



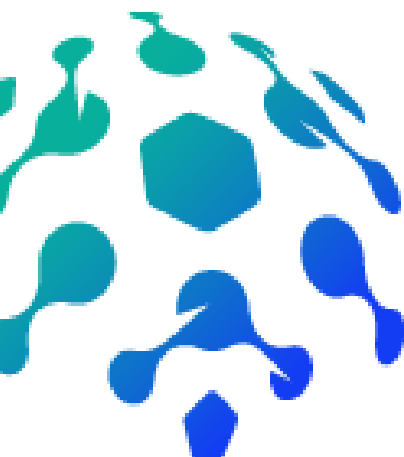
**RIEDEL**  
RESOURCES

**RIEDEL RESOURCES LIMITED**  
**ABN: 91 143 042 022**

**ANNUAL REPORT FOR THE YEAR ENDED**  
**30 JUNE 2019**

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## CORPORATE DIRECTORY

### DIRECTORS

Grant Mooney  
Alexander Sutherland  
Scott Cuomo

### COMPANY SECRETARIES

Henko Vos  
Abby Siew

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 4  
6 Richardson Street  
WEST PERTH WA 6005

Telephone: (08) 9226 0866  
Facsimile: (08) 9486 7375

### AUDITORS

PKF Perth  
Level 4, 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  
ASX Code: RIE

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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 2019.

**DIRECTORS**

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

**Grant Mooney**

**Non-Executive Chairman (Appointed 31 October 2018)**

Qualifications

B.Bus, CA

Experience

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a Director to several ASX listed companies across a variety of industries including technology and resources. He is a Director of Gibb River Diamonds Limited (Formerly POZ Minerals Limited), appointed 14 October 2008, Barra Resources Limited, appointed 29 November 2002, Accelerate Resources Limited, appointed 1 July 2017, Talga Resources Limited, appointed 20 February 2014 and Carnegie Clean Energy Limited.

Mr Mooney is a member of the Institute of Chartered Accountants in Australia.

Directorships of other listed companies

Carnegie Clean Energy Limited  
Gibb River Diamonds Limited  
Barra Resources Limited  
Accelerate Resources Limited  
Talga Resources Limited

Interest in Shares

1,438,427

Interest in Options

Nil

**Alexander Sutherland**

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

Qualifications

B.Com UWA

Experience

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.

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.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**DIRECTORS (con't)**

Directorships of other listed companies

Nil

Interest in Shares  
Interest in Options

1,959,596  
5,000,000

**Scott Cuomo**

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

Experience

Mr Cuomo is an experienced non-executive director and a 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 and risk management.

Mr Cuomo is currently an Associate Director with Oracle Capital.

Directorships of other listed companies

Nil

Interest in Shares  
Interest in Options

Nil  
5,000,000

**Jeffrey Moore**

**Former Director (Appointed 30 September 2010; Resigned 15 January 2019)**

Qualifications

B.Sc, MAusIMM, MGSA

Experience

Mr Moore is a geologist with extensive technical, managerial and project finance experience in exploration and mining for publicly listed companies.

During his career, he has generated and managed projects for commodities including precious metals, base metals, diamonds, nickel and industrial minerals throughout Australia, Central and South America, Africa and Asia.

Mr Moore is also a Corporate Member of the Australasian Institute of Mining and Metallurgy and a Member of the Geological Society of Australia.

Directorships of other listed companies

Myanmar Metals Limited

Interest in Shares\*  
Interest in Options\*

14,499,999  
5,000,000

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

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

### COMPANY SECRETARIES

#### Henko Vos

Joint Company Secretary (Appointed 28 December 2016)

Mr Vos is a member of the Australian Institute of Company Directors (AICD), the Governance Institute of Australia (GIA), the Chartered Accountants in Australia and New Zealand (CAANZ) and Certified Practising Accountants of Australia (CPA) with more than 15 years' experience working within public practice, specifically within the area of corporate services and audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is a Director at 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 \$1,733,262 (2018: net loss \$636,758).

### REVIEW OF OPERATIONS

#### Marymia, Western Australia

The Marymia Project is located approximately 900 kilometres north of Perth, Western Australia, within the Archean Marymia Inlier. The project is situated 40 kilometres east of the Plutonic Gold Mine, 20 kilometres southeast of the Marymia gold camp, and 55 kilometres northeast of Sandfire Resources NL's DeGrussa copper mine.

The Company reported on 21 May 2018 that Australian Mines Limited (ASX: AUZ, USA OTCQB: AMSLF) increased its interest in the Marymia Gold and Copper Project in Western Australia to 80% having spend \$3 million under the April 2014 dated Heads of Agreement. Australian Mines Limited subsequently transferred its rights to Norwest Minerals Limited (ASX: NWM) following a spin-off of that company in November 2018.

During the March 2019 quarter, Norwest Minerals increased its interest to 81.07% following additional exploration work undertaken on the project and the Company electing not to contribute towards these and associated costs.

As at 30 June 2019 the Company maintained its 18.93% interest in the Marymia Gold and Copper Project.

