



RIEDEL

R E S O U R C E S

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

2022 HALF-YEAR REPORT



Half-Year Report 31 December 2022

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Corporate Directory

Non-Executive Chairperson

Michael Bohm

Non-Executive Directors

Grant Mooney

Scott Cuomo

Jason Pater

Company Secretary

Susan Field

Principal and Registered Office

Suite 4, 6 Richardson Street

West Perth WA 6005

Telephone: +61 8 9226 0085

Auditors

Stantons

Level 2, 40 Kings Park Road

West Perth WA 6005

Share Registry

Computershare Investor Service Pty Ltd

Level 11, 172 St Georges Terrace

Perth WA 6000

Bankers

National Australia Bank

50 St Georges Terrace

Perth WA 6000

Solicitors

Hamilton Locke

Level 27/152-158 St Georges Terrace

Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange

ASX Code: RIE

Website Address

www.riedelresources.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Riedel Resources Limited ("Riedel" or "the Company") and the entities it controlled ("the Group") at the end of, or during, the half-year ended 31 December 2022.

1. Directors and company secretary

The following persons were directors of Riedel Resources Limited during the half-year and up to the date of this report:

Directors

Michael Bohm	Non-Executive Chairperson
Grant Mooney	Non- Executive Director
Scott Cuomo	Non- Executive Director
Jason Pater	Non- Executive Director

Company Secretary

Susan Field

2. Review of Operations

Corporate

Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2022 was \$360,193 (31 December 2021: \$292,156).

As at 31 December 2022 the Company had cash and cash equivalents of \$1,473,147 (30 June 2022: \$1,370,816).

Share Placements

On 29 September 2022 the Company announced that it had received firm commitments to raise \$1,500,000 before issue costs through the issuance of 300,000,000 new fully paid ordinary shares at an issue price of \$0.005 per share.

On 7 October 2022, the Company completed Tranche 1 of the Placement and issued 260,000,000 fully paid ordinary shares at an issue price of \$0.005 to raise \$1,300,00 before issue costs.

On 6 December 2022, following shareholder approval having been received at Annual General Meeting held on 23 November 2022, the Company

- (i) completed Tranche 2 of the Placement and issued the remaining 40,000,000 fully paid ordinary shares at an issue price of \$0.005 per share;
- (ii) issued 13,300,000 unlisted lead manager options to Oracle Group Ltd (or their nominee) as part of their consideration for providing lead manager service, with an exercise price of \$0.01 and expiring on 6 December 2025; and
- (iii) issued 5,000,000 unlisted incentive options to Michael Bohm (or his nominee) as a cost effective incentive component in his remuneration package, with an exercise price of \$0.01 and expiring on 6 December 2025.

DIRECTORS' REPORT

2. Review of Operations (continued)

Corporate continued

CEO Appointment

On 22 February 2023, the Company announced the appointment of David Groombridge as CEO to advance the Kingman Gold Project in Arizona.

Mr Groombridge is an experienced Geoscientist who brings a strong background in gold dominant poly-metallic mineral deposits.

He is a Masters-qualified Geologist with extensive technical and management experience both within Australia and internationally.

Mr Groombridge was previously Exploration Manager with Medallion Metals Limited (ASX: MM8) where he was integral in advancing its 1.6Moz Au Eq. Ravensthorpe Gold Project through Mineral Resource upgrades in parallel with a Feasibility Study and project permitting.

Exploration

Kingman Gold Project

Riedel continued its exploration activity on its Kingman Project, where it can earn up to an 80% interest, located in the north-west of Arizona.

In late 2022, Riedel completed a 23-hole (4,190m) diamond drilling program, again focussing on the Tintic target with an additional diamond drill hole at the Jim's prospect, located approximately 1km to the south-east of Tintic. The drilling followed-up on previous drilling which had confirmed shallow and high-grade gold and silver mineralisation. The program also indicated that the high-grade Tintic zone and the Jim's prospect area are linked geologically, creating a target area of 2km long and with potential to extend this zone along strike and laterally.

