

Riversdale Mining Limited

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Company Announcement
Australian Stock Exchange

Negotiations on South African Coal Project

Riversdale is currently in negotiations with two independent private companies (Vendors) in respect of the acquisition of a 100% interest in tenements in a coal province in Southern Africa.

If a binding heads of agreement (HOA) can be reached, consideration for the Acquisition is currently proposed as follows:

- \$2.5 million cash;
- 10,000,000 fully paid ordinary shares in the Company (Acquisition Shares);
- 10,000,000 options each vesting 1 year after date of issue and expiring 4 years from the date of issue with an exercise price of \$1.50 (\$1.50 Acquisition Options); and
- 5,000,000 options each vesting 1 year after date of issue and expiring 4 years from the date of issue with an exercise price of \$2.00 (\$2.00 Acquisition Options)(\$1.50 Acquisition Options and \$2.00 Acquisition Options together the "Acquisition Options").

Under the proposed HOA, the Acquisition is likely to be conditional upon the completion of due diligence by the Company together with all necessary regulatory and shareholder approvals being obtained.

With negotiations on the HOA still in progress and no binding agreement yet in place, there can be no guarantee that the Company will be able to reach agreement with the Vendors to secure the project. Riversdale will be in a position to announce further details of this exciting project (including details of the mineral tenements) upon signing of the HOA



Hugh Callaghan
Managing Director