

23 December 2010

Company Announcements Office
Australian Stock Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

Please see attached announcement regarding Riversdale Mining Limited. Riversdale requests that the suspension of trading in its shares be lifted immediately.

Yours faithfully,



Niall Lenahan
Company Secretary

Media Release

For further information:

Michael O'Keeffe
Executive Chairman
Ph: +612 8299 7900

Steve Mallyon
Managing Director
Ph: +612 8299 7900

Niall Lenahan
CFO
Ph: +612 8299 7900

or

Media: Fortbridge
Bill Kemmery
Ph: +612 9331 0655
Mob: +61 400 122 449

Riversdale Mining Limited
ABN 53 006 031 161
Level 1
50 Margaret Street
Sydney NSW 2000
PO Box 5371
Sydney NSW 2001
Tel: +61 2 8299 7900
Fax: +61 2 8299 7999

Website
www.riversdalemining.com.au

ASX Symbol
RIV

Riversdale announces a recommended takeover offer by Rio Tinto for A\$16.00 cash per share

- **Recommended takeover offer (the "Offer") at A\$16.00 cash per share for all Riversdale Mining Limited ("Riversdale") shares.**
- **The Riversdale Recommending Directors¹ recommend Riversdale shareholders accept the Offer in the absence of a superior proposal.**
- **The Offer price of A\$16.00 per share values the fully diluted equity in Riversdale at approximately A\$3.9 billion.**
- **The Offer price represents a 46% premium to the one-month VWAP to 3 November 2010, being the day prior to speculation arising around potential takeover action involving Riversdale, and a 24% premium to the one-month VWAP to 3 December 2010, being the last trading day prior to Riversdale confirming that discussions in relation to a possible corporate transaction were ongoing with Rio Tinto.**

Riversdale (ASX:RIV) today announced that it had entered into a Bid Implementation Agreement ("BIA") with Rio Tinto Group (ASX:RIO, "Rio Tinto"), pursuant to which Rio Tinto has agreed to make an all cash off-market takeover bid at A\$16.00 per share for all the Riversdale shares. The Offer is subject to a greater than 50% minimum acceptance condition, FIRB approval, no prescribed occurrences, various other restrictions on the conduct of Riversdale's business during the Offer period and a number of other conditions that are included in the BIA. A copy of the BIA is Attachment 1 to this media release.

The Riversdale Board has carefully considered the Offer, and all Recommending Directors (being Executive Chairman Michael O'Keeffe, Managing Director Steve Mallyon and non-executive directors Andrew Love, Gary Lawler and Tony Redman) (the "Recommending Directors") recommend that Riversdale shareholders accept the Offer in the absence of a superior proposal. Mr N.K. Misra abstained from voting on the Board resolution to announce and recommend the Offer in the absence of a superior proposal.

All Recommending Directors and Niall Lenahan, the Chief Financial Officer of Riversdale, intend to accept the Offer in respect of their own shareholdings, in the absence of a superior proposal.

Additionally, Rio Tinto has entered into pre-bid agreements with a number of shareholders under which it has secured call options over 14.9% of the issued share capital of Riversdale for A\$16.00 per share. Of the 14.9% of shares subject to pre-bid agreements, 1.3% reflects shares held by Michael O'Keeffe, Niall Lenahan and Steve Mallyon and the remaining 13.6% was provided by institutional shareholders. The Recommending Directors and Niall Lenahan own an additional 1.1% of the issued share capital of Riversdale in total which is subject to the intention to accept in the absence of a superior proposal described above.

Compared to the undisturbed share price prior to 4 November 2010, being the day when speculation first arose in relation to possible corporate activity involving Riversdale, the Offer price of A\$16.00 represents:

¹ The Recommending Directors are Executive Chairman Michael O'Keeffe, Managing Director Steve Mallyon and non-executive directors Andrew Love, Gary Lawler and Tony Redman. Mr N.K. Misra abstained from voting on the Board resolution to announce and recommend the Offer in the absence of a superior proposal.

- A premium of 43% to the closing price of A\$11.21 on 3 November 2010; and
- A premium of 46% and 58% to the 1 month and 3 month volume weighted average price ("VWAP") to 3 November respectively.²

Compared to the share price prior to 6 December 2010, being the day when Riversdale confirmed discussions in relation to a possible corporate transaction were ongoing with Rio Tinto, the Offer price of A\$16.00 represents:

- A premium of 13% to the closing price of A\$14.10 per share on 3 December 2010; and
- A premium of 24% and 39% to the 1 month and 3 month VWAP to 3 December 2010, respectively.³

The Offer price also represents a premium of 70% to the price of the A\$337 million equity raising conducted by Riversdale in July 2010 of A\$9.40 per share.

The Recommending Directors do not believe that the Riversdale share price at the close of trading on Monday 19 December 2010 is a meaningful benchmark for premium purposes due to the significant takeover speculation which has been influencing the Riversdale share price.

The Offer from Rio Tinto provides Riversdale shareholders with the opportunity to receive what the Recommending Directors consider to be an appropriate price for Riversdale shares, considering in particular the pre-production nature of the majority of Riversdale's assets and the significant time, risks and uncertainties involved in bringing those assets to the production stage.

The Benga and Zambeze coal projects are both large scale capital intensive projects which will require material debt and equity raisings in the future. The Benga coal project is expected to commence production of coal in September 2011 and is expected to reach full capacity in 2013, while production from the Zambeze coal project will not commence before 2014. The development of both projects will require a substantial commitment of time, resources and capital including for the development of the rail, port and barging infrastructure which is needed to take the coal to market. The Recommending Directors consider a fixed cash amount of A\$16.00 now to be an attractive alternative for Riversdale shareholders.

Rio Tinto is a world class mining house with a very strong track record in development and production and has access to the funding and the project management skills and expertise which are required for projects of the size and calibre of Benga and Zambeze. Rio Tinto is well placed to support Riversdale through to the development stage of these exciting projects.

Further details of the reasons why the Recommending Directors recommend the Offer in the absence of a superior proposal will be set out in Riversdale's target's statement.

Riversdale Executive Chairman Michael O'Keeffe said:

"The Rio Tinto offer is transformational for Riversdale, and a strong endorsement of the successful steps which Riversdale has taken over recent years. We are very proud of what we have been able to achieve here at Riversdale in relation to our Mozambique projects since we acquired the tenements some four years ago. Where we are today is a testament to the dedication and hard work of the many people who have been involved, both here and on the ground in Mozambique."

"The offer price represents a substantial premium to Riversdale's undisturbed share price, reflecting Riversdale's identification and development of quality tier one assets."

"Riversdale's share price has increased by more than 140% in the last 12 months and Rio Tinto's Offer provides shareholders the opportunity for a certain cash outcome without exposing shareholders to the risks and uncertainty involved in developing our substantial coal projects in Mozambique".

Riversdale's Managing Director Steve Mallyon said:

"Riversdale is at the crossroads of having to commit significant resources and funds to develop our coal projects and to make substantial investments in infrastructure, particularly for the Zambeze coal project. The Offer provides immediate value certainty and, if accepted, shareholders do not have to inject further equity to fund the development."

² 1 month VWAP to 3 November 2010 of A\$10.92 and 3 month VWAP to 3 November 2010 of A\$10.14

³ 1 month VWAP to 3 December 2010 of A\$12.92 and 3 month VWAP to 3 December 2010 of A\$11.49

Bid Implementation Agreement

The BIA:

- sets out the obligations of both Riversdale and Rio Tinto in relation to the implementation of the takeover bid;
- sets out the conditions of the takeover bid – see Schedule 2 to the BIA; and
- sets out the terms of exclusivity arrangements that Riversdale has agreed with Rio Tinto, including a no shop, a no talk, no due diligence, a matching right for competing superior proposals (see clause 7 of the BIA) and the circumstances in which Riversdale will be obliged to pay Rio Tinto a break fee of A\$37.8 million (see clause 8 of the BIA).

Rio Tinto's Media Release in Relation to the Offer

A copy of Rio Tinto's media release in relation to the Offer is Attachment 2 to this media release.

Timetable

Rio Tinto and Riversdale expect to dispatch the Bidder's Statement and Target's Statement in relation to the Offer in January 2011.

Adviser

UBS AG, Australia Branch is acting as financial adviser to Riversdale in relation to the Offer.