Assay results from the diamond drill program were very encouraging and included:

- 5.5m @ 12.4g/t Au, 105g/t Ag and 3.9% Pb from 16.8m including 1m @ 47.9g/t Au, 266g/t Ag and 10.5% Pb from 17.1m in hole 2022-KNG-017C
- 1.86m @ 11.7g/t Au and 90g/t Ag from 21.3m including 0.67m @ 30.8g/t Au, 81g/t Ag & 3.9% Pb from 21.3m in hole 2022-KNG-017A
- 0.76m @ 52.8g/t Au and 261g/t Ag from 20.4m including 0.24m @ 130g/t Au, 732g/t Ag and 28% Pb from 21m in hole KNG-2022-013B
- 0.37m @ 122.6g/t Au, 172g/t Ag and 3.7% Pb from 67.4m in hole 2022-KNG-021B
- 1.8m @ 16.3g/t Au and 70g/t Ag from 23.8m including 0.82m @ 32.3g/t Au and 110g/t Ag from 24.3m in hole 2022-KNG-026A
- 1.0m @ 14.3g/t Au, 222g/t Ag and 14.6% Pb from 18.8m including 0.6m @ 23.7g/t Au, 298g/t Ag and 23% Pb from 18.8m in hole 2022-KNG-017B
- 0.82m @ 17.1g/t Au and 28g/t Ag from 14.3m including 0.25m @ 50.1g/t Au, 63g/t Ag & 10.5% Pb from 14.3m in hole 2022-KNG-017A
- 2.13m @ 11.22g/t Au and 48g/t Ag from 17.4m including 0.61m @ 38.8g/t Au, 69g/t Ag and 2.8% Pb from 17.4m in hole 2022-KNG-018B

DIRECTORS' REPORT

2. Review of Operations (continued)

- 1.46m @ 11.56g/t and 101g/t Ag from 24.08m including 0.55m @ 30.5g/t Au, 222g/t Ag and 13.1% Pb from 24.08m in hole 2022-KNG-018A
- 3.96m @ 6.81g/t Au and 47g/t Ag from 18.3m including 0.91m @ 16.4g/t Au, 75g/t Ag and 2.8% Pb from 18.3m, 0.31m @ 18.5g/t and 83g/t Ag from 20.7m and 0.31m @ 12.1g/t Au, 143g/t Ag and 1.6% Pb from 21.9m in hole 2022-KNG-022A
- 0.42m @ 27.7g/t Au and 73g/t Ag from 20.7m in hole 2022-KNG-013A
- 2.13m @ 16.7g/t Au, 88g/t Ag and 4.7% Pb from 12.5m including 1.46m @ 23.1g/t Au, 120g/t Ag and 6.5% Pb from 12.8m in hole 2022-KNG-018C
- 2.35m @ 6.3g/t, 87g/t Ag and 2.8% Pb from 15.85m including 0.4m @ 22g/t Au, 324g/t Ag and 9.4% Pb from 15.85m in hole 2022-KNG-018C
- 2.16m @ 8.00g/t Au and 29g/t Ag from 19.05m including 0.3m @ 51.1g/t Au, 134g/t Ag and 6.3% Pb from 19.51m in hole 2022-KNG-018C
- 1.86m @ 5.31g/t Au and 226g/t Ag from 22.04m including 0.34m @ 14.9g/t Au, 535g/t Ag and 3.3% Pb from 22.71m in hole 2022-KNG-016A

The gold and silver mineralisation at Tintic appears to be contained within shallow flat dipping veins which comprise of varying amounts of quartz, clay and sulphide mineralisation. An example of the flay lying nature of the high grade gold mineralisation can be noted in Figure 1.

