403,865)</u>	<u>(319,790)</u>

**(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 10 and 11.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 15: EARNINGS PER SHARE</b>		
	Cents	Cents
Basic earnings per share	(0.17)	0.06
Profit/(Loss) from operations attributable to ordinary equity holders of Riedel Resources Limited used to calculate basic loss per share	(636,758)	142,568
	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	379,173,608	234,948,868

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

**NOTE 16: 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 Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

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

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

<b>2018</b>	<b>Australia</b>	<b>Spain</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	445,305	-	-	445,305
Net profit/(loss) before tax	(217,979)	(9,481)	(409,298)	(636,758)
Reportable segment assets	3,979,114	931,033	(22,848)	4,887,299
Reportable segment liabilities	70,106	941,629	(853,095)	158,640
<b>2017</b>	<b>Australia</b>	<b>Burkina Faso</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	685,044	-	-	685,044
Net profit/(loss) before tax	597,129	-	(454,561)	142,568
Reportable segment assets	1,638,834	-	934,212	2,573,046
Reportable segment liabilities	-	-	34,219	34,219



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 17: 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 does not have any other short or long term debt, and therefore this risk is minimal.

(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 2018	Carrying Amount 2017
Financial assets	\$	\$
Cash and cash equivalents	2,339,803	899,219
Other receivables	129,845	34,068
	<hr/> 2,469,648	<hr/> 933,287

**(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 17: FINANCIAL INSTRUMENTS (con't)**

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 (e) below.

**(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) 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.

*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		
<b>2018</b>						
<b>FINANCIAL ASSETS</b>	%	\$	\$	\$	\$	\$
Cash and cash equivalents	0.39%	2,271,683	-	-	68,120	2,339,803
Trade and other receivables	0.36%	-	20,000	-	109,845	129,845
Total Financial Assets		2,271,683	20,000	-	177,965	2,469,648
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	0.00%	-	-	-	123,569	123,569
Total Financial Liabilities					123,569	123,569
<b>2017</b>						
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	2.35	73,416	823,822		1,981	899,219
Trade and other receivables	2.00		20,000		14,068	34,068
Total Financial Assets		73,416	843,822	-	34,068	933,287
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	-	-	-	-	34,219	34,219
Total Financial Liabilities		-	-	-	34,219	34,219

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 17: FINANCIAL INSTRUMENTS (con't)**

**(f) 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 2018.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Change in profit		
Increase in interest rate by 1% (100 basis points)	22,917	8,438
Decrease in interest rate by 1% (100 basis points)	(22,917)	(8,438)
Change in equity		
Increase in interest rate by 1% (100 basis points)	22,917	8,438
Decrease in interest rate by 1% (100 basis points)	(22,917)	(8,438)

**NOTE 18: COMMITMENTS AND CONTINGENCIES**

**Operating lease commitments**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Within one year	7,500	7,500
After one year but not more than five years	-	-
More than five years	-	-
	<u>7,500</u>	<u>7,500</u>

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

**Exploration commitments**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Within one year	861,511	453,930
After one year but not more than five years	1,576,830	2,673,887
More than five years	-	-
	<u>2,438,341</u>	<u>3,127,817</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 19: 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 %	
		2018	2017
AuDAX Minerals Pty Ltd	Australia	100	100
Riedel Resources (Spain) Pty Ltd	Australia	100	-

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

Riedel Resources (Spain) Pty Ltd was incorporated on 14 September 2017.

**NOTE 20: RELATED PARTY DISCLOSURE**

**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.

During the financial year, the Company subleased its office at Suite 1, 6 Richardson Street, West Perth, WA 6005 to Virtual Curtain Limited and Myanmar Metals Limited, both related entities of Mr Jeffrey Moore. Virtual Curtain Limited (for the full financial year) and Myanmar Metals Limited (from July 2017 till Feb 2018) each paid 25% of Riedel's monthly rental and outgoings.

Pursuant to Resolution 6 approved by shareholders at the 2017 AGM, the Company issued 9,113,049 shares at a deemed issue price of \$0.015 for payment of underwriting fees to Oracle Securities Pty Ltd, a company associated with former Non-executive Directors, Mr Luke Matthews and Mr Mark Skiffington (resigned 26 July 2017). Oracle Securities Pty Ltd acted as underwriters to the Company's Placement and Rights Issues in July and August 2017 respectively.

Pursuant to Resolution 7 and 8 approved by the shareholders at the 2017 AGM, 4,000,000 shares each were issued to Mr Luke Matthews and Mr Mark Skiffington, former Non-executive Directors (resigned 26 July 2017) or their nominees in lieu of forgone remuneration for the period 19 January 2016 to 20 July 2017.

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:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Loans to related parties:</i>		
Audax Minerals Pty Ltd	830,246	1,239,544
	<hr/> 830,246	<hr/> 1,239,544

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 20: RELATED PARTY DISCLOSURE (con't)

#### Key management personnel compensation

Detailed remuneration disclosures are provided in the Remuneration Report on pages 23 to 29.

#### Compensation

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	197,635	100,000
Post-employment benefits	16,116	9,500
Share-based payments	648,000	21,433
<b>Total</b>	<b>861,751</b>	<b>130,933</b>

### NOTE 21: EVENTS AFTER THE REPORTING DATE

There are no 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 22: CONTINGENT ASSETS AND LIABILITIES

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

The Company has a \$20,000 (2017: \$20,000) term deposit against a credit card facility that expires 20 November 2018.

### NOTE 23: DIVIDENDS

No dividends were paid or declared during the year.