W M O'Keeffe

Executive Chairman
Riversdale Mining Limited

About Riversdale

Riversdale is a coal mining company listed on the Australian Securities Exchange and included in the S&P ASX100 index.

In addition to an anthracite colliery in South Africa, Riversdale owns and operates a number of coal projects in Africa, including developing two major coking and thermal coal projects in Mozambique: the Benga and Zambeze Projects.

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Attachments:

Attachment 1: Bid Implementation Agreement

Attachment 2: Rio Tinto Media Release

Bid Implementation Agreement

Rio Tinto Limited
Riversdale Mining Limited

MinterEllison

L A W Y E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
www.minterellison.com

Bid Implementation Agreement

Details	1
Agreed terms	2
1. Defined terms and interpretation	2
2. Timetable	8
3. The Offer	8
4. Facilitation of the Offer	10
5. Conduct of business	12
6. Regulatory Approvals	13
7. Exclusivity	13
8. Break Fee	16
9. Announcement of Takeover Bid	18
10. Warranties	18
11. Termination	20
12. GST exclusive	21
13. Stamp Duty	22
14. Notices and other communications	22
15. Miscellaneous	23
Schedule 1 - Timetable	25
Schedule 2 - Conditions of the Offer	26
Schedule 3 - Announcement	33
Signing page	34

Details

Date

23 December 2010

Parties

Name	Rio Tinto Limited
ABN	96 004 458 404
Short form name	Rio Tinto
Notice details	Address: Level 33, 120 Collins Street, Melbourne VIC 3000
	Facsimile: 03 9283 3190
	Attention: Chief Counsel

Copied to:	
Address:	410 Ann Street, Brisbane QLD 4000
Facsimile:	07 3029 1105
Attention:	Chief Development Officer – Coal

Name	Riversdale Mining Limited
ABN	53 006 031 161
Short form name	Riversdale
Notice details	Address: Level 1, 50 Margaret Street, Sydney NSW 2000
	Facsimile: 02 8299 7999
	Attention: Company Secretary

Background

- A Following extensive discussions with Riversdale, Rio Tinto Group proposes to make the Takeover Bid on the terms set out in this agreement.
- B Rio Tinto and Riversdale have agreed to cooperate with each other in the manner set out in this agreement.
- C Rio Tinto has indicated to Riversdale that it has secured a pre-bid interest in approximately 14.9% of Riversdale's issued capital by way of pre-bid acceptance call options.
- D Riversdale and its directors believe that significant benefits will flow to Riversdale and its shareholders if Rio Tinto Group makes the bid.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this agreement:

Announcement is defined in clause 9.1.

Announcement Date means the date on which the Announcement is made.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Benga Project means Riversdale's exploration, development and mining project within Mozambique Mining Concession 3365C and all associated infrastructure.

Break Fee is defined in clause 8.3.

Business means the business conducted by Riversdale and its Related Entities.

Business Day means:

- (a) for receiving a notice under clause 11, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is sent; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Competing Proposal means any expression of interest, proposal, offer or transaction by a third party (other than Rio Tinto or its Related Entities) that, if completed, would result in:

- (a) a person other than a Related Entity or concert party of Rio Tinto in respect of Riversdale holding a relevant interest in 10% or more of Riversdale Shares or of the securities of any of member of the Riversdale Group;
- (b) a person other than a Related Entity or concert party of Rio Tinto in respect of Riversdale dealing with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 10% or more of Riversdale Shares or of the securities of any member of the Riversdale Group;
- (c) a person other than a Related Entity or concert party of Rio Tinto in respect of Riversdale directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Riversdale or any member of the Riversdale Group, or any projects in which any of them have an interest; or
- (d) a person other than a Related Entity or concert party of Rio Tinto in respect of Riversdale acquiring Control of Riversdale or any member of the Riversdale Group;

- (e) a person other than a Related Entity or concert party of Rio Tinto in respect of Riversdale otherwise acquiring, or merging with, Riversdale or any member of the Riversdale Group (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (f) Riversdale issuing, on a fully diluted basis, 10% or more of its capital as consideration for the assets or share capital of another person,

or any proposal by Riversdale to implement any reorganisation of capital or dissolution. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Conditions means the conditions to the Offer which are described in Schedule 2.

Confidentiality Agreement means the confidentiality agreement between Riversdale and Rio Tinto dated 6 April 2010.

Control has the meaning given under section 50AA of the Corporations Act. **Controlled** has the same meaning.

Controlling Interest means:

- (a) a relevant interest in at least 50% of the Riversdale Shares; or
- (b) Control of Riversdale; or
- (c) all of a substantial part of the business or assets of the Riversdale Group (taken as a whole), including by way of economic or synthetic interest through an arrangement to which Riversdale is (directly or indirectly) involved.

Corporations Act means the *Corporations Act 2001* (Cth).

Costs is defined in clause 8.2(a).

Counter Proposal is defined in clause 7.6(c).

Data Room Materials means the material in the virtual data room operated by Riversdale as at the date of this agreement, being set out in a separate document signed by the parties for identification purposes.

Details means, in respect of a recipient, the notice details for the recipient set out on page 1 of this agreement under the heading 'Details'.

Dispose means, in relation to a Mining Interest or an interest in any property or other asset, a sale, transfer, assignment, novation, disposal, waiver, relinquishment or other dealing or action of any kind by means of which a legal, beneficial, voting or economic interest of any kind in that Mining Interest, property or other asset, whether absolute or by way of security and whether proprietary in nature or merely contractual, is, will or may be conferred on or transferred to another person or waived, relinquished or forfeited by a member of the Riversdale Group, and includes the grant of an option or of a royalty interest, net profit interest or other economic interest in or in relation to a Mining Interest or activities conducted under the authority of any Mining Interest. **Disposal** has a corresponding meaning.

End Date means the end of the Offer Period.

Exclusivity Period means the period commencing on the date of this agreement and ending on the first to occur of:

- (a) termination of this agreement; and
- (b) the End Date.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

GST means a goods and services tax, or similar value added tax, levied or imposed under the GST Law.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Losses means all claims, demands, damages, losses, costs, expenses and liabilities (including but not limited to all legal costs and attorney's fees on a full indemnity basis).

Minerals means minerals or hydrocarbons of any kind or composition, including but not limited to coal and coal bed methane.

Mining Interest means any agreement, instrument, lease, tenement, licence, permit, approval, consent, concession, grant, permission, authorisation, renewal or right of any kind and however described issued, granted or entered into by any Mozambique Governmental Authority, which:

- (a) confers or is expressed or intended to confer a right to explore for, appraise, test, extract, produce, mine, remove, sell, own, export, deal with or otherwise exploit in any way Minerals of any kind and/or to conduct related activities and/or to construct, install or develop and/or operate plant, equipment or facilities of any kind in relation to any such activity; and/or
- (b) confers or is expressed or intended to confer rights to or in respect of any such agreement, instrument, lease, tenement, licence, permit, approval, consent, concession, grant, permission, authorisation or right which falls within paragraph (a) above or imposes obligations (including without limitation rights in relation to fiscal, environmental or health and safety matters) in respect of any activity referred to in paragraph (a) above,

and either:

- (c) is held (or, according to materials disclosed on the ASX as of the Announcement Date or disclosed by Riversdale to Rio Tinto before the Announcement Date, is claimed to be held) by or for the benefit of any member of the Riversdale Group (whether alone or together with any other person or persons); or
- (d) is issued or granted or entered into by virtue of or in substitution for or which overlaps in whole or part with any such agreement, instrument, lease, tenement, licence, permit, approval, consent, concession or other grant or authorisation falling within paragraph (c) above; or
- (e) is granted pursuant to a Mining Interest Application.

Mining Interest Applications means the applications for Mining Interests submitted by Riversdale or a subsidiary of Riversdale to a Mozambique Governmental Authority prior to the Announcement Date each in a form fully disclosed by Riversdale to Rio Tinto prior to the Announcement Date.

Mining Project means the mining projects of Riversdale or its subsidiaries known as:

- (a) the Benga Project;
- (b) the Zambese Project,

(each being a separate **Mining Project**), involving the commercialisation of Mineral reserves in relation to the Mining Interests held or proposed to be held in relation to the relevant project, including but not limited to the continued exploration for and evaluation and mining of Mineral reserves from or by virtue of such Mining Interests, and the ownership, occupation, construction, testing, repair, operation, maintenance, use and financing of the relevant project, and the processing, treatment, handling, delivery and export of Minerals from such Mining Interests.