For details of exploration work undertaken during the financial year, refer to Norwest Minerals Limited's (ASX: NWM) Quarterly Activities Reports lodged with the ASX.

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

### REVIEW OF OPERATIONS (con't)

#### Cármenes Project, Northern Spain

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.

During the year to June 2019, Riedel's primary focus during the first 6 months was the receipt and analysis of relevant assay results from its maiden four-hole programme at its Profunda Mine Prospect in Northern Spain. For the next 6 months, the Company continued the process of evaluating data and the determining direction of the exploration programs.

On 22 July 2019, the Company advised that, following an extensive review and assessment of the project, it has decided not to proceed with further exploration activities at the Cármenes Project and that it has given formal notice to SIEMCALSA of the Company's termination of the Joint Venture Agreement.

For further details on the Company's activities, refer to the Quarterly Reports and the ASX announcements made during the year ended 30 June 2019.

### TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 30 June 2019.

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	18.93%
Marymia	E52/2395	Direct	18.93%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

\* As noted the Company terminated the Joint Venture agreement for the Carmenes Project on 22 July 2019, resulting in the interest being terminated at and from that date.

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

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year.

### DIVIDENDS PAID OR RECOMMENDED

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

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

On 22 July 2019 the Company announced that following an extensive review and assessment of the project, it has decided not to proceed with further exploration activities at the Cármenes Project and that it has given formal notice to SIEMCALSA of the Company's termination of the Joint Venture Agreement.

Other than noted above, there has been no additional matter or circumstance that has arisen after reporting date that has 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 financial periods.

### 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.

### MEETINGS OF DIRECTORS

During the financial year, 6 meetings of directors were held. The number of meetings attended by each director during the year is stated below:

	Number of eligible to attend	Number attended
Grant Mooney <sup>1</sup>	3	3
Alexander Sutherland	6	6
Scott Cuomo	6	6
Jeffrey Moore <sup>2</sup>	4	4

<sup>1</sup> Appointed 31 October 2018.

<sup>2</sup> Resigned 15 January 2019.

In addition to the above, the directors met by circular resolution on 5 occasions during the financial year.

### 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
23/11/2021	11	10,000,000

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.

### REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of Riedel Resources Limited for the financial year ended 30 June 2019 and is included on page 8.



## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

### 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.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

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 \$8,000 (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.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019 has been received and is included in the financial report on page 14.

### 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.

### CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, the Group have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2015 and became effective for financial years beginning on or after 1 July 2015.

The Group's Corporate Governance Statement for the financial year ending 30 June 2019 is dated as at 27 September 2019 and was approved by the Board on 27 September 2019.

The Corporate Governance Statement is available on Riedel Resources Limited's website at <http://www.riedelresources.com.au>.

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

### 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 2019. 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

Grant Mooney (Non-executive Chairman) (Appointed 31 October 2018)  
Alexander Sutherland (Non-executive Director) (Appointed 26 July 2017)  
Scott Cuomo (Non-executive Director) (Appointed 26 July 2017)  
Jeffrey Moore (Executive Director) (Appointed 30 September 2010; Resigned 15 January 2019)

#### *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 2019

### 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 2019, 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. 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 2018 and 2019 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 2019**

**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.

**2018 Annual General Meeting**

The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

**Performance on shareholder wealth**

In considering the Group's performance and benefits for shareholder wealth, the Board have regarded the following indices in respect of the current and previous four financial years:

	2019	2018	2017	2016	2015
EPS (cents)	(0.41)	(0.17)	0.06	0.34	(0.54)
Dividends (cents per share)	-	-	-	-	-
Net profit / (loss) (\$)	(1,733,262)	(636,758)	142,568	704,101	(794,639)
Share price (\$)	0.009	0.063	0.011	0.016	0.007

**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: Grant Mooney (Appointed 31 October 2018)  
 Title: Non-executive Chairman  
 Agreement commenced: 20 November 2018  
 Term of agreement: 3 years (Subject to re-election every 3 years from 31 October 2018)  
 Details: Director's fees of \$30,000 per annum plus superannuation.
- 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 per annum exclusive of superannuation (if applicable).
- Name: Scott Cuomo (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 per annum plus superannuation.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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

Name: Jeffrey Moore (Appointed 30 September 2010; Resigned 15 January 2019)  
Title: Executive Director  
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 per annum plus superannuation (effective 1 September 2017 increased to \$150,000 per annum plus superannuation). The Executive was entitled to Performance Rights.

**Remuneration of Key Management Personnel  
For the year ended 30 June 2019**

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments <sup>2</sup>	Value of equity as proportion of remuneration	
	Salaries & Fees	Consulting Fees	Superannuation		Total	%
	\$	\$	\$	\$	\$	%
<b>Directors</b>						
Grant Mooney <sup>1</sup> Alexander Sutherland	20,000	-	1,900	-	21,900	0.0%
Scott Cuomo	30,000	-	-	17,400	47,400	36.7%
Jeffrey Moore <sup>3</sup>	106,250	-	7,719	-	113,969	0.0%
<b>Total</b>	<b>186,250</b>	<b>-</b>	<b>12,469</b>	<b>34,800</b>	<b>233,519</b>	

<sup>1</sup> Appointed 31 October 2018.

