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CONVERTIBLE NOTES - EXTENSION OF REDEMPTION DATE/REVISED TERMS

Riedel Resources Limited (ASX: RIE) (**Company**) advises that it is in discussion with the Convertible Noteholders of the 400,000 secured Convertible Notes (**Convertible Notes**) issued under two Convertible Note Deeds entered into by the Company on 16 May 2013 (**Convertible Note Deeds**), for the extension of the redemption date of the Convertible Notes from 30 June 2014 to 30 June 2015. As part of those discussions it is proposed that the following key terms of the Convertible Note Deeds will be amended pursuant to Convertible Note Amending Deeds to be entered into, as follows:-

Conversion Price

The conversion price at which the Convertible Notes will convert into ordinary shares in the Company (**Conversion Shares**) will be amended so that the Conversion Shares will be issued at a price per share equal to the lower of 80% (rather than at 90%), of the 10 consecutive trading day VWAP on the ASX prior to the date of execution of the relevant Convertible Note Amending Deed (rather than the date of the original Convertible Note Agreements) or 80% of the 10 consecutive trading day VWAP on the ASX prior to the relevant conversion notice (**Conversion Price**).

Options:

The Company shall issue the Noteholders one unlisted option for every two shares which would be issued on conversion at the price that is 80% of the volume weighted average price of the Company's fully paid ordinary shares on ASX calculated over the 10 consecutive trading days on ASX which immediately preceded the date the Amendment Deed is fully executed by the parties (**Deemed Conversion Price**) (**Options**). The Options will have a strike price equal to 130% of the Deemed Conversion Price and an expiry date of 31 December 2017.

Shareholder approval will be sought by 60 days from the date the Amendment Deed is fully executed by the parties for the issue of the Conversion Shares and Options.

The Company is confident that the Convertible Noteholders will agree to the terms of the Convertible Note Amending Deeds and will advise the market once agreement has been reached.

Jeff Moore
Managing Director
Riedel Resources Limited