Mozambique Governmental Authority means the Government of Mozambique, governmental or any semi-governmental, administrative, fiscal or judicial entity or authority, minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of the Government of Mozambique or any of its political sub-divisions.

Notice is defined in clause 14.1.

Offer means each offer to acquire Riversdale Shares to be made to each Riversdale Shareholder under the Takeover Bid on terms no less favourable to Riversdale Shareholders than those contemplated by this agreement and the Announcement.

Offer Period means the period during which the Offer is open for acceptance.

Power Project means the thermal coal fired power station proposed to be constructed on or in the vicinity of Mozambique Mining Concession 3365C and all associated infrastructure.

Project means each Mining Project and the Power Project.

Project Approval means any licence, permit, approval, consent, derogation, exemption, concession or other grant or authorisation of any kind required from any Mozambique Governmental Authority in relation to a Mining Interest or a Project, other than a Mining Interest.

Recommending Directors means each Riversdale Director as at the date of this agreement, other than Mr N.K. Misra.

Regulatory Approvals means the approval of the acquisition of Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group by the Treasurer under FATA, or the lapse of the period during which the Treasurer may make an order under FATA without such an order being made, as described in Condition (b) of Schedule 2.

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under a statute;
- (d) in particular, ASX, ASIC and the Foreign Investment Review Board.

Related Entity means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Representatives means, in relation to an entity:

- (a) each of the entity's Related Entities; and
- (b) each of its directors, officers, employees, contractors, advisers, financiers and agents.

Rio Tinto Group means Rio Tinto plc and Rio Tinto, and each of their respective Related Entities.

Rio Tinto plc means Rio Tinto plc (Registered in England No. 719885) of 2 Eastbourne Terrace, London, W2 6LG, United Kingdom.

Rival Bidder is defined in clause 7.6(b).

Riversdale Board means the board of directors of Riversdale.

Riversdale Controlled Condition means each of the Conditions in paragraphs (d), (e), (g), (h), (i) and (l) of Schedule 2.

Riversdale Director means a director of Riversdale.

Riversdale Group means Riversdale and its Related Entities.

Riversdale Option means an option to subscribe for a Riversdale Share, issued by Riversdale.

Riversdale Share means a fully paid ordinary share in Riversdale.

Riversdale Share Rights means securities of that name issued by Riversdale under the Mining 2008 Options and Rights Plan.

Riversdale Share Appreciation Rights means securities of that name issued by Riversdale under the Mining 2008 Options and Rights Plan.

Riversdale Shareholder means a holder of one or more Riversdale Shares.

Stamp Duty means any stamp, transaction or registration duty or similar charge which is imposed by any Regulatory Authority and includes any interest, fine, penalty, charge or other amount which is imposed in relation to that duty or charge.

Takeover Bid means an off-market takeover bid by Rio Tinto (or a wholly owned subsidiary of the Rio Tinto Group) for all of the Riversdale Shares to be implemented in compliance with Chapter 6 of the Corporations Act, including all Riversdale Shares that come to be in the bid class during the Offer Period (because of the conversion or exercise of Riversdale Options or otherwise).

Timetable means the indicative timetable in Schedule 1.

Zambese Project means Riversdale's exploration project within Mozambique Exploration Licence 946L, any mining project that is developed out of or in connection with Exploration Licence 946L and any infrastructure associated with the foregoing.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;

- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, SA, dollar or \$ is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including**, **for example** or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) any statement made by a party on the basis of its awareness, is made on the basis that the party has, in order to establish that the statement is true and not misleading in any respect:
 - (i) made all reasonable enquiries of the officers, managers, employees and other persons who could reasonably be expected to have information relevant to the matters to which the statement relates; and
 - (ii) where those enquiries would have prompted a reasonable person to make further enquiries, made those further enquiries,

and that, as a result of those further enquiries, the party has no reason to doubt that the statement is true and not misleading in any respect;
- (o) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;

- (p) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Timetable

The parties acknowledge the Timetable is an indicative timetable and will consult and work with each other regularly, in good faith and in a timely and co-operative fashion, in relation to:

- (a) performing their respective obligations within the framework established by the Timetable; and
- (b) the need to modify the Timetable.

3. The Offer

3.1 Offer by Rio Tinto

- (a) Rio Tinto or a wholly owned subsidiary of the Rio Tinto Group must make the Offers.
- (b) Rio Tinto expects that the entity that makes the Offers to Riversdale Shareholders will be a wholly owned subsidiary of Rio Tinto plc incorporated outside of Australia but reserves its right to nominate a different vehicle provided it is a wholly owned subsidiary of the Rio Tinto Group.

3.2 Consideration

- (a) The consideration under the Offers will be \$16 cash for each Riversdale Share.
- (b) Nothing in this agreement in any way limits Rio Tinto's ability to vary the consideration offered under the Offers in a way permitted by law.

3.3 Conditions of Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Rio Tinto is not obliged to, but may, waive any of the Conditions.
- (c) Provided that each Recommending Director is not recommending to Riversdale Shareholders to reject the Offer at the relevant time, each of the parties must use its reasonable endeavours to procure that:
 - (i) each of the Conditions which the party is capable of satisfying is satisfied as soon as practicable after the date of this agreement or continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
 - (ii) there is no occurrence within the control of either of them (as the context requires) or their Related Entities that would prevent the Conditions being satisfied, except to the extent such occurrence is required by law.

3.4 Offer Period

- (a) The Offer Period will be for a minimum of one month.
- (b) Nothing in this agreement in any way limits Rio Tinto's ability to extend the Offer Period in a way permitted by law.

3.5 Variation of Offer

Rio Tinto may:

- (a) vary the terms and conditions of the Offer; or
 - (b) waive any Condition, declare the Offer unconditional or extend it at any time,
- in each case, in any manner permitted by law.

3.6 Acquisition of Riversdale convertible securities

- (a) Rio Tinto may elect to seek to acquire the Riversdale Options, Riversdale Share Rights or Riversdale Share Appreciation Rights by doing one or more of the following:
 - (i) making a takeover bid for them, to be implemented concurrently with the Offer;
 - (ii) subject to obtaining any necessary Regulatory Approvals, making a private offer to acquire them; or
 - (iii) where Rio Tinto becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Riversdale Shares, compulsorily acquire them.
- (b) Riversdale will not waive or vary any unsatisfied conditions or hurdles attached to the Riversdale Options, Riversdale Share Rights or Riversdale Share Appreciation Rights unless either:
 - (i) Rio Tinto requests that it do so; or
 - (ii) the pre-requisites for Rio Tinto to compulsorily acquire the Riversdale Shares pursuant to Chapter 6A of the Corporations Act are met,

in which case Riversdale will waive all unsatisfied conditions or hurdles attached to the Riversdale Options, Riversdale Share Rights or Riversdale Share Appreciation Rights.
- (c) If Rio Tinto requests Riversdale to apply to ASX for a waiver from Listing Rule 6.23 to allow the Riversdale Options, Riversdale Share Rights and/or Riversdale Share Appreciation Rights to be cancelled, Riversdale will make such application and take such other steps in connection therewith as Rio Tinto reasonably requires, provided that it is reasonable for Riversdale to conclude that the then outstanding Conditions remain capable of satisfaction or will be waived.
- (d) If:
 - (i) the Offer is unconditional and Rio Tinto has voting power of 90% of more in Riversdale; and
 - (ii) Rio Tinto elects that Riversdale cause the Riversdale Options, Riversdale Share Rights and/or Riversdale Share Appreciation Rights to be cancelled; and

- (iii) if required, an appropriate waiver has been obtained from ASX as envisaged by clause 3.6(c),

Riversdale must take such steps (including if required obtaining Riversdale shareholder approval) to cause the Riversdale Options, Riversdale Share Rights and/or Riversdale Share Appreciation Rights (as the case may be) to be cancelled as Rio Tinto reasonably requires provided that any consideration to be paid by Riversdale on cancellation is funded by or on behalf of Rio Tinto whether by way of loan or otherwise as Rio Tinto determines.