<sup>2</sup> The Company issued 5,000,000 unlisted options each to Mr Sutherland and Mr Cuomo following shareholder approval at the AGM held on 23 November 2018. The options are exercisable at \$0.11 per option, expires 23 November 2021. The value disclosed is the fair value at grant date of the options. See note 11 for further details.

<sup>3</sup> Resigned 15 January 2019. Director's fees includes unused annual leave entitlement of \$25,000.

**For the year ended 30 June 2018**

	Short-Term Benefits		Post-Employment Benefits	Equity-Settled Share-Based Payments	Value of equity as proportion of remuneration	
	Salaries & Fees	Consulting Fees	Superannuation		Total	%
	\$	\$	\$	\$	\$	%
<b>Directors</b>						
Jeffrey Moore Alexander Sutherland <sup>1</sup>	141,667	-	13,458	-	155,125	0.0%
Scott Cuomo <sup>2</sup>	27,984	-	-	-	27,984	0.0%
Luke Matthews <sup>3</sup>	27,984	-	2,658	-	30,642	0.0%
Mark Skiffington <sup>3</sup>	-	-	-	324,000	324,000	100.0%
	-	-	-	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. The value disclosed is the fair value at grant date of the shares.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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

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 granted during the year**

The following options were issued during the financial year to KMP and remained on issue as at balance date and the date of this report:

	Granted Number	Grant date	Value of options at grant date \$	Expiry date
Alexander Sutherland	5,000,000	23 November 2018	\$17,400	23 November 2021
Scott Cuomo	5,000,000	23 November 2018	\$17,400	23 November 2021

**Options exercised**

No options granted as compensation in the current or prior year were exercised.

**Options lapsed during the year**

	Number lapsed during the year	Financial year granted
Jeffrey Moore <sup>1</sup>	5,000,000	2016

<sup>1</sup> Resigned 15 January 2019.

**Other information**

**Ordinary shares held by Key Management Personnel**

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)						
	Balance at beginning of period	Granted as remuneration	Exercise of options/ performance rights	Net change*	Other	Balance at end of period
2019						
Grant Mooney <sup>1</sup>	-	-	-	-	1,438,427	1,438,427
Alexander Sutherland	1,959,596	-	-	-	-	1,959,596
Scott Cuomo	-	-	-	-	-	-
Jeffrey Moore <sup>2</sup>	14,499,999	-	-	-	(14,499,999)	-
<b>Total</b>	<b>16,459,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,061,572)</b>	<b>3,398,023</b>

<sup>1</sup> Appointed 31 October 2018. 'Other' represents opening balance at appointment date.

<sup>2</sup> Resigned 15 January 2019. 'Other' adjusted to reflect no further holdings as a KMP.

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

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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

*Options held by Key Management Personnel*

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:

2019	Options held in Riedel Resources Limited (number)					Balance at end of period
	Balance at beginning of period	Granted as remuneration	Exercised	Net change*	Other	
Grant Mooney	-	-	-	-	-	-
Alexander Sutherland	-	-	-	-	5,000,000 <sup>1</sup>	5,000,000
Scott Cuomo	-	-	-	-	5,000,000 <sup>1</sup>	5,000,000
Jeffrey Moore <sup>2</sup>	5,000,000	-	-	-	(5,000,000)	-
<b>Total</b>	<b>5,000,000</b>	-	-	-	<b>(5,000,000)</b>	<b>10,000,000</b>

<sup>1</sup> The Company issued 5,000,000 unlisted options each to Mr Sutherland and Mr Cuomo following shareholder approval at the AGM held on 23 November 2018. The options are exercisable at \$0.11 per option, expires 23 November 2021. See note 11 for further details.

<sup>2</sup> Resigned 15 January 2019. 'Other' adjusted to reflect no further holdings as a KMP.

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.

*Other transactions with Key Management Personnel*

During the year, the Company paid \$20,000 to Mr Grant Mooney and \$1,500 to Mooney & Partners, a company associated with Mr Mooney, for the rental of office space. The rental lease is settled on a monthly basis. As at 30 June 2019, \$500 remained outstanding.

From July 2018 till January 2019, the Company subleased its office at Suite 1, 6 Richardson Street, West Perth, WA 6005 to Virtual Curtain Limited, a company associated with Mr Moore. Virtual Curtain Limited paid \$6,088, which was 25% of Riedel's monthly rental and outgoings till January 2019.

Pursuant to Resolutions 3 and 4 approved by the shareholders at the 2018 AGM, 5,000,000 unlisted options each were issued during the year to Mr Alexander Sutherland and Mr Scott Cuomo, as an incentive to provide dedicated and ongoing commitment to the Company. The options were valued at a total of \$34,800.