### NOTE 24: COMPANY DETAILS

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 25: PARENT ENTITY DISCLOSURES**

**Financial Position**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current Assets	2,308,606	932,619
Non-Current Assets	855,437	1,592
Total Assets	<u>3,164,043</u>	<u>934,211</u>
<b>Liabilities</b>		
Current Liabilities	<u>62,045</u>	<u>33,930</u>
Total Liabilities	<u>62,045</u>	<u>33,930</u>
<b>Equity</b>		
Issued Capital	19,237,097	16,091,433
Reserves	214,200	597,158
Accumulated Losses	<u>(16,349,299)</u>	<u>(15,788,310)</u>
	<u>3,101,998</u>	<u>900,281</u>

**Financial Performance**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) for the year	<u>(625,988)</u>	<u>322,258</u>
Total comprehensive profit/(loss)	<u>(625,988)</u>	<u>322,258</u>

**Commitments**

For details see note 18.

**Contingent Liabilities/Guarantees**

For details see note 22.

**NOTE 26: FAIR VALUE MEASUREMENT**

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

## 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 Group's financial position as at 30 June 2018 and of its 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**  
**Executive Chairman**

Date: 25 September 2018

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

### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of Riedel Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion 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 consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

#### Independence

We are independent of the consolidated entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Our description of how our audit addressed the matter is provided in that context below.

### 1. Carrying value of capitalised exploration expenditure

#### Why significant

As at 30 June 2018 the carrying value of exploration and evaluation assets was \$2,408,180 (2017: \$1,638,167), as disclosed in Note 8. This represents 49.2% of the total assets of the consolidated entity.

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1.

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

#### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- to assess whether there are indicators of impairment:
  - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
  - holding discussions with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
  - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- assessing the appropriateness of the related disclosures in Note 1 and 8.

## Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

## Directors' Responsibilities 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 Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 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 entity'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 entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

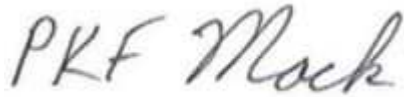
### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Riedel Resources Limited for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

## Responsibilities

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.



PKF MACK



SHANE CROSS  
PARTNER

25 SEPTEMBER 2018  
WEST PERTH  
WESTERN AUSTRALIA

## 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 14 September 2018.

### Shareholdings as at 14 September 2018

#### Substantial shareholders

The names of substantial shareholders listed on the Company's register are:

Shareholder Name	Number of Shares	Percentage
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	51,513,316	12.32
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	25,000,000	5.98
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	22,330,000	5.34
QUINLYNTON PTY LTD <PURSER SUPER FUND A/C>	21,200,000	5.07

#### Unmarketable parcels

The number of shareholders holding less than a marketable parcel at 14 September 2018 is 116. 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.

Options over ordinary shares do not carry voting rights.

#### Unquoted securities

Securities	Number of Options	Number of Holders	Holders with more than 20%
Options exercisable \$0.018 on or before 11 March 2019	18,000,000	4	Note 1

Note 1 - JJ Moore (JJ Moore Family A/c), Andrew Ross Childs and Edward James Turner each holds 5,000,000 options (representing a 27.8% holding each).

#### On-market buyback

There is no current on-market buy-back.

#### Securities Exchange listing

Quotation has been granted for all ordinary shares of the Company on the Australian Securities Exchange.

#### 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	26	3,623
1,001 – 5,000	6	20,387
5,001 – 10,000	56	517,959
10,001 – 100,000	183	8,741,027
100,001 and over	174	408,786,703
	<b>445</b>	<b>418,069,699</b>

## SHAREHOLDER INFORMATION (con't)

### Twenty largest shareholders – Ordinary Shares

Name	Number of ordinary shares held	Percentage of capital held
SATORI INTERNATIONAL PTY LTD <SATORI S/F A/C>	51,513,316	12.32
MR JAMES WALLACE HOPE <JWH A/C>	29,469,924	7.05
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	25,000,000	5.98
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	22,330,000	5.34
QUINLYNTON PTY LTD <PURSER SUPER FUND A/C>	21,200,000	5.07
MERIWA STREET PTY LTD	20,500,000	4.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,159,771	2.91
ALMESH PTY LTD <SYMBA RETIREMENT FUND A/C>	11,714,607	2.80
MR JEFFREY JOHN MOORE	11,000,000	2.63
CAMPEON PTY LTD	10,545,825	2.52
PROVISTA HOLDINGS PTY LTD <MARVAL SUPER FUND A/C>	9,857,589	2.36
MR GARY TATASCIORE	9,857,589	2.36
ORITOR PTY LTD	9,502,027	2.27
MR PAUL GABRIEL SHARBANEE <THE SCORPION FUND A/C>	9,200,000	2.20
SHAH NOMINEES PTY LTD <LOUIS CARSTEN S/F A/C>	8,995,532	2.15
ORACLE SECURITIES PTY LTD	7,460,070	1.78
MR JAYDEN MATTHEW WALLIS	6,538,653	1.56
WILKS SUPER PTY LTD <WILKS FAMILY SUPER FUND A/C>	4,444,444	1.06
MS SONIA LEE SIEMER	4,300,000	1.03
BOND STREET CUSTODIANS LIMITED <PNCORK - D00089 A/C>	4,151,339	0.99
<b>TOTAL</b>	<b>289,740,686</b>	<b>69.30</b>

### SCHEDULE OF MINING TENEMENTS AS AT 14 SEPTEMBER 2018

Area of Interest	Tenement reference	Nature of interest	Interest
<b>Spain</b>			
Carmenes	n°15,107	Joint Venture	Earning 20%
Valverdin	n°15,106	Joint Venture	Earning 20%
<b>Australia</b>			
Marymia	E52/2394	Direct	20%
Marymia	E52/2395	Direct	20%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

### MINERAL RESOURCE STATEMENT

At 30 June 2018, the Company does not have any mineral resource.