4. Facilitation of the Offer

4.1 Promotion of Offer

Provided a majority of the Recommending Directors is not recommending to Riversdale Shareholders to reject the Offer at the relevant time, Riversdale must ensure that the Executive Chairman of Riversdale, the Managing Director of Riversdale and such other senior executives of Riversdale as reasonably requested by Rio Tinto participate in efforts reasonably requested by Rio Tinto to promote the merits of the Offer, including meeting with key Riversdale Shareholders and stakeholders of Riversdale at the reasonable request of Rio Tinto.

4.2 Riversdale's Board recommendation

Riversdale represents and warrants to Rio Tinto that, as at the date of this agreement, it has been advised by each Recommending Director that he will:

- (a) recommend acceptance of the Takeover Bid and each Offer, and not subsequently change, withdraw or modify that recommendation, in the absence of a superior proposal to the Takeover Bid; and
- (b) include in all public statements made after execution of this agreement and relating to the Takeover Bid or Offer a statement to the effect of clause 4.2(a); and
- (c) not make any public statement or take any other action that contradicts the recommendation of the Takeover Bid or Offer by the Recommending Directors in the absence of a superior proposal to the Takeover Bid,

in each case unless Riversdale receives a Competing Proposal and the Recommending Directors determine, after considering the matter in good faith (following consultation with Riversdale's financial advisors and after taking into account all aspects of the Competing Proposal, including its terms and conditions and the person making it) and after all of Rio Tinto's rights under clause 7.6 have been exhausted, that the Competing Proposal constitutes a superior proposal to the Takeover Bid.

4.3 Rio Tinto's obligations to prepare documentation

Rio Tinto must prepare for the Takeover Bid:

- (a) a bidder's statement for the Offer; and
- (b) an acceptance form for the Offer,

in each case consistently with clause 3 and in accordance with the Corporations Act.

4.4 Riversdale's obligations to prepare documentation

Riversdale must prepare a target's statement in response to the Offer in accordance with the Corporations Act, and which includes:

- (a) a recommendation by each Recommending Director to Riversdale Shareholders to accept the Offer in respect of all of their Riversdale Shares in the absence of a superior proposal to the Takeover Bid; and
- (b) a statement by each Recommending Director that that director will accept the Offer in respect of all Riversdale Shares controlled or held by, or on behalf of, that director, in the absence of a superior proposal to the Takeover Bid.

4.5 Co-operation in relation to documentation

- (a) Riversdale shall prepare its target's statement in respect of the Offer as soon as reasonably practicable.
- (b) Provided that:
 - (i) each Recommending Director is not recommending to Riversdale Shareholders to reject the Offer at the relevant time;
 - (ii) Rio Tinto has not, at the relevant time, dispatched its bidder's statement to Riversdale Shareholders (which it may do at any time, in its absolute discretion); and
 - (iii) Riversdale's target's statement is complete,Riversdale will agree to its target's statement being bound and dispatched together with Rio Tinto's bidder's statement (as a combined booklet) to Riversdale Shareholders in accordance with the Timetable.

4.6 Early dispatch of offers

For the purposes of item 6 in section 633(1) of the Corporations Act, Riversdale agrees that Offers under the Takeover Bid may be sent to Riversdale Shareholders on the day on which the bidder's statement is sent to Riversdale or within 28 days after that date provided Rio Tinto has:

- (a) provided Riversdale with an advanced draft of the bidder's statement in sufficient time (being not less than 3 Business Days), prior to the scheduled date of dispatch, for Riversdale to assess whether or not it complies with the requirements of the Corporations Act; and
- (b) considered, in good faith, any comments that Riversdale makes on that advanced draft to ensure that it complies with the requirements of the Corporations Act.

4.7 Consultation

Riversdale must, as far as reasonably practicable, consult with Rio Tinto within a reasonable time in advance of any action which may cause a breach of the Conditions.

4.8 Appointment of Directors to Riversdale Board

Riversdale represents and warrants to Rio Tinto that it has been advised by each Recommending Director that he or she will, and Riversdale must procure that the Riversdale Board will:

- (a) take all actions necessary to ensure the nominees of Rio Tinto are lawfully appointed as directors of Riversdale and represent a majority of the Riversdale Board once Rio Tinto acquires a relevant interest in excess of 50% of the Riversdale Shares and the Offer has become unconditional or is declared by Rio Tinto to be free of all Conditions; and
- (b) as soon as practicable after Rio Tinto acquires a relevant interest in 90% of the Riversdale Shares and the Offer becomes unconditional or is declared by Rio Tinto to be free of all Conditions, ensure that all directors on the Riversdale Board, other than Rio Tinto's nominees, resign (provided that a proper board is constituted at all times),

provided that Rio Tinto procures that such appointees do not participate in decisions of Riversdale in relation to the Offer until after the end of the Offer Period.

5. Conduct of business

5.1 Ordinary course

During the Exclusivity Period, Riversdale must:

- (a) except with the prior written consent of Rio Tinto, conduct its business and operations in the ordinary and proper course consistent with past practice; and
- (b) not implement or take any step to implement any action that is:
 - (i) referred to in section 652C(1) of the Corporations Act; or
 - (ii) would, or would be likely to, prevent a Riversdale Controlled Condition being satisfied or result in a Riversdale Controlled Condition not being satisfied,

without the prior written consent of Rio Tinto.

5.2 Co-operation between the parties

- (a) During the Exclusivity Period, the parties must work co-operatively and in good faith in relation to the Takeover Bid and Rio Tinto potentially acquiring Control of Riversdale and, to that end:
 - (i) Riversdale will promptly provide Rio Tinto with copies of all papers prepared in respect of a meeting of the Riversdale Board and any sub-committee of the Riversdale Board;
 - (ii) the Executive Chairman and Managing Director of Riversdale and the Chief Development Officer – Coal of Rio Tinto will meet in person or by telephone conference on a fortnightly basis, to discuss the Riversdale Group's financial position, prospects and affairs; and
 - (iii) the rights and obligations of the parties under this clause 5.2 will be subject to the terms of the Confidentiality Agreement.

- (b) Nothing in this clause 5.2 requires Riversdale or Rio Tinto to act at the direction of the other. The business of each party and its subsidiaries will continue to operate independently of the other party and its Related Entities.

6. Regulatory Approvals

6.1 Rio Tinto Regulatory Approvals

Rio Tinto must use all reasonable endeavours to obtain the Regulatory Approvals.

6.2 Co-operation in seeking Regulatory Approvals

Provided that each Recommending Director is not recommending to Riversdale Shareholders to reject the Offer at the relevant time, Riversdale must:

- (a) co-operate and provide such assistance as Rio Tinto reasonably requires to assist Rio Tinto in relation to the Regulatory Approvals, including providing information reasonably requested by Rio Tinto; and
- (b) if requested to do so by Rio Tinto, make supporting submissions to any Regulatory Authority from which a Regulatory Approval is sought.

7. Exclusivity

7.1 Termination of existing discussions

Other than in relation to the discussions with Rio Tinto in connection with the proposed Offer and this agreement, Riversdale represents and warrants to Rio Tinto that, as at the date of this agreement, neither Riversdale nor any of its Representatives is participating in any continuing discussions with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal.

7.2 No-shop

During the Exclusivity Period, Riversdale must ensure that neither it nor any of its Related Entities, except with the prior written consent of Rio Tinto, directly or indirectly solicits, invites, initiates or encourages any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that could reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of these things.

7.3 No-talk

Subject to clause 7.7, during the Exclusivity Period, Riversdale must ensure that neither it nor any of its Related Entities directly or indirectly except with the prior written consent of Rio Tinto:

- (a) negotiates or enters into or participates in negotiations or discussions with any person; or
- (b) communicates an intention to do any of these things,

in relation to, or which may reasonably be expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by Riversdale or any of its Related Entities or the person has publicly announced the Competing Proposal.