***This concludes the remuneration report, which has been audited.***

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



**Grant Mooney**  
**Non-Executive Chairman**  
Date: 27 September 2019

## 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 2019, 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 PERTH



SHANE CROSS  
PARTNER

27 SEPTEMBER 2019  
WEST PERTH,  
WESTERN AUSTRALIA

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
 AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
Interest income		6,053	15,533
Other revenue		16,088	219,467
Reversal of impairment of exploration and evaluation due to sale of tenement		-	210,305
<b>Total revenue</b>	2(a)	<u>22,141</u>	<u>445,305</u>
Administration expenses		(230,466)	(253,916)
Depreciation		(1,052)	(807)
Employee benefits expense		(196,670)	(766,610)
Impairment of exploration expenditure		(1,288,621)	(2,208)
Exploration and evaluation expenditure incurred		(38,594)	(58,515)
Finance costs		-	(7)
<b>Profit/(Loss) before income tax expense</b>	2(b)	<u><b>(1,733,262)</b></u>	<u><b>(636,758)</b></u>
Income tax expense	3	-	-
<b>Profit/(Loss) for the year</b>		<u><b>(1,733,262)</b></u>	<u><b>(636,758)</b></u>
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation		(899)	(1,116)
<b>Total comprehensive profit/(loss) for the year</b>		<u><u><b>(1,734,161)</b></u></u>	<u><u><b>(637,874)</b></u></u>
Basic and diluted earnings per share (cents)	15	(0.41)	(0.17)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,152,720	2,339,803
Trade and other receivables	6	229,752	136,974
<b>TOTAL CURRENT ASSETS</b>		<b>1,382,472</b>	<b>2,476,777</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	1,290	2,342
Exploration and evaluation expenditure	8	1,669,485	2,408,180
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,670,775</b>	<b>2,410,522</b>
<b>TOTAL ASSETS</b>		<b>3,053,247</b>	<b>4,887,299</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	23,948	158,639
<b>TOTAL CURRENT LIABILITIES</b>		<b>23,948</b>	<b>158,639</b>
<b>TOTAL LIABILITIES</b>		<b>23,948</b>	<b>158,639</b>
<b>NET ASSETS</b>		<b>3,029,299</b>	<b>4,728,660</b>
<b>EQUITY</b>			
Issued capital	10	19,237,097	19,237,097
Share based payment reserve	11	34,800	214,200
Foreign currency translation reserve	12	(2,015)	(1,116)
Accumulated losses	13	(16,240,583)	(14,721,521)
<b>TOTAL EQUITY</b>		<b>3,029,299</b>	<b>4,728,660</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Issued Capital</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>Balance at 1 July 2018</b>	<b>19,237,097</b>	<b>(1,116)</b>	<b>214,200</b>	<b>(14,721,521)</b>	<b>4,728,660</b>
Profit/(Loss) for the period	-	-	-	(1,733,262)	(1,733,262)
Other comprehensive loss	-	(899)	-	-	(899)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(899)</b>	<b>-</b>	<b>(1,733,262)</b>	<b>(1,734,161)</b>
<i>Transactions with owners, recorded directly in equity</i>					
Issue of options	-	-	34,800	-	34,800
Expiry of options	-	-	(214,200)	214,200	-
	<b>-</b>	<b>-</b>	<b>(179,400)</b>	<b>214,200</b>	<b>34,800</b>
<b>Balance at 30 June 2019</b>	<b>19,237,097</b>	<b>(2,015)</b>	<b>34,800</b>	<b>(16,240,583)</b>	<b>3,029,299</b>
<b>Balance at 1 July 2017</b>	<b>16,091,432</b>	<b>-</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>(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>(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>(1,116)</b>	<b>214,200</b>	<b>(14,721,521)</b>	<b>4,728,660</b>

The accompanying notes form part of their financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	NOTES	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Interest received		6,053	15,533
Finance costs		-	(7)
Other revenue		6,088	18,442
Payments to suppliers and employees		(551,719)	(437,833)
Release of bank guarantee		20,000	-
Net cash used in operating activities	14	<b>(519,578)</b>	<b>(403,865)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for plant and equipment		-	(1,557)
Payment for exploration and evaluation		(676,063)	(802,975)
Proceeds from sale of tenements		9,456	500,000
Net cash used in investing activities		<b>(666,607)</b>	<b>(304,532)</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>(1,186,185)</b>	<b>1,441,885</b>
<b>Cash and cash equivalents at 1 July</b>		<b>2,339,803</b>	<b>899,219</b>
Effects of foreign exchange		(898)	(1,301)
<b>Cash and cash equivalents at 30 June</b>	5	<b>1,152,720</b>	<b>2,339,803</b>

The accompanying notes form part of these financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 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 2019 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**

From 1 July 2018 the following standards and amendments are effective in the Group's financial statements:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of adoption of these standards and the key changes to the accounting policies are disclosed below. Other amendments to AIFRS that became effective for the period beginning on 1 July 2018 did not have any impact on the Group's accounting policies.