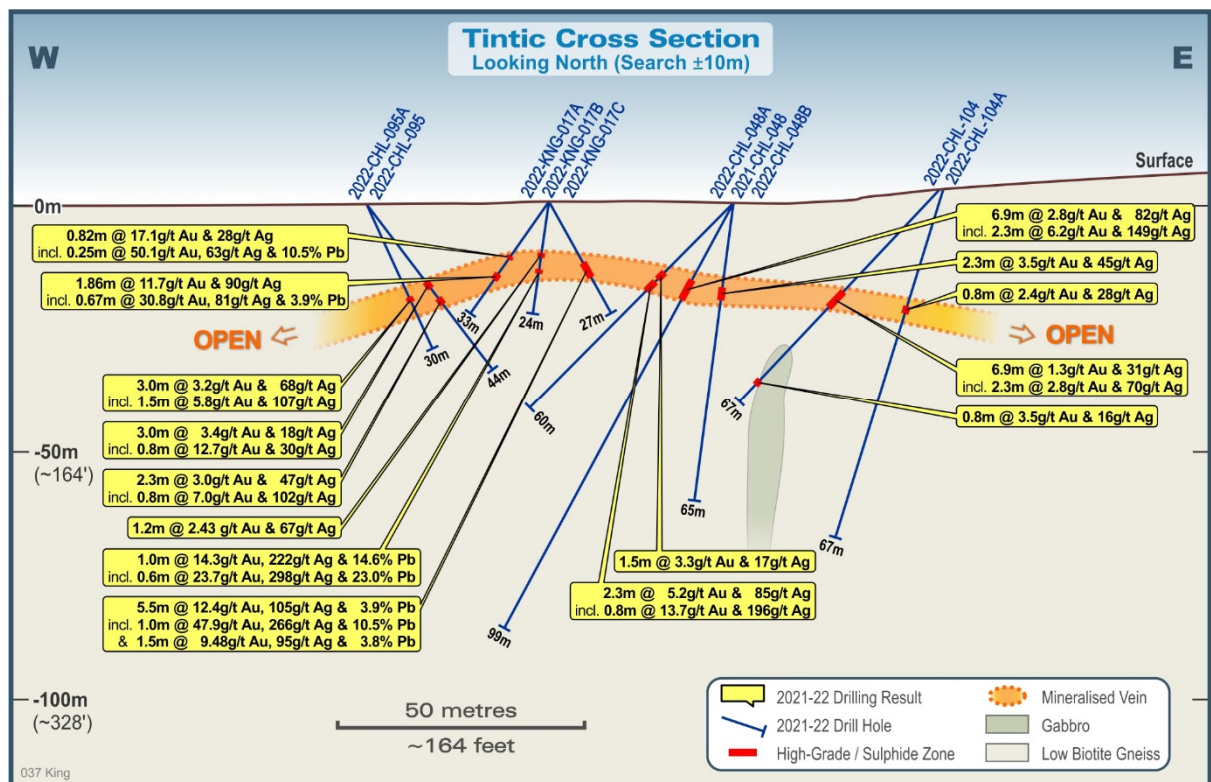


Figure 1 - Tintic Cross Section

Riedel is seeking to continue work on the Kingman Project on a number of fronts during 2023, as it looks to advance toward a development decision as soon possible.

DIRECTORS' REPORT

Marymia Gold Copper Project

Joint venture manager Norwest Minerals Limited (84.3%) advised that a geochemical review of the Marymia database continued during the period, seeking to generate additional targets for precious and base metal drill testing and assess the REE and lithium potential of the project area.

An air-core drill program designed to test two gold anomalies on tenement E52/2394-I and four gold and base metal targets on E52/2395 is scheduled to commence in 2023. Heritage study work is complete.

2. Post Balance Date Events

On 25 January 2023, the Company paid IAM Mining the final USD400,000 vendor payment on behalf of Flagstaff Minerals (USA) pursuant to the Flagstaff Option Agreement in order for Flagstaff Minerals (USA) Inc to maintain its right to acquire 100% of the Kingman Option Claims. This amount will be recognised as part of the eligible exploration under the Earn-In Agreement with Flagstaff Minerals Limited.