7.4 No due diligence

Subject to clause 7.7, during the Exclusivity Period, Riversdale must not, except with the prior written consent of Rio Tinto, make available to any other person or permit any other person to receive any non-public information relating to the Riversdale Group, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

7.5 Notification of approaches

- (a) During the Exclusivity Period, Riversdale must promptly notify Rio Tinto in writing if it proposes, by virtue of clause 7.7, to take, or is approached by a person to take, any action of a kind that is set out in clauses 7.3 or 7.4.
- (b) During the Exclusivity Period, Riversdale must promptly notify Rio Tinto in writing if, by virtue of clause 7.7:
 - (i) Riversdale enters into negotiations or discussions with a party that has proposed (or may be reasonably expected to propose) a Competing Proposal and, subject to consent being obtained from that person, disclose the identity of that person; or
 - (ii) Riversdale makes available to any person, or permits any person to receive, any non-public information relating to the Riversdale Group in connection with such person formulating, developing or finalising a Competing Proposal and, subject to consent being obtained from that person, disclose the identity of that person.
- (c) During the Exclusivity Period, Riversdale must promptly provide Rio Tinto with:
 - (i) in the case of written materials, a copy of; and
 - (ii) in any other case, a written statement of,
any non-public information relating to the Riversdale Group's operations made available or received by any person in connection with the formulation, development or finalisation of a Competing Proposal which has not previously been provided to Rio Tinto.
- (d) Subject to clause 7.7, a notice given under this clause 7.5 must be accompanied by all material details of the relevant event.

7.6 Riversdale's response to Rival Bidder and Rio Tinto's right to respond

- (a) If Riversdale is permitted, by virtue of clause 7.7, to engage in activity that would otherwise breach clauses 7.3 or 7.4, Riversdale must enter into a confidentiality agreement with the relevant third party on customary terms unless Riversdale has entered into a relevant confidentiality agreement with the relevant third party prior to the date of this agreement.
- (b) If Riversdale receives a Competing Proposal which, if implemented, would result in a person (other than Rio Tinto or any of its Related Entities or concert parties in respect of Riversdale) acquiring a Controlling Interest and, as a result, any Recommending Director proposes to change his or her recommendation of the Offer (so that he or she can recommend the Competing Proposal), Riversdale must give Rio Tinto 3 Business Days prior notice (**relevant notice**) of such proposed change to the Recommending Director's recommendation of the Offer, and such relevant notice must include all the material terms and conditions (including price) of the applicable Competing Proposal together with a copy of any material confidential information concerning the Riversdale Group's operations

provided to any person associated with the Competing Proposal not previously provided to Rio Tinto, as well as details on which of the Recommending Directors intend to change their recommendation. Prior to giving Rio Tinto the relevant notice, Riversdale must ask the person who has made the applicable Competing Proposal (**Rival Bidder**) for the consent to their name and other identifying details which may identify the Rival Bidder (**Identifying Details**) being provided by Riversdale to Rio Tinto on a confidential basis. If consent is refused, Riversdale may only withhold details of the material terms and conditions of the applicable Completing Proposal or withhold Identifying Details from Rio Tinto if, and to the extent that, a majority of the Recommending Directors, acting in good faith and after having taken advice from its external legal advisers, determines that failing to do so would, or would be reasonably likely to, constitute a breach of the fiduciary or statutory duties owed by any Recommending Director, in which case Riversdale must announce to ASX all the material terms and conditions of the Competing Proposal and the Identifying Details, in each case, as soon as consistent with their fiduciary and statutory duties. Any information provided to Rio Tinto pursuant to this clause 7.6(b) will be provided subject to the terms of the Confidentiality Agreement.

- (c) If Riversdale gives a relevant notice to Rio Tinto under clause 7.6(b), Rio Tinto will have the right, but not the obligation, at any time during the period of three Business Days following the later of receipt of the relevant notice and announcement to ASX of the Competing Proposal and the Identifying Details, to amend the terms of the Takeover Bid or Offers (as the case may be) including but not limited to increasing the amount of consideration offered under the Takeover Bid or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the Riversdale Directors must review the Counter Proposal in good faith. If the Riversdale Directors determine that the Counter Proposal would be more favourable to Riversdale and Riversdale Shareholders than the Competing Proposal (having regard to the matters noted in clause 7.7(b)), then Riversdale and Rio Tinto must use their best endeavours to agree the amendments to this agreement that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and Riversdale must use its best endeavours to procure that the Recommending Directors recommend the Counter Proposal to Riversdale's Shareholders and not recommend the applicable Competing Proposal.
- (d) For the purposes of this clause 7.6, each successive material modification of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.
- (e) Nothing in this clause 7.6 prevents a party from:
 - (i) providing information to its Representatives;
 - (ii) providing information to any government agency;
 - (iii) providing information to its auditors, advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
 - (iv) providing information to any Riversdale Shareholder in accordance with practices as existed between Riversdale and that Riversdale Shareholder prior to the date of this agreement;

- (v) providing information required to be provided by law, including without limitation to satisfy its obligations of disclosure in accordance with the ASX Listing Rules, or any governmental agency; or
- (vi) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

7.7 Fiduciary out

The restrictions in clauses 7.3, 7.4 and 7.5(d) do not apply to the extent they restrict Riversdale or the Riversdale Board from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 7) provided that:

- (a) the Competing Proposal is bona fide and is made in writing by or on behalf of a person that the Riversdale Board considers is of reputable commercial standing; and
- (b) the Riversdale Board has determined in good faith, after consulting with Riversdale's advisors to the Takeover Bid, that:
 - (i) the Competing Proposal is reasonably capable of being valued and completed on a timely basis; and
 - (ii) the Competing Proposal would, if completed substantially in accordance with its terms or on terms as may reasonably be expected to flow from the Competing Proposal, be more favourable to the Riversdale Shareholders than the Takeover Bid, after taking into account all aspects of the Competing Proposal (including its terms and conditions) and the person making it; and
 - (iii) taking or failing to take the action with respect to the Competing Proposal would, or would be reasonably likely to, involve a breach of the fiduciary or statutory obligations of any Riversdale Director.

8. Break Fee

8.1 Rio Tinto declaration

Rio Tinto represents and warrants to Riversdale that it would not have entered into this agreement without the benefit of this clause 8 and it would not have entered into and continued the negotiations and conducted due diligence on Riversdale leading up to this agreement unless Rio Tinto had a reasonable expectation that Riversdale would agree to enter into a clause of this kind.

8.2 Acknowledgments

- (a) Riversdale acknowledges that Rio Tinto has incurred:
 - (i) significant external advisory costs;
 - (ii) some internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);
 - (iii) out-of-pocket expenses including air fares and hotel accommodation;
 - (iv) commitment fees and other financing costs; and

- (v) reasonable opportunity costs incurred by Rio Tinto in pursuing the Takeover Bid or in not pursuing other alternative acquisitions or strategic initiatives,

in relation to the Takeover Bid and will incur further costs if the Takeover Bid is announced but is not successful (Costs).

- (b) Riversdale represents and warrants that:

- (i) it has received legal advice on this agreement and the operation of this clause 8; and
- (ii) it considers this clause 8 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 8 in order to secure the significant benefits to it (and Riversdale Shareholders) resulting from the Takeover Bid.

8.3 Agreement on Costs

The parties acknowledge that the amount of the Costs is inherently unascertainable and that, even after termination of this agreement, the Costs will not be able to be accurately ascertained. As a genuine and reasonable pre-estimate of the Costs that Rio Tinto will suffer if the Takeover Bid does not proceed, the parties agree that, for the purposes of this clause 8, the Costs will be the sum of \$37.8 million (Break Fee).

8.4 Reimbursement of Costs

- (a) Riversdale agrees to pay to Rio Tinto the Break Fee if at any time during the Exclusivity Period, any of the following events occur:

- (i) any Recommending Director fails to recommend as described in clause 4.2 or recommends against, qualifies their support of or withdraws their recommendation or approval of the Takeover Bid; or
- (ii) a Competing Proposal is announced or made during the Exclusivity Period and is recommended by the Recommending Directors;
- (iii) a Competing Proposal is announced or made during the Exclusivity Period and is completed at any time prior to the first anniversary of the date of this agreement and, as a result, a third party acquires a Controlling Interest;
- (iv) Riversdale implements or takes any step to implement any action that is referred to in section 652C(1) of the Corporations Act, without the prior written consent of Rio Tinto and Rio Tinto does not, or publicly indicates that it will not, waive the breach of any of the relevant Conditions; or
- (v) a general meeting of Riversdale is convened to consider, and if thought fit, approve implementing or taking any step that would, or would be likely to, prevent a Riversdale Controlled Condition being satisfied or result in a Riversdale Controlled Condition not being satisfied, and a majority of the Recommending Directors recommend that Riversdale Shareholders vote in favour of implementing or taking that step.