#### **AASB 9: Financial Instruments**

##### *Classification of financial assets*

AASB 9 requires the use of two criteria to determine the classification of financial assets: the entity's business model for the financial assets and the contractual cash flow characteristics of the financial assets. The Standard goes on to identify three categories of financial assets - amortised cost; fair value through profit or loss (FVTPL); and fair value through other comprehensive income (FVOCI).

There have been no changes to the categorisation of financial assets following the adoption of AASB 9 and all of the Group's financial assets remain classified at amortised cost.

Impairment AASB 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Group's financial assets. No changes to the impairment provisions were made on transition to AASB 9. Trade and other receivables are generally settled on a short time frame and the Group's other financial assets are due from counterparties without material credit risk concerns at the time of transition.

The Group adopted AASB 9 and related amending Standards from 1 July 2018. The adoption of AASB 9 and related amending Standards did not give rise to any material transitional adjustments. In accordance with the transitional provisions in AASB 9 (paragraphs 7.2.15 and 7.2.26), comparative figures have not been restated.

#### **AASB 15: Revenue from Contracts with Customers**

AASB 15 replaced AASB 118 Revenue which covered revenue arising from the sale of goods and the rendering of services and AASB 111 Construction Contracts which covered construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group adopted AASB 15 from 1 July 2018. The implementation of AASB 15 has not had a material impact on the Group's financial statements as it is currently a pre-revenue business.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

#### **New and Revised Accounting Standards and Interpretations on Issue but not yet adopted**

AASB 16 replaces the current AASB 117 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense. The only exceptions are short-term and low-value leases.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

The Group has reviewed all of the Group's leasing arrangements in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the Group's operating leases.

At reporting date, the Group had no material non-cancellable operating lease commitments. The Group does not have any activities as a lessor either and hence there will not be any impact on the financial statements in this regard.

The changes in the Group's accounting policies from the adoption of AASB 16 will be applied from 1 July 2019 onwards.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

#### *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 27 September 2019. 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 financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

#### **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 2019 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 2019

### 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 2019

### 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 Group 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.

#### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### **Fair value measurement**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

#### **Current and non-current classification**

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

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

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

#### **Cash and Cash Equivalents**

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

#### **Revenue recognition**

The Group recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

#### 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

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

##### (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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 Group 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.

#### 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 2019

### 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 2019

### 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 2019**

<b>NOTE 2: GAIN FROM ORDINARY ACTIVITIES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
(a) Revenue		
Bank interest	6,053	15,533
Revenue from office sublease	6,088	18,853
Net gain on sale of tenement <sup>1</sup>	-	200,614
Reversal of impairment of exploration and evaluation expenditure	-	210,305
Profit on sale of fixed asset	10,000	-
	<u>22,141</u>	<u>445,305</u>

(b) Expenses

Loss for the year includes the following expenses:

Depreciation	1,052	807
Exploration and evaluation expenditure incurred	38,594	58,515
Equity-settled share based payments expense	34,800	648,000
Superannuation – defined contribution	16,847	21,048
Impairment of exploration expenditure	1,288,621	2,207
Rental expense – operating lease	28,174	45,021

<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.

**NOTE 3: INCOME TAX EXPENSE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Income tax expense/(benefit):		
Current tax	-	-
Prior year under provision	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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%.  
(2018: 30%)

(519,979) (191,027)

Add:

Tax effect of:

Other non-allowable items

72 35

Share based payment

10,440 194,400

Impairment of exploration expenditure

- 662

Write off exploration expenditure

- 17,555

Superannuation payable

(1,556) 986

Derecognition of foreign subsidiary

391,073 2,844

400,029 216,482

Less:

Tax effect of:

Exploration and evaluation expenditure

6,157 3,901

Impairment on sale

3,000 63,091

Capital raising costs

14,717 15,084

Revenue losses not recognised

(144,049) (56,321)

Provisions and accruals

225 (300)

(119,950) 25,455

Income tax expense/(benefit)

- -

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% (2018: 30%) 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% (2018:30%)

Carry forward revenue losses

1,711,141 1,567,093

Capital raising cost

38,744 53,461

Provisions and accruals

2,895 4,676

Exploration and evaluation expenditure

17,555 17,555

Impairment of exploration expenditure

662 662

1,770,997 1,643,447

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**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% (2018:30%)

Exploration and evaluation expenditure	500,846	494,689
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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**

	2019 \$	2018 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	26,760	26,145
- Other non-audit services	-	950
	26,760	27,095

**NOTE 5: CASH AND CASH EQUIVALENTS**

	2019 \$	2018 \$
Cash on hand	314	2,102
Cash at bank	1,152,406	2,337,701
	1,152,720	2,339,803

Refer to note 17 for further information on financial instruments.

**NOTE 6: TRADE AND OTHER RECEIVABLES**

	2019	2018
<i>Current</i>	\$	\$
Trade debtors	3,185	2,222
Term deposit <sup>1</sup>	-	20,000
Prepayments	7,740	7,128
GST/VAT paid	218,741	107,624
Other debtors	86	-
	229,752	136,974

<sup>1</sup> The \$20,000 term deposit expired on 20 May 2019 and funds were released back into the Company's bank account.