There have not been any events that have arisen between 31 December 2022 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

3. Auditor's Independence Declaration

The auditor's independence declaration for the half-year ended 31 December 2022 has been received and is included in the half-year report on page 7.

Signed in accordance with a resolution of the Board of Directors



Michael Bohm

Non-Executive Chairman

Perth, Western Australia, 15 March 2023

COMPETENT PERSON STATEMENT

Competent Person Statement

Information in this release that relates to Exploration Results is based on information compiled by Dr Michael Feinstein, who is a qualified geologist, a member of the American Institute of Professional Geologists (Certified Professional Geologist), and a consultant to Riedel Resources Limited. Dr Feinstein has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Feinstein consents to the inclusion in this release of the matters based on his information in the form and context in which it appears. Dr Feinstein is not a shareholder of the Company.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production output.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Notes

Exploration results from the Kingman Project referred to herein were first reported in accordance with ASX Listing Rule 5.7 in the Company's announcements dated 23 October 2020 ('Kingman Gold Project Acquisition, Arizona, USA'), 23 March 2021 ('Drilling Intersects High Grade Gold Silver at Kingman'), 19 April 2021 ('Drilling Update Jim's Mine Area, Kingman Project, Arizona'), 9 December 2021 ('Shallow High Grade Drill Results at Kingman Project'), 20 January 2022 ('More High Grade Gold and Silver for Riedel'), 11 May 2022 ('High Grade Gold Extends Tintic to West'), 6 June 2022 ('High Grade Continues at Tintic'), 15 July 2022 ('High-Grade Gold & Silver Assays Continue at Tintic'), 18 January 2023 ('Diamond Drilling Confirms Shallow High-grade Gold at Tintic') and 1 February 2023 ('Exceptional Gold & Silver Grades from Diamond Drilling at Tintic'). The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.



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15 March 2023

Board of Directors
Riedel Resources Limited
Suite 4, 6 Richardson Street
West Perth
6005

Dear Sirs

RE: RIEDEL RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Riedel Resources Limited.

As Audit Director for the review of the financial statements of Riedel Resources Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director



Half-Year Financial Report

31 December 2022

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Riedel Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Riedel Resources Limited and its controlled entities. The financial report is presented in the Australian dollar currency.

Riedel Resources Limited is a company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Riedel Resources Limited
 Suite 4, 6 Richardson Street
 WEST PERTH WA 6005

A description of the nature of the Group's operations is included in the directors' report on pages 2 - 5, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 15 March 2023. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.riedelresources.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2022

	NOTES	31 Dec 2022 \$	31 Dec 2021 \$
Interest income		2,517	281
Other revenue		-	5,494
Total revenue	4	2,517	5,775
Administration expenses			
Compliance and regulatory expense		(46,059)	(22,864)
Consultancy expense		(42,840)	(55,812)
Employee benefits expense		(116,730)	(108,065)
Occupancy expense		(3,000)	(3,000)
Insurance expense		(19,127)	(13,359)
Employee benefits expense		(91,823)	(94,831)
Share based payments	13(b)	(27,544)	-
Unrealised FX Losses		(15,587)	-
Loss before income tax expense		(360,193)	(292,156)
Income tax expense		-	-
Loss for the year		(360,193)	(292,156)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation		4,026	196
Total comprehensive Loss for the period		(356,167)	(291,960)
Basic and diluted earnings per share (cents)		(0.03)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As at Half-Year Ended 31 December 2022

	NOTES	31 Dec 2022 \$	30 Jun 2022 \$
Current Assets			
Cash and cash equivalents	6	1,473,147	1,370,816
Trade and other receivables	7	31,387	36,929
Total Current Assets		1,504,534	1,407,745
Non-Current Assets			
Exploration and evaluation expenditure	8	5,180,375	4,207,124
Total Non-Current Assets		5,108,375	4,207,124
Total Assets		6,684,909	5,614,869
Current Liabilities			
Trade and other payables	9	58,019	69,552
Total Current Liabilities		58,019	69,552
Total Liabilities		58,019	69,552
Net Assets		6,626,890	5,545,317
Equity			
Contributed equity	10	25,641,593	24,304,665
Share based payment reserve	12	2,875,812	2,809,800
Foreign currency translation reserve	14	(1,120)	(5,146)
Accumulated losses	15	(21,889,395)	(21,564,002)
Total Equity		6,626,890	5,545,317

