

2 May 2023

PLACEMENT AND SPP TO RAISE \$3.0 MILLION TO ACCELERATE DRILLING AT THE HIGH GRADE KINGMAN GOLD PROJECT

HIGHLIGHTS

- Firm commitments to raise A\$2.5 million (before costs) via a two (2) tranche placement.
- Share Purchase Plan (**SPP**) to be offered to eligible shareholders to raise up to an additional A\$0.5 million.
- Proceeds will be used to fund a major 7,000m resource definition drilling program at the Tintic prospect at the Company's Kingman Project in Arizona, USA, with drilling targeted to commence in approximately four weeks.
- Maiden Mineral Resource Estimate targeted for the December quarter 2023.
- Funds will also be used to:
 - Test additional high priority targets and expand geophysical coverage across the Project
 - Continue metallurgical and environmental studies to advance the shallow high-grade gold project toward a development decision.
- Earn-In Agreement with Flagstaff Minerals amended whereby Riedel can now acquire 90% interest for a \$5 million spend (previously 70% interest from the \$5 million spend).

Riedel Resources Limited (ASX: **RIE**, **Riedel** or the **Company**) is pleased to announce it has received firm commitments for a \$2.5 million share placement to professional and sophisticated investors through the issue of approximately 500,000,000 shares at a price of \$0.005 per share (**Placement**). Each participant in the Placement will also receive a 1 for 3 free attaching unquoted option, exercisable at \$0.01 with an expiry of 24 months from the date of issue (**Placement Options**). The issue of Placement Options is subject to shareholder approval, which is to be sought at the upcoming general meeting, expected to be held in mid-June 2023 (**General Meeting**).

In addition to the Placement, Riedel is pleased to announce that it will be undertaking a share purchase plan to raise up to a further \$0.5 million (before costs) (**SPP**), with participants to receive a 1 for 3 free attaching Option under the same terms as the Placement Options subject to receipt of shareholder approval (**SPP Options**). Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement.

On 28 March 2023, Riedel announced that it had satisfied the A\$5 million exploration expenditure requirement to earn a 51% interest in Flagstaff Minerals (USA) Inc (the owner of the Kingman Project), subject to shareholders approving the issue of 100 million shares to Flagstaff Minerals Limited at the Company's upcoming General Meeting. Riedel is pleased to announce it has successfully negotiated a variation to the Kingman Project earn-in arrangement. Riedel previously had the right to earn an additional 19% interest (for a total interest of 70%) by spending a further \$5 million on exploration and, subject to earning the 70% interest, the right to acquire an additional 10% interest by paying A\$3 million in cash (for a total interest of 80% in Flagstaff Minerals (USA) Inc and, in turn, the Kingman Project).

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Following the agreed variation, Riedel will now have the ability to acquire a further 39% interest (for a total interest of 90%) by spending \$5 million on exploration (instead of a further 19% interest), and the \$3 million cash payment has been replaced with a royalty on gold produced at the Kingman Project, up to a maximum of \$3 million. Refer to the Company's announcement dated 23 October 2020 for further details of the earn-in.

Riedel's CEO, David Groombridge, commented:

"I am thrilled to announce this successful capital raising, positioning Riedel strongly for future success."

"We can now implement our strategy of advancing the Kingman Project through a resource definition drilling program aimed at delivering a maiden Mineral Resource Estimate at Tintic by year-end. The funding will also ensure that additional high-grade gold and silver mineralisation across the Project can be identified through expanded exploration programs. We anticipate the drill rig mobilising to site in late-May 2023."

"Additionally, we have renegotiated our earn-in position to now earn 90% on favourable terms, providing shareholders with even greater exposure to potential exploration and development success at the Kingman Project. Our goal remains to advance the project toward a development decision as soon as possible, as we seek to exploit the high-grade gold and silver mineralisation sitting just below the surface at Tintic."

"I wish to thank all shareholders for the continued support and to Canaccord for its support in the capital raising and look forward to providing further updates as we progress the Kingman Project"

Placement

The Placement received strong demand from new and existing sophisticated and professional shareholders.