Refer to note 17 for further information on financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 7: PLANT & EQUIPMENT**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Office Equipment</i>		
At cost	37,697	37,697
Accumulated amortisation	(36,407)	(35,355)
Total office equipment	<u>1,290</u>	<u>2,342</u>
<i>Exploration Equipment</i>		
At cost	55,304	55,304
Additions/(disposals)	(52,445)	-
Accumulated amortisation	(2,859)	(55,304)
Total exploration equipment	<u>-</u>	<u>-</u>
Total plant and equipment	<u>1,290</u>	<u>2,342</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>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Office Equipment</i>		
Carrying amount at beginning of period	2,342	1,592
Additions/(disposals)	-	1,557
Depreciation	(1,052)	(807)
Carrying amount at end of period	<u>1,290</u>	<u>2,342</u>
<i>Exploration Equipment</i>		
Carrying amount at beginning of period	-	-
Additions/(disposals)	-	-
Depreciation	-	-
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	2,960,643	2,410,717
Less: Provision for impairment	(1,291,158)	(2,537)
Net amount	<u>1,669,485</u>	<u>2,408,180</u>
<i>Exploration and evaluation expenditure reconciliation</i>		
Opening balance	2,408,180	1,638,167
Exploration and development expenditure incurred	588,520	915,175
Exploration and evaluation written off	(38,594)	(58,515)
Impairment	(1,288,621)	(2,208)
Tenement sold	-	(84,439)
Closing balance	<u>1,669,485</u>	<u>2,408,180</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	12,137	102,475
Accruals	7,750	8,500
Payroll liabilities	4,061	47,664
	<u>23,948</u>	<u>158,639</u>

Refer to note 17 for further information on financial instruments.

**NOTE 10: ISSUED CAPITAL**

	<b>2018</b>	<b>2018</b>
	<b>Shares</b>	<b>\$</b>
<b>(a) Share capital</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>2019</b>	<b>2019</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 2019	<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 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><b>418,069,699</b></u>	<u><b>19,237,097</b></u>
1 July 2018	Opening balance	<u><b>418,069,699</b></u>	<u><b>19,237,097</b></u>
<b>30 June 2019</b>	<b>Closing balance</b>	<u><b>418,069,699</b></u>	<u><b>19,237,097</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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: SHARE BASED PAYMENT RESERVE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Share based payments reserve (a)	34,800	214,200
	<u>34,800</u>	<u>214,200</u>

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

**Share based payment reserve**

	<b>2018</b>	<b>2018</b>
	<b>Quantity</b>	<b>\$</b>
Options	18,000,000	214,200
Total share based payments reserve	<u>18,000,000</u>	<u>214,200</u>
	<b>2019</b>	<b>2019</b>
	<b>Quantity</b>	<b>\$</b>
Options	10,000,000	34,800
Total share based payments reserve	<u>10,000,000</u>	<u>34,800</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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

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

	<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>

	<b>Weighted Average Exercise Price</b>	<b>2019</b>	<b>2019</b>
		<b>Options</b>	<b>\$</b>
Opening balance at 1 July 2018	0.018	18,000,000	214,200
Issue of unlisted options to Directors on 23 November 2018	0.11	10,000,000	34,800
Options lapsed unexercised on 11 March 2019	0.018	(18,000,000)	(214,200)
<b>Closing balance at 30 June 2019</b>	<b>0.11</b>	<b>10,000,000</b>	<b>34,800</b>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.40 years (2018: 0.70 years).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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

The value of 10,000,000 options was calculated using Black-Scholes Option Pricing Model and totalled \$34,800. The values and inputs are as follows:

	<b>Options</b>
Options issued	10,000,000
Underlying share value	\$0.016
Exercise price	\$0.11
Risk free interest rate	2.11%
Share price volatility	95%
Expiration period	23 November 2021
Valuation per option	\$0.00348

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

**NOTE 12: FOREIGN CURRENCY TRANSLATION RESERVE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening balance	(1,116)	-
Foreign exchange reserve	(899)	(1,116)
Closing balance	<u>(2,015)</u>	<u>(1,116)</u>

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 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>NOTE 13: ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(14,721,521)	(14,149,763)
Net profit/(loss) for the year	(1,733,262)	(636,758)
Expired options	214,200	65,000
Accumulated losses at the end of the year	<u>(16,240,583)</u>	<u>(14,721,521)</u>

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

	<b>2019</b>	<b>2018</b>
	\$	\$
Reconciliation of cash flow from operating activities to profit/(loss)		
Profit/(loss) from ordinary activities after income tax	(1,733,262)	(636,758)
Add: non-cash items:		
Foreign exchange loss	-	185
Share based payments	34,800	648,000
Depreciation	1,052	807
Gain on sale of tenements	-	(200,614)
Impairment of exploration expenditure	1,288,621	2,208
Exploration and evaluation expenditure written off	38,594	58,515
Reversal of impairment	-	(210,305)
Gain on sale of asset	(10,000)	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(92,233)	(102,904)
Increase/(decrease) in payables	(47,150)	37,001
	<u>(519,578)</u>	<u>(403,865)</u>