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2022

	Contributed Equity	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	24,304,665	(5,146)	2,809,800	(21,564,002)	5,545,317
Profit/ (Loss) for the period	-	4,026	-	(360,193)	(356,167)
Total comprehensive loss for the period	-	4,026	-	(360,193)	(356,167)
<i>Transactions with owner, recorded directly in equity</i>					
Contributions of equity (net of transaction costs)	1,336,928	-	-	-	1,336,928
<i>Share based payments</i>					
Issue of unlisted options	-	-	100,812	-	100,812
Expiry of unlisted options not exercised	-	-	(34,800)	34,800	-
	-	-	66,012	34,800	100,812
Balance at 31 December 2022	25,641,593	(1,120)	2,875,812	(21,889,395)	6,626,890
Balance at 1 July 2021	23,241,949	3,327	2,809,800	(20,838,911)	5,216,165
Profit/ (Loss) for the period	-	196	-	(292,156)	(291,960)
Total comprehensive loss for the period	-	196	-	(292,156)	(291,960)
<i>Transactions with owner, recorded directly in equity</i>					
Contributions of equity (net of transaction costs)	58,719	-	-	-	58,719
	58,719	-	-	-	58,719
Balance at 31 December 2021	23,300,668	3,523	2,809,800	(21,131,067)	4,982,924

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows For the Half-Year Ended 31 December 2022

	NOTES	31 Dec 2022 \$	31 Dec 2021 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(340,007)	(311,077)
Interest received		2,517	281
Net cash used in generated from operating activities		(337,490)	(310,796)
Cash Flows from Investing Activities			
Payment for exploration and evaluation capitalised		(973,251)	(651,372)
Net cash used in investing activities		(973,251)	(651,372)
Cash Flows from Financing Activities			
Proceeds from issued capital		1,500,000	-
Payments for share issue costs		(89,804)	(1,281)
Net cash provided by/ (used in) financing activities		1,410,196	(1,281)
Net cash increase/ (decrease) in cash and cash equivalents		99,455	(963,449)
Cash and cash equivalents at the beginning of the period		1,370,816	2,723,188
Effects of foreign currency exchange		2,876	5,690
Cash and cash equivalents at the end of the period	6	1,473,147	1,765,429

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Riedel Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The interim report has been prepared on a historical cost basis, modified where applicable by the measurement of fair value of selected financial assets and financial liabilities. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, other than as disclosed below.

Going Concern

The consolidated financial statements have been prepared on a going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet exploration budgets. In arriving at this position, the Directors recognise the Group is dependent on various funding alternatives to meet these commitments which may include share placements and suitable project funding arrangements including earn-ins, joint ventures or project divestment.

The loss for the half year ended 31 December 2022 was \$360,193 with \$1,473,147 of cash and cash equivalents and net assets of \$6,626,890 as at 31 December 2022.

The Group has prepared a 12-month cashflow that demonstrates a positive cash position.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that having regard to matters set out above, the Directors are confident that Group will be able to raise additional capital if required to meet its obligations as and when they fall due.

The consolidated financial statements do not include any adjustments relating to recoverability or classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

New and revised accounting standards and interpretations adopted by the Group

The Group has considered the implications of new and amended Accounting Standards but determined their application to the financial statements is either not relevant or not material.

2. Segment information

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.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, United States and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

2. Segment information (continued)

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.