- (b) The payment of the Break Fee by Riversdale to Rio Tinto provided for in this clause 8.4 must be made within 5 Business Days of receipt of a written demand for payment by Rio Tinto. The demand may only be made after the occurrence of an event referred to in

clause 8.4(a). Despite any other term of this agreement, Riversdale will not be required to pay the Break Fee more than once.

- (c) Despite any other term of this agreement, Riversdale is not required to pay the Break Fee, and Rio Tinto must refund any Break Fee paid to it, if Rio Tinto becomes the registered holder of in excess of 50% of the Riversdale Shares.

9. Announcement of Takeover Bid

9.1 Announcement of Takeover Bid

Promptly after the execution of this agreement, Rio Tinto and Riversdale must each make a public announcement concerning the Takeover Bid in the form set out in Schedule 3 (**Announcement**).

9.2 Public announcements

- (a) Subject to clause 9.2(b) and provided that the Recommending Directors are not recommending that Riversdale Shareholders reject the Offer at the relevant time, Riversdale must not make any public announcement or disclosure in relation to the Takeover Bid (including any announcements or presentations to staff, investors, joint venture partners, commercial contractors, governments or regulatory authorities) other than in a form approved by Rio Tinto (acting reasonably).
- (b) Where Riversdale is required by law (including the Listing Rules) to make any announcement or make any disclosure in relation to the Takeover Bid, to the extent reasonably practicable in the circumstances Riversdale will only make such announcement following consultation with Rio Tinto.

10. Warranties

10.1 Warranties by Riversdale

Riversdale represents and warrants to Rio Tinto:

- (a) it is duly incorporated under the laws of the place of its incorporation and each member of the Riversdale Group is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power and authority to sign this agreement and perform and observe all its terms;
- (c) this agreement has been duly executed and is a legal, valid and binding agreement enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform this agreement;
- (e) each member of the Riversdale Group is solvent and no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding-up or dissolution or the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
- (f) no regulatory action has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;

- (g) the Data Room Materials have been disclosed in good faith and, to the best of Riversdale's knowledge after due inquiry, Riversdale has not intentionally withheld from disclosure to Rio Tinto any material information that Rio Tinto requested in writing as part of its due diligence investigations;
- (h) so far as the Riversdale Board is aware, as at the date of this agreement, Riversdale is not in breach of its continuous disclosure obligations under the Corporations Act or the Listing Rules and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Rio Tinto or its Representatives on or before the date of this agreement;
- (i) as at the date of this agreement, Riversdale is not aware of any act, omission, event or fact that would result in one or more of the Conditions not being satisfied or otherwise fulfilled; and
- (j) the issued Riversdale securities as of the date of this agreement are:
 - (i) 236,546,188 Riversdale Shares;
 - (ii) 6,595,000 Riversdale Options;
 - (iii) 1,125,000 Riversdale Share Appreciation Rights; and
 - (iv) 555,000 Riversdale Share Rights,

and the Riversdale Group has not issued, or agreed to issue, any other securities or instruments which may convert into Riversdale Shares or any other securities in Riversdale.

10.2 Warranties by Rio Tinto

Rio Tinto represents and warrants to Riversdale:

- (a) the entity through which Offers will be made (**offeror**) will, at all times during the Offer Period, be and remain a wholly owned subsidiary of the Rio Tinto Group;
- (b) it is duly incorporated under the laws of the place of its incorporation;
- (c) it has the power and authority to sign this agreement and perform and observe all its terms;
- (d) this agreement has been duly executed and is a legal, valid and binding agreement enforceable against it in accordance with its terms;
- (e) it is not bound by any contract which may restrict its right or ability to enter into or perform this agreement;
- (f) it is solvent and no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding-up or dissolution or the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
- (g) no regulatory action has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement; and
- (h) at the time it approves its bidder's statement, the offeror will have a binding agreement with Rio Tinto plc or Rio Tinto whereunder Rio Tinto plc or Rio Tinto (as the case may be) has irrevocably agreed to fund all of the offeror's obligations under the Offers.

10.3 Rio Tinto acknowledgement

Rio Tinto acknowledges that prior to the execution of this agreement it conducted due diligence investigations and that as at the date of this agreement it is not aware, as a consequence of having conducted due diligence investigations, of any information or matter that would give it a right to terminate this agreement or would constitute a breach of any Riversdale warranty.

10.4 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the warranties given by it under this clause 10.

11. Termination

11.1 Termination rights by either party

This agreement may be terminated by either party by notice to the other party:

- (a) if the other party is in material breach of this agreement and that breach is not remedied by the other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate; or
- (b) if Rio Tinto withdraws the Takeover Bid for any reason or allows its offer to lapse for any reason including non-satisfaction of a Condition.

11.2 Termination by Rio Tinto

This agreement may be terminated by Rio Tinto by notice in writing to Riversdale if the Recommending Directors do not recommend the Offer or withdraw, change or qualify their recommendation.

11.3 Termination by Riversdale

This agreement may be terminated by Riversdale by notice in writing to Rio Tinto if:

- (a) the Recommending Directors withdraw their recommendation of the Takeover Bid because Riversdale has received a Competing Proposal and the Recommending Directors have determined, after considering the matter in good faith (following consultation with Riversdale's advisors and after taking into account all aspects of the Competing Proposal, including its terms and conditions and the person making it), that the Competing Proposal constitutes a superior proposal to the Takeover Bid; and
- (b) five Business Days have elapsed after the later of the day on which:
 - (i) all the material terms and conditions of the Competing Proposal and the Identifying Details have been disclosed to ASX in accordance with clause 7.6(b); and
 - (ii) a copy of any material confidential information concerning the Riversdale Group's operations provided to any persons associated with the Competing Proposal and which had not previously been provided to Rio Tinto have been provided to Rio Tinto in accordance with clause 7.6(b).

11.4 Effect of termination

If this agreement is terminated by either Riversdale or Rio Tinto under this clause 11:

- (a) each party will be released from its obligations under this agreement except its obligations under clauses 1, 8, 12, 13, 14 and 15; and
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement.

11.5 Limitation of liability

- (a) In addition to the right of termination under this clause 11, the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this agreement (including any warranty claim).
- (b) Despite paragraph (a) and notwithstanding any other provision of this agreement, the maximum liability of a party under or in connection with this agreement (including in respect of any breach by a party of this agreement and the requirement of Riversdale to pay a Break Fee) will be capped and limited to the amount of the Break Fee.

12. GST exclusive

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause 12(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing the Consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 12(b) is payable at the same time and in the same manner as the Consideration for the Supply, subject to the provision of a valid Tax Invoice at or before that time. If a valid Tax Invoice is not provided at or before that time then the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply made under or in connection with the agreement (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 12(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If

there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Despite any other provision in this agreement, if an amount payable under or in connection with this agreement whether by way of reimbursement, indemnity or otherwise, is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of the GST Group of which that party is a Member is entitled.
- (g) Capitalised terms used in this clause 12 have the meanings given to them in the GST Law.

13. Stamp Duty

Rio Tinto will bear all Stamp Duty payable in respect of this agreement and any agreement or document contemplated by this agreement.

14. Notices and other communications

14.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

14.2 Effective on receipt

A Notice given in accordance with clause 14.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

15. Miscellaneous

15.1 Alterations

This agreement may be altered only in writing signed by each party.

15.2 Approvals and consents

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

15.3 Assignment

A party may not assign or attempt to assign this agreement or any right under this agreement without the prior written consent of the other party.

15.4 Costs

Each party must pay its own costs of negotiating, preparing and executing this agreement.

15.5 Survival

Any indemnity or any obligation of confidence under this agreement is independent and survives termination of this agreement. Any other term by its nature intended to survive termination of this agreement survives termination of this agreement.

15.6 Counterparts

This agreement may be executed in counterparts. All executed counterparts constitute one document.

15.7 No merger

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

15.8 Entire agreement

This agreement, including its schedules, exhibits and annexures:

- (a) constitute the entire agreement between the parties in connection with its subject matter; and
- (b) in relation to that subject matter, supersedes all previous agreements or understandings between the parties and all prior conditions, warranties, indemnities or representations imposed, given or made by a party.