**(a) Non-cash investing and financing activities.**

There were no other non-cash investing and financing activities, except the options issued detailed in notes 10 and 11.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 15: EARNINGS PER SHARE</b>		
	Cents	Cents
Basic earnings per share	(0.41)	(0.17)
Profit/(Loss) from operations attributable to ordinary equity holders of Riedel Resources Limited used to calculate basic loss per share	(1,733,262)	(636,758)
	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	418,069,699	379,173,608

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>2019</b>	<b>Australia</b>	<b>Spain</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	22,141	-	-	22,141
Net profit/(loss) before tax	(2,013,086)	246,253	33,571	(1,733,262)
Reportable segment assets	1,952,912	236,518	863,817	3,053,247
Reportable segment liabilities	22,188	1,760	-	23,948
<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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 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 and creditors 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 2019	Carrying Amount 2018
Financial assets	\$	\$
Cash and cash equivalents	1,152,720	2,339,803
Other receivables	222,012	129,845
	<u>1,374,732</u>	<u>2,469,648</u>

**(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 2019**

**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>2019</b>						
<b>FINANCIAL ASSETS</b>	%	\$	\$	\$	\$	\$
Cash and cash equivalents	0.15%	1,121,646	-	-	31,074	1,152,720
Trade and other receivables	0.00%	-	-	-	222,010	222,010
Total Financial Assets		<u>1,121,646</u>	<u>-</u>	<u>-</u>	<u>253,084</u>	<u>1,374,730</u>
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	0.00%	-	-	-	19,887	19,887
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>19,887</u>	<u>19,887</u>
<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		<u>2,271,683</u>	<u>20,000</u>	<u>-</u>	<u>177,965</u>	<u>2,469,648</u>
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	0.00%	-	-	-	123,569	123,569
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>123,569</u>	<u>123,569</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**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 2019.

	<b>2019</b>	<b>2018</b>
	\$	\$
Change in profit		
Increase in interest rate by 1% (100 basis points)	11,216	22,917
Decrease in interest rate by 1% (100 basis points)	(11,216)	(22,917)
Change in equity		
Increase in interest rate by 1% (100 basis points)	11,216	22,917
Decrease in interest rate by 1% (100 basis points)	(11,216)	(22,917)

**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>2019</b>	<b>2018</b>
	\$	\$
Within one year	-	7,500
After one year but not more than five years	-	-
More than five years	-	-
	<u>-</u>	<u>7,500</u>

The lease of Company offices at Suite 4, 6 Richardson Street, West Perth is settled on a monthly basis from February 2019 onwards.

**Exploration commitments**

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

	<b>2019</b>	<b>2018</b>
	\$	\$
Within one year	342,434	861,511
After one year but not more than five years	1,620,483	1,576,830
More than five years	-	-
	<u>1,962,917</u>	<u>2,438,341</u>

On 22 July 2019, the Company announced that it has decided not to proceed with further exploration activities at the Cármenes Project following an extensive review and assessment and that it has given formal notice to SIEMCALSA of the Company's termination of the Joint Venture Agreement, thus reducing its future exploration commitments to nil from 22 July 2019 onwards.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

**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 %	
		2019	2018
AuDAX Minerals Pty Ltd	Australia	100	100
Riedel Resources (Spain) Pty Ltd	Australia	100	100

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

**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 year, the Company paid \$20,000 to Mr Grant Mooney and \$1,500 to Mooney & Partners, a company associated with Mr Mooney, for the rental of office space. The rental lease is settled on a monthly basis. As at 30 June 2019, \$500 remained outstanding.

From July 2018 till January 2019, the Company subleased its office at Suite 1, 6 Richardson Street, West Perth, WA 6005 to Virtual Curtain Limited, a company associated with Mr Moore. Virtual Curtain Limited paid \$6,088 which was 25% of Riedel's monthly rental and outgoings till January 2019.

Pursuant to Resolutions 3 and 4 approved by the shareholders at the 2018 AGM, 5,000,000 unlisted options each were issued during the year to Mr Alexander Sutherland and Mr Scott Cuomo, as an incentive to provide dedicated and ongoing commitment to the Company. The options were valued at a total of \$34,800.

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>2019</b>	<b>2018</b>
<i>Loans to related parties:</i>	<b>\$</b>	<b>\$</b>
Audax Minerals Pty Ltd	863,817	830,246
	<hr/> 863,817	<hr/> 830,246

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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

**Key management personnel compensation**

Detailed remuneration disclosures are provided in the Remuneration Report on pages 8 to 13.

*Compensation*

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	186,250	197,635
Post-employment benefits	12,469	16,116
Share-based payments	34,800	648,000
<b>Total</b>	<b>233,519</b>	<b>861,751</b>

**NOTE 21: EVENTS AFTER THE REPORTING DATE**

On 22 July 2019 the Company announced that following an extensive review and assessment of the project, it has decided not to proceed with further exploration activities at the Cármenes Project and that it has given formal notice to SIEMCALSA of the Company's termination of the Joint Venture Agreement.