31 December 2022	Australia	United States	Spain	Unallocated	Total
	\$	\$	\$	\$	\$
Interest revenue	2,517	-	-	-	2,517
Net profit / (loss) before tax	(352,328)	-	(8,155)	290	(360,193)
Reportable segment assets	2,062,391	4,614,051	8,467	-	6,684,909
Reportable segment liabilities	58,019	-	-	-	58,019
30 June 2022	Australia	United States	Spain	Unallocated	Total
	\$	\$	\$	\$	\$
Interest revenue	432	-	-	-	432
Net profit / (loss) before tax	(704,421)	-	(21,029)	359	(725,091)
Reportable segment assets	1,961,370	3,640,799	12,700	-	5,614,869
Reportable segment liabilities	69,552	-	-	-	69,552

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

4. Revenue

	31 Dec 2022 \$	31 Dec 2021 \$
<i>Revenue from continuing operations</i>		
Interest received	2,517	281
<i>Other income</i>		
Foreign currency unrealised gain	-	5,494
	<u>2,517</u>	<u>5,775</u>

5. Expenses

	31 Dec 2022 \$	31 Dec 2021 \$
<i>Loss for the Period includes the following expenses:</i>		
Superannuation – defined contribution	6,825	6,500
Foreign currency unrealised loss	15,587	-
	<u>15,587</u>	<u>-</u>

6. Cash and cash equivalents

	31 Dec 2022 \$	30 Jun 2022 \$
Cash on hand	-	312
Cash at bank	1,473,147	1,370,504
	<u>1,473,147</u>	<u>1,370,816</u>

7. Trade and other receivables

	31 Dec 2022 \$	30 Jun 2022 \$
Prepayments	19,269	28,612
GST/VAT paid	838	8,317
Other debtors	11,280	-
	<u>31,387</u>	<u>36,929</u>

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

8 Exploration and evaluation expenditure

	31 Dec 2022	30 Jun 2022
	\$	\$
Gross capitalised exploration and evaluation expenditure	5,394,861	4,421,610
Less: allowance for impairment	(214,486)	(214,486)
Net amount	5,180,375	4,207,124
<i>Exploration and evaluation expenditure reconciliation</i>		
Opening balance	4,207,124	2,466,911
Exploration and evaluation activities funded on behalf of Flagstaff Minerals (US) Inc as earn-in contributions (i)	973,251	1,833,844
Impairment	-	(93,631)
Closing balance	5,180,375	4,207,124

Kingman Project Earn-In

As announced to Australian Securities Exchange on 22 October 2020 ("Commencement Date"), the Company entered into an agreement to acquire up to an 80% interest in the shares of Flagstaff Minerals (USA) Inc ("Flagstaff:") ("the Agreement"), an unlisted company incorporated in the United States which holds the rights to 100% of the Kingman Gold Silver Project, located in the north-west of Arizona.

During the period, the Company has continued to focus on progressing the exploration and evaluation on the Kingsman Project to advance its option to acquire an interest in the project in accordance with the terms set out in the Agreement.

(i) In accordance with Stage 1 of the Agreement – Initial Exploration Expenditure

- Riedel must expend at least AUD\$1,500,000 on the Kingman Project within 12-months from the Stage 1 Commencement Date, being 22 October 2020.
- Riedel must expend AUD\$5,000,000 on the Kingman Project within 3 years from the Stage 1 Commencement Date, being 22 December 2023 to obtain a 51% equity interest in Flagstaff USA (Stage 1 Earn-In).
- On meeting the AUD\$5,000,000 spend and to allow Riedel to move to Stage 2, Riedel is then required to issue 100,000,000 shares at a deemed issue price of \$0.055 per RIE Share to obtain a 51% equity interest in Flagstaff USA.
- On meeting these requirements and providing Flagstaff with a written election notice, the commencement date for Stage 2 will commence at the date that the Stage 1 expenditure requirement is met.

In the event that Riedel withdraws before completing the Stage 1 Earn-In, subject to Riedel incurring at least AUD\$1,500,000 of expenditure on the Kingman Project within 12-months from the Stage 1 Commencement Date, Riedel shall obtain a 15% equity interest in Flagstaff USA.

