

29 August 2018

## Strategic Investment in Riversdale Shares

Dear Shareholder,

Riversdale Resources Limited (**Riversdale**) is pleased to announce it has completed a share placement to Hancock Corporation Pty Ltd, a subsidiary of Hancock Prospecting Pty Ltd, (**Hancock**) pursuant to which Hancock will become a 19.99% shareholder in Riversdale.

Under the terms of the placement, Hancock have subscribed for 39,388,160 ordinary shares at A\$1.75 per share to secure a 19.99% interest in Riversdale. Proceeds from the placement are A\$68.9 million (**Placement**).

Hancock is an independent and privately owned Australian company headquartered in Perth, Western Australia. Hancock is one of the most significant developers of large bulk commodity projects in the Pilbara iron ore region of Western Australia. Hancock is the 70% owner and operator of the Roy Hill iron ore mine that currently produces 55 million tonnes per annum of product for export primarily to Asian export markets. Further, Hancock have a 50% interest in the Hope Downs iron ore mine, also in the Pilbara region of Western Australia.

Riversdale welcomes the nomination of Mr Tadeusz Watroba as the Hancock representative on the Company's Board. Mr Watroba has more than forty years' total experience in the mining industry, including more than 20 years' managing the mining interests of the Hancock group. In that capacity he has been personally involved in the Roy Hill project's evaluation studies, permitting, construction and operations. Mr Watroba has also worked across a range of other commodities, including manganese, gold, brown and black coal, oil shale, copper, zinc and lead, and in both underground and open cut operations.

As part of the transaction, Hancock have been provided with an anti-dilution right to maintain a 19.99% interest in the Company. The anti-dilution right is in respect of future equity raisings and also existing dilutive equity linked instruments on issue should they convert. Hancock's anti-dilution right in relation to existing equity linked dilutive instruments will be satisfied by offering Hancock additional shares at A\$1.60 per share.

Riversdale intends to utilise proceeds from the share issue to meet its obligations in respect of its existing debt facilities in addition to further progressing the permitting and pre-development activities at its flagship Grassy Mountain Project. These works include project permitting including costs associated with the recently announced Joint Review Panel process, project detailed engineering, port reservation fees, early procurement and the further development of our team in the Crowsnest Pass. In addition, the Company is continuing to progress the re-development of the Crowsnest Pass Golf Course and Clubhouse to facilitate access to land required for the automated train loadout.

The Riversdale Board is delighted to welcome Hancock as a major shareholder of Riversdale. The Board believes the addition of Hancock to our share register further supports the view of Grassy Mountain being an outstanding hard coking coal development opportunity and anticipates a number of benefits from their involvement given their considerable expertise in large scale project and infrastructure development and well established relationships with Asia's major steelmakers.

Aitken Murray Capital Partners acted as the Lead Manager to the Placement.

Yours sincerely,



**Michael O'Keeffe**  
Chairman

**For further information please contact:**

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