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

**NOTE 22: CONTINGENT ASSETS AND LIABILITIES**

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

**NOTE 23: DIVIDENDS**

No dividends were paid or declared during the year.

**NOTE 24: COMPANY DETAILS**

The Company relocated its registered office and principal place of business to Suite 4, 6 Richardson Street, West Perth, WA 6005 effective 1 March 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 25: PARENT ENTITY DISCLOSURES**

**Financial Position**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current Assets	1,144,660	2,308,606
Non-Current Assets	1,290	855,437
Total Assets	<u>1,145,950</u>	<u>3,164,043</u>
<b>Liabilities</b>		
Current Liabilities	22,024	62,045
Total Liabilities	<u>22,024</u>	<u>62,045</u>
<b>Equity</b>		
Issued Capital	19,237,097	19,237,097
Reserves	34,800	214,200
Accumulated Losses	(18,147,972)	(16,349,299)
	<u>1,123,925</u>	<u>3,101,998</u>

**Financial Performance**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) for the year	(2,012,872)	(625,988)
Total comprehensive profit/(loss)	<u>(2,012,872)</u>	<u>(625,988)</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 2019 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 directors 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.



**Grant Mooney**  
**Non-Executive Chairman**

Date: 27 September 2019



## 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 2019, 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 accompanying 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 2019 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.

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Liability limited by a scheme approved under Professional Standards Legislation.

## Key Audit Matter

A key audit matter is a 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. For each matter below, our description of how our audit addressed the matter is provided in that context

### Carrying value of capitalised exploration expenditure

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2019 the carrying value of exploration and evaluation assets was \$1,669,485 (2018:\$ 2,408,180), as disclosed in Note 8.</p> <p>The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1.</p> <p>Significant judgement is required:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular: <ul style="list-style-type: none"> <li>○ whether the particular areas of interest meet the recognition conditions for an asset; and</li> <li>○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.</li> </ul> </li> </ul>	<p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>• to assess whether there are indicators of impairment: <ul style="list-style-type: none"> <li>○ 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;</li> <li>○ 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</li> <li>○ 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;</li> </ul> </li> <li>• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• 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</li> <li>• assessing the appropriateness of the related disclosures in Note 1 and 8.</li> </ul>

## Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express 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 and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors' 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, individually 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 2019.

In our opinion, the Remuneration Report of Riedel Resources Limited for the year ended 30 June 2019, 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 PERTH



SHANE CROSS  
PARTNER

27 SEPTEMBER 2019  
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 9 September 2019.

### Shareholdings as at 9 September 2019

#### 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
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	42,298,000	10.12
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	30,494,093	7.29
MR JAMES WALLACE HOPE <JWH A/C>	29,469,924	7.05
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 9 September 2019 is 167. 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 \$0.11 on or before 23 November 2021	10,000,000	2	Note 1

Note 1 – Mr Alexander Sutherland and Mr Scott Cuomo each holds 5,000,000 options (representing a 50% 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	7	23,012
5,001 – 10,000	51	469,171
10,001 – 100,000	152	6,928,383
100,001 and over	166	410,645,510
	<b>402</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
SKIFFINGTON SUPER PTY LTD <THE MARK SKIFFINGTON S/F A/C>	42,298,000	10.12
FLOURISH SUPER PTY LTD <FLOURISH S/F A/C>	30,494,093	7.29
MR JAMES WALLACE HOPE <JWH A/C>	29,469,924	7.05
QUINLYNTON PTY LTD <PURSER SUPER FUND A/C>	21,200,000	5.07
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>	9,300,000	2.22
SHAH NOMINEES PTY LTD <LOUIS CARSTEN S/F A/C>	8,995,532	2.15
ORACLE SECURITIES PTY LTD	7,460,070	1.78
TILLY INVESTMENTS (ACT) PTY LTD <TILLY INVEST - REUBEN A/C>	6,689,884	1.60
MR JAYDEN MATTHEW WALLIS	6,538,653	1.56
WILKS SUPER PTY LTD <WILKS FAMILY SUPER FUND A/C>	4,444,444	1.06
BOND STREET CUSTODIANS LIMITED <PNCORK - D00089 A/C>	4,151,339	0.99
MR CAMERON STEWART MCPHIE <THE MCPHIE FAMILY A/C>	4,099,555	0.98
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,738,706	0.89
<b>TOTAL</b>	<b>292,871,153</b>	<b>70.05</b>

### SCHEDULE OF MINING TENEMENTS AS AT 9 SEPTEMBER 2019

Area of Interest	Tenement reference	Nature of interest	Interest
<b>Australia</b>			
Marymia	E52/2394	Direct	18.93%
Marymia	E52/2395	Direct	18.93%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

### MINERAL RESOURCE STATEMENT

At 30 June 2019, the Company does not have any mineral resource.