As at 31 December 2022 the Company has contributed \$4,284,051 (30 June 2022: \$3,310,800)

- #### (ii)
- On 11 December 2020 the Company issued 60,000,000 fully paid ordinary shares to Flagstaff Minerals Limited ("Flagstaff") at an issue price of \$0.0055, which at that time were subject to voluntary escrow for 6 months, in accordance with the terms of the Agreement. To date there has been no change in Flagstaff's holding.

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

9 Trade and other payables

	31 Dec 2022	30 Jun 2022
	\$	\$
Trade creditors and other payables	24,189	34,219
Accruals	33,830	35,333
	<u>58,019</u>	<u>69,552</u>

10. Contributed Equity

	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
(a) Issued capital	1,371,707,062	1,071,707,062	25,641,593	24,304,665
Ordinary shares – fully paid	<u>1,371,707,062</u>	<u>1,071,707,062</u>	<u>25,641,593</u>	<u>24,304,665</u>

	Date	Shares	Issue Price	Total \$
(b) Movements in issued capital				
Opening Balance 1 July 2022		1,071,707,062		24,304,665
Share Placement - Tranche 1	7 Oct 22	260,000,000	\$0.005	1,300,000
Share Placement - Tranche 2	6 Dec 22	40,000,000	\$0.005	200,000
Less: Transaction costs				(163,072)
Closing Balance at 31 December 2022 2021		<u>1,371,707,062</u>		<u>25,641,593</u>

Share Placements

On 29 September 2022 the Company announced that it had received firm commitments to raise \$1,500,000 before issue costs through the issue of 300,000,000 new fully paid ordinary shares at an issue price of \$0.005 per share.

On 7 October 2022, the Company completed Tranche 1 of the Placement and issued 260,000,000 fully paid ordinary shares at an issue price of \$0.005 to raise \$1,300,00 before issue costs

On 6 December 2022, following shareholder approval having been received at Annual General Meeting held on 23 November 2022, the Company

- (i) completed Tranche 2 of the Placement and issued the remaining 40,000,000 fully paid ordinary shares at an issue price of \$0.005 per share;
- (ii) issued 13,300,000 unlisted lead manager options to Oracle Group Ltd (or their nominee) as part of their consideration for providing lead manager service, with an exercise price of \$0.01 and expiring on 6 December 2025. The fair value recognised of \$73,268 was recognised in equity, refer Note 13 for additional details); and
- (iii) issued 5,000,000 unlisted incentive options to Michael Bohm (or his nominee) as a cost effective incentive component in his remuneration package, with an exercise price of \$0.01 and expiring on 6 December 2025. The fair value recognised of \$27,544 was recognised as share based payment in profit or loss, refer Note 13 for additional details).

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

11 Share options

	Exercise price	Balance at start of period/year	Granted during the period/year	Exercised during the period/year	Cancelled/ lapsed during the period/year	Balance at end of the period/year
<i>Unlisted option details – As at 31 December 2022</i>						
14 Dec 23	1.25cents	150,000,000	-	-	-	150,000,000
06 Dec 25	1.00cents	-	13,300,000	-	-	13,300,000
06 Dec 25	1.00cents	-	5,000,000	-	-	5,000,000
Closing balance 31 Dec 22		150,000,000	18,300,000	-	-	168,300,000
Weighted average exercise price		1.25 cents	1.00 cents	-	-	1.22 cents

Unlisted option details – As at 30 June 2022

23 Nov 21	11.00 cents	10,000,000	-	-	(10,000,000)	-
14 Dec 23	1.25cents	150,000,000	-	-	-	150,000,000
Closing balance 30 Jun 22		160,000,000	-	-	(10,000,000)	150,000,000
Weighted average exercise price		1.86 cents	-	-	11.00 cents	1.25 cents

The weighted average remaining contractual life of options at the end of the period/financial year was 1.9 years (30 June 2022: 1.4 years).