The Company will issue up to 500 million fully paid ordinary shares to new and existing professional and sophisticated investors participating in the Placement (**Placement Shares**) at a price of \$0.005 per Placement Share, raising a total of \$2.5 million (before costs). The Placement will be undertaken in two tranches, with the first tranche of 280,000,000 Placement Shares to be issued under the Company's available placement capacity in accordance with ASX Listing Rules 7.1 (205,756,059 million Placement Shares) and 7.1.A (74,243,941 million Placement Shares) to raise \$1.4 million, with settlement expected to occur on 8 May 2023. The second tranche of 220,000,000 Placement Shares is subject to shareholder approval at the upcoming General Meeting to be held as soon as practical in June 2023.

The issue price of \$0.005 per Placement Share represents a discount of 16.7% to the last closing price of \$0.006 on Thursday 27 April 2023 and an 18% discount to the 5-day volume weighted average price (VWAP) of \$0.00609.

Share Purchase Plan

The Company will shortly launch a Share Purchase Plan for eligible existing shareholders in Australia, New Zealand and the United Kingdom on the same terms as the Placement, seeking to raise up to a further \$0.5 million (before costs). The Company reserves the right (in its absolute discretion) to accept oversubscriptions (subject to the ASX Listing Rules and Corporations Act 2001 (Cth)). The SPP will not be underwritten.

Under the SPP, eligible shareholders will be invited to subscribe for up to \$30,000 worth of new fully paid ordinary shares at \$0.005 each (**New Shares**), being the same offer price as under the Placement.

The record date for the SPP is 5:00pm on 1 May 2023. The SPP offer period is anticipated to be open from 9 May 2023 to 30 May 2023, subject to Riedel's discretion to amend these dates by making an ASX announcement in accordance with the ASX Listing Rules.

Further information regarding the SPP (including the terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which is expected to be lodged with ASX on 9 May 2023.

Free Attaching Options

The issue of free attaching Placement Options and SPP Options is subject to and conditional on the receipt of shareholder approval. Riedel intends to seek the requisite approvals at the General Meeting.

In the event that shareholder approval is not received at the General Meeting for the issue of the Placement and SPP Options, the participants in the Placement and SPP will be respectively issued the Placement Shares and New Shares for which they subscribed, but will not be issued the Placement Options and SPP Options.

The Placement Options and SPP Options will be offered under a prospectus to be lodged with the Australian Securities and Investments Commission and ASX on or around the date of the General Meeting.

Use of Proceeds

Proceeds of the Placement and SPP are intended to be applied towards advancing exploration efforts at Riedel's Kingman Project in Arizona, with the goal of determining a maiden Mineral Resource Estimate by December 2023.

Indicative timetable

Below is the current indicative timetable for settlement of the Placement and SPP:

Event	Indicative date
Record Date of SPP	1 May 2023
Announcement of Placement and SPP	2 May 2023
Issue of tranche 1 placement Shares	8 May 2023
Despatch of SPP offer booklet SPP opening date	9 May 2023
Quotation and commencement of trading of tranche 1 Placement Shares	9 May 2023
SPP closing date	30 May 2023
Announcement of SPP results Issue of New Shares under SPP Application for quotation of New Shares	6 June 2023
Commencement of trading of New Shares	7 June 2023
General Meeting held and ASX notified of results of the General Meeting	22 June 2023

The timetable is indicative only and remains subject to change at Riedel's discretion, subject to compliance with applicable laws and the ASX Listing Rules. Riedel reserves the right to change the timetable or cancel the SPP at any time before New Shares are issued, subject to any regulatory requirements. Riedel encourages eligible shareholders who wish to participate to act promptly in submitting their application forms. The Company reserves the right to close the SPP early, in its sole and absolute discretion, by making an announcement to the ASX.

This announcement is intended to lift the current trading halt placed on the Company's securities.

Authorised for release by the Board of Riedel Resources Limited.

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Disclaimer

References in this announcement may have been made to certain ASX announcements, which in turn may have included exploration results. For full details, please refer to the said announcement on the said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in the announcement and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Forward Looking Statements

This announcement includes certain "forward looking statements". All statements, other than statements of historical fact, are forward looking statements that involve risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management's best judgement as of the date hereof based on information currently available. The Company does not assume obligation to updated forward looking statements.