15.9 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this agreement and the transactions contemplated by it.

15.10 Severability

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

15.11 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent

another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

15.12 Relationship

This agreement does not create a relationship of employment, trust, agency or partnership between the parties.

15.13 Governing law and jurisdiction

This agreement is governed by, and shall be construed and enforced in accordance with the law of New South Wales, Australia.

Schedule 1 - Timetable

Date	Event
Date of this agreement	Rio Tinto and Riversdale each make the Announcement.
4 January 2011	<ul style="list-style-type: none">• Rio Tinto gives Riversdale an advanced draft of its bidder's statement.• Riversdale gives Rio Tinto an advanced draft of its target's statement.
10 January 2011	<ul style="list-style-type: none">• Rio Tinto lodges its bidder's statement with ASIC and serves it on Riversdale.• Subject to clause 4.5, Riversdale lodges its target's statement with ASIC and serves it on Rio Tinto.• Subject to clauses 4.5 and 4.6, the parties dispatch the bidder's statement and target's statement (as a combined booklet) to Riversdale Shareholders.

Note: The above timetable is indicative only.

Schedule 2 - Conditions of the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

(a) Minimum acceptance condition

Before the end of the Offer Period, Rio Tinto Group and its Related Entities have relevant interests in excess of 50% of Riversdale Shares then on issue.

(b) FIRB approval

One of the following occurs before the end of the Offer Period:

- (i) Rio Tinto receives a notice from the Treasurer of the Commonwealth of Australia (**Treasurer**) or his agent to the effect that there is no objection to the acquisition of the Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group (by any means permitted by the Corporations Act) under the Commonwealth Government's foreign investment policy, such notice being unconditional;
- (ii) the period provided under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (as amended) (**FATA**) during which the Treasurer may make an order under section 22 of the FATA prohibiting the acquisition of Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group (by any means permitted under the Corporations Act) has elapsed, without such an order being made; or
- (iii) if an interim order prohibiting such acquisition is made, the subsequent period for making a final order prohibiting the acquisition of Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group has elapsed, without such final order being made.

(c) No material adverse event

Except as publicly announced to ASX prior to the Announcement Date or to the extent the information is generally available (within the meaning of section 1042C of the Corporations Act) prior to the Announcement Date, none of the following has happened since 30 June 2010 or happens, is announced, disclosed or otherwise becomes known to Rio Tinto (whether it becomes public or not) during the period from and including the Announcement Date to the end of the Offer Period:

- (i) any event or circumstance which constitutes or gives rise to or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by a Mozambique Governmental Authority or any other person) give rise to the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any material rights under any Mining Interest or any material contract or material Project Approval to which Riversdale or any subsidiary of Riversdale is a party;
- (ii) the occurrence of the outbreak of war (including civil war), outbreak of hostilities (whether war is declared or not) or terrorism, mobilization of armed forces, insurrection, general civil unrest, or similar event in the Republic of Mozambique, or major civil unrest in the Tete province of Mozambique or within 200 kilometers of any of the Projects;

- (iii) the occurrence of the nationalization or expropriation by a Mozambique Governmental Authority of privately owned or held natural resource exploration or mining rights or other property or rights required for the use or enjoyment of those natural resource exploration or mining rights;
 - (iv) the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of a Mining Interest to any person other than the holder(s) of that Mining Interest (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Mining Interest;
 - (v) without limiting the generality of the foregoing, any event, action, proceeding, circumstance or change in circumstance that (individually or with others) has or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability, future production or prospects of Riversdale and its subsidiaries taken as a whole or any Project, including but not limited to any one or more of the following effects:
 - (A) when considered together with any related events, occurrences or matters, but disregarding the effects of any unrelated events, occurrences or matters, a diminution in the net assets of the consolidated Riversdale Group by \$200 million or more; or
 - (B) a material restraint on or hindrance to the development, timely completion, feasibility, operation, profitability or marketability of a Project; or
 - (C) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure, where the quantum (whether individually or when aggregated with all such other events) exceeds \$100 million.
- (d) No material acquisitions, disposals, commitments, etc**
- Between the Announcement Date and the end of the Offer Period, neither Riversdale nor any of its subsidiaries:
- (i) enters into or announces an intention or proposal to enter into or offers to enter into;
 - (ii) discloses the existence of; or
 - (iii) incurs, becomes subject to, or brings forward the time for performance of (or is reasonably likely to incur, become subject to or bring forward the time for performance of),
an obligation or arrangement (other than pursuant to and in the proper discharge of a legally binding obligation entered into and fully disclosed in writing to Riversdale or fully disclosed to the ASX prior to the Announcement Date) or a decision by it, whether conditional or otherwise:
 - (iv) to acquire an interest in property or other assets for an amount or having a market value in aggregate greater than \$10 million, other than in relation to the Benga Project to the extent disclosed in writing to Rio Tinto before the Announcement Date;
 - (v) (without limitation to paragraph (e) below) to Dispose of an interest in any property or other assets (including, without limitation, Minerals) for an amount, or in respect of which the book value (as recorded in Riversdale's balance sheet as at 30 June 2010) is, in aggregate, greater than \$10 million;

- (vi) to perform or acquire the benefit of any services or supplies of goods or services in relation to any asset, Project or business or interest therein where the aggregate financial liability of the Riversdale Group in respect of those services exceeds or may exceed \$5 million or the term of the arrangement exceeds and cannot be terminated within 12 months, other than in relation to the Benga Project to the extent disclosed in writing to Rio Tinto before the Announcement Date;
- (vii) to enter into or terminate, or, in any material respect, amend or waive, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a shareholders agreement, joint-venture, asset or profit sharing agreement, partnership or joint-selling agreement, merger of business or of corporate entities, or dual listed company structure; or
- (viii) to make or incur:
 - (A) capital expenditure in relation to the Benga Project of an amount that is 10% or more in excess of the planned capital expenditure disclosed to Rio Tinto prior to the Announcement Date (and whether for an individual item or on an aggregated basis); or
 - (B) capital expenditure that is not in relation to the Benga Project and that exceeds the planned capital expenditure disclosed to Rio Tinto prior to the Announcement Date by \$1 million or more (and whether for an individual item or on an aggregated basis),

without Rio Tinto's prior written consent.

(e) No direct or indirect Disposal of or encumbrance over Mining Interests

Between that day that is one month before the Announcement Date and the end of the Offer Period, neither Riversdale nor any of its subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into; or
- (ii) discloses the existence of; or
- (iii) becomes subject to,
an obligation or arrangement, whether conditional or otherwise and irrespective of the consideration or value:
- (iv) to Dispose of all or any of, or any interest in, a Mining Interest; or
- (v) to Dispose or issue, or grant an option or other rights over or in respect of, all or any of the shares or other voting or economic interests in any member of the Riversdale Group; or
- (vi) to grant, permit, suffer to subsist or enter into any encumbrance or other security interest over all or any part of, or any interest in, a Mining Interest,

without Rio Tinto's prior written consent.

(f) New Mining Contract and Mining Interest Renewals

(i) If before the end of the Offer Period:

- (A)** a mining contract ('Contracto Mineiro') has been entered into with the Government of the Republic of Mozambique in relation to Exploration Licence LPP946L; or
- (B)** any Mining Interest in relation to which a renewal application:
 - (I)** has been made before and is outstanding on the Announcement Date; or
 - (II)** is made on or after the Announcement Date,is renewed,

that mining contract is entered into or (as the case may be) that renewal is granted in favour of, and solely for the benefit of, a wholly owned subsidiary of Riversdale and on terms and conditions that are substantially the same as, or more favourable to Riversdale than, the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms or otherwise disclosed by Riversdale to Rio Tinto before the Announcement Date.

(ii) If before the end of the Offer Period, such a mining contract has not been entered into or such a renewal has not been granted:

- (A)** the applicable Mozambique Governmental Authority has not before the end of Offer Period notified or otherwise made known an intention to refuse to enter into the mining contract or grant the renewal; and
- (B)** neither the applicable Mozambique Governmental Authority nor any member of the Riversdale Group has before the end of Offer Period notified or otherwise proposed or made known an intention to seek a material change to the terms and conditions of that mining contract or renewal relative to the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms or otherwise disclosed by Riversdale to Rio Tinto before the Announcement Date.