12 Share based payments reserve

		31 Dec 2022	30 Jun 2022
		\$	\$
Opening balance		2,809,800	2,809,800
Unlisted options issued	(i)	100,812	-
Unlisted options expired unexercised	15(i)	(34,800)	-
Total unlisted options reserve		2,875,812	2,809,800

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

The unlisted options reserve records items recognised on valuation of director, vendor and consultant share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial period/ year is set out in notes 11 and 13.

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

13 Share based payments

(a) Fair value of unlisted options granted

Half-Year Ended 31 December 2022

The value of 18,300,000 unlisted options issued during the period ended 31 December 2022 was calculated using Black-Scholes Option Price Model and totalled \$100,812. The values and inputs are as follows:

Underlying share price	\$0.009	Share price volatility	100%
Exercise price	\$0.010	Expiry date	06 Dec 2025
Risk free interest rate	3.23%	Value per option	\$0.00551

(b) Reconciliation of share based payments

	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Recognised in profit or loss</i>		
Options issued to directors	27,544	-
<i>Recognised in equity</i>		
Options issued to lead manager as a part of their fee to act as Lead Manager	73,268	-
Total share-based payments	100,812	-

Per volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Details of other options movements and balances are set out in note 11.

Year Ended 30 June 2022

There were no unlisted options issued during the year ended 30 June 2022.

14 Foreign currency translation reserve

	31 Dec 2022	30 Jun 2022
	\$	\$
Opening balance	(5,146)	3,327
Exchange difference	4,026	(8,473)
Total Foreign currency translation reserve	(1,120)	(5,146)

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

Condensed Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2022

15 Accumulated losses

	31 Dec 2022	30 Jun 2022
	\$	\$
Accumulated losses at the beginning of the year	(21,564,002)	(20,838,911)
Net (loss) for the period/year	(360,193)	(725,091)
Expiry of unlisted options not exercised (i)	34,800	-
Accumulated losses at the end of the period/year	(21,889,395)	(21,564,002)

- (i) On 23 November 2021 10,000,000 unlisted options with an issue price of 11 cents expired unexercised, \$34,800 being the valuation of these unlisted options recognised has been de-recognised, refer note 12.

16 Post Balance Date Events

On 25 January 2023, the Company paid IAM Mining the final USD400,000 vendor payment on behalf of Flagstaff Minerals (USA) pursuant to the Flagstaff Option Agreement in order for Flagstaff Minerals (USA) Inc to maintain its right to acquire 100% of the Kingman Option Claims. This amount will be recognised as part of the eligible exploration under the Earn-In Agreement with Flagstaff Minerals Limited.

There have not been any events that have arisen between 31 December 2022 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

17 Commitments

Expenditure commitments

As at 31 December 2022 a further AUD\$715,949 must be spent prior to 22 December 2023 to obtain 51% of the Kingman Project (in unison with an issue of 100,000,000 shares in Riedel to Flagstaff). In January 2023, USD400,000 was already paid by the Company as disclosed in Note 16 to the consolidated financial statements.

Directors' Declaration
For the Half-Year Ended 31 December 2022

In the directors' opinion:

- (a) the consolidated financial statements and notes set out on pages 8 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that Riedel Resources Limited will be able to pay its debts as and when they become due and payable.

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



Michael Bohm
Non-Executive Chairman
Perth, Western Australia, 15 March 2023

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Riedel Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Riedel Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Riedel Resources Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2023.

Material Uncertainty in Relation to Going Concern

As referred to in Note 1 of the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis.

During the half-year ended 31 December 2022, the Group incurred loss after income tax of \$360,193 and has cash outflow from operations of \$337,490. As at 31 December 2022, the Group has cash and cash equivalents of \$1,473,147.



The ability of the Group to continue as a going concern and meet its planned commitments is dependent upon the Group being successful in raising funds through the issuance of capital. If the Group is unable to obtain sufficient funding for its ongoing operating and capital requirements, the Group may not be able to meet its liabilities as and when they fall due, and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of Riedel Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
15 March 2023