(g) No Prescribed Occurrences

Between the period beginning on the date Rio Tinto gives its bidder's statement to Riversdale and ending at the end of the Offer Period, none of the following events (each a **Prescribed Occurrence**) occurs in relation to Riversdale or any of its subsidiaries:

- (i)** Riversdale converts all or any of the Riversdale Shares into a larger or smaller number of shares;
- (ii)** Riversdale or a subsidiary of Riversdale resolves to reduce its share capital in any way;
- (iii)** Riversdale or a subsidiary of Riversdale:
 - (A)** enters into a buy-back agreement; or
 - (B)** resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

- (iv) Riversdale or a subsidiary of Riversdale issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the issue of shares to satisfy the exercise of any options that are on issue as at the Announcement Date;
- (v) Riversdale or a subsidiary of Riversdale issues, or agrees to issue, convertible notes;
- (vi) (without limitation to paragraph (d) or (e) above) Riversdale or a subsidiary of Riversdale disposes or agrees to dispose of the whole, or a substantial part, of its business or property;
- (vii) Riversdale or a subsidiary of Riversdale charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Riversdale or a subsidiary of Riversdale resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Riversdale or of a subsidiary of Riversdale is appointed;
- (x) a court makes an order for the winding up of Riversdale or of a subsidiary of Riversdale;
- (xi) an administrator of Riversdale, or of a subsidiary of Riversdale, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Riversdale or a subsidiary of Riversdale executes a deed of company arrangement; or
- (xiii) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Riversdale or of a subsidiary of Riversdale.

(h) No Prescribed Occurrences between Announcement Date and service of bidder's statement

Between the period beginning on the Announcement Date up to the date Rio Tinto gives its bidder's statement to Riversdale, none of the events listed in sub-paragraphs (g)(i) to (g)(xiii) occurs.

(i) Conduct of Riversdale's business

Between the Announcement Date and the end of the Offer Period, none of the following events occurs:

- (i) except as required by law, Riversdale or a subsidiary of Riversdale:
 - (A) increases the remuneration of or pays any bonus or issues any securities or options to, or otherwise varies the employment agreements with, any of its directors or employees except:
 - (I) as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (II) that the remuneration of employees may be increased provided that:
 - (aa) the remuneration of any one employee is not increased by more than 20% of the remuneration payable to that employee as at the Announcement Date; and
 - (ab) the aggregate of all the increases in remuneration do not exceed 5% of the total remuneration payable by Riversdale to all its employees (including the employees of Riversdale's Related Entities) as at the Announcement Date; or

- (B) accelerates the rights of any of its directors or employees to benefits of any kind; or
- (C) pays a director, executive or employee a termination payment, other than as provided for in an existing employment contract;
- (ii) Riversdale or a subsidiary of Riversdale gives or agrees to give a financial benefit to a related party of Riversdale within the meaning of Chapter 2E of the Corporations Act;
- (iii) Riversdale or a subsidiary of Riversdale enters into any arrangement for the borrowing of an amount in excess of \$20 million except as a consequence of the renegotiation of its banking facilities that exist as at the Announcement Date, but without increasing the amount available under those facilities;
- (iv) Riversdale or a subsidiary of Riversdale enters into any arrangement under which Riversdale or a subsidiary of Riversdale may be required to advance or provide financial accommodation to another party, other than in the ordinary course of business;
- (v) Riversdale or any of its subsidiaries exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised;
- (vi) Riversdale declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise; or
- (vii) Riversdale or a subsidiary of Riversdale amends its constitution,

without Rio Tinto's prior written consent, unless already specifically disclosed in writing to the ASX or Rio Tinto prior to the Announcement Date.

(j) No regulatory action

As at the date on which the bidder gives notice under section 630(3) of the Corporations Act there is not in effect a final or interim decision, order or decree issued by a Regulatory Authority in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the regulatory action results from action or inaction of Rio Tinto or its associates) which restrains, prohibits, impedes or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including the acquisition of Riversdale Shares) or requires the divestiture of any assets of the Riversdale Group or the Rio Tinto Group.

(k) Non-existence or exercise of certain rights

Between the Announcement Date and the end of the Offer Period, there is no person (other than a member of the Rio Tinto Group) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) and in all cases whether subject to conditions or not, as a result of any change of control event in respect of Riversdale (including Rio Tinto acquiring shares in Riversdale) or any of its subsidiaries or assets, to:

- (i) terminate or alter any Mining Interest or any material contract or material Project Approval to which Riversdale or any of its subsidiaries is a party (for this purpose an alteration includes, without limitation, an alteration of the operations of a Mining Interest, material contract or material Project Approval, whether or not that altered operation is provided for

under the existing terms of or applicable to the Mining Interest, contract or Project Approval);

- (ii) require the termination, modification or disposal or offer to dispose of any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (iii) accelerate or adversely modify the nature or performance of any material obligations of Riversdale or any of its subsidiaries under any Mining Interest or other material contract or material Project Approval.

(l) Equal access to information

At all times between the Announcement Date and the end of the Offer Period, Riversdale promptly (and in any event within two Business Days) provides to Rio Tinto a copy of all material information concerning the Riversdale Group's business and operations that is not generally available (within the meaning of the Corporations Act) and that has not already been provided to Rio Tinto relating to Riversdale or any subsidiary of Riversdale or any of their respective businesses or operations that is provided by Riversdale or any of its Related Entities to any person (other than Rio Tinto or a Regulatory Authority) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a Competing Proposal.

(m) Index decline

Between the Announcement Date and the earlier of the end of the Offer Period and 30 April 2011, it is not the case that:

- (i) the S&P/ASX 200 Index falls to 3,900 or less; and
- (ii) the S&P/ASX 200 Index remains at or below that level (at the close of trade) for at least 5 consecutive Business Days or until the Business Day immediately prior to the earlier of the end of the Offer Period and 30 April 2011.

Each of the conditions in each paragraph and sub-paragraph above is a separate condition.

Except for condition (b) which is a condition precedent to the formation of a contract on acceptance of an Offer, all other conditions are conditions subsequent to the performance of the contract formed on acceptance of an Offer and do not prevent a contract resulting from acceptance of the Offer from coming into effect, but any non-fulfilment of them entitles Rio Tinto to rescind any contracts resulting from acceptance of the Offer.

For the avoidance of doubt, a reference to Rio Tinto in this Schedule 2 is a reference to the member of the Rio Tinto Group that makes the Offers.

Schedule 3 - Announcement

Attached

Signing page

EXECUTED as an agreement.

Executed by Rio Tinto Limited by its duly appointed attorneys:

Signature of Attorney "A"

GRAHAM JOHN REID

Name of Attorney "A" (print)

Signature of Attorney "B"

STEPHEN JOHN CONSEDINE

Name of Attorney "B" (print)

Executed by Riversdale Mining Limited in accordance with Section 127 of the Corporations Act 2001 in the presence of

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Signing page

EXECUTED as an agreement.

Executed by Rio Tinto Limited by its duly appointed attorneys:

Signature of Attorney "A"

Name of Attorney "A" (print)

← _____ ←
Signature of Attorney "B"

Name of Attorney "B" (print)

Executed by Riversdale Mining Limited in accordance with Section 127 of the Corporations Act 2001 in the presence of

Signature of director

GARY LOWLER

Name of director (print)

← _____ ←
Signature of ~~director~~/company secretary
(Please delete as applicable)

NIALL LENAHAN

Name of ~~director~~/company secretary (print)

Press Release

Recommended A\$16 per share cash offer by Rio Tinto for Riversdale

23 December 2010

- Recommended cash offer price of A\$16 per ordinary share values Riversdale at approximately A\$3.9 billion¹.
- Rio Tinto has entered into pre-bid agreements in relation to 14.9 per cent of Riversdale's current shares on issue.
- Shareholders who have signed pre-bid agreements include a number of senior executives of Riversdale including Michael O'Keeffe (executive chairman), Steve Mallyon (managing director) and Niall Lenahan (chief financial officer).
- Rio Tinto's offer provides Riversdale shareholders with an attractive, all-cash offer for their shares at a substantial premium to historical trading prices.
- Acquisition provides Rio Tinto with a substantial tier one coking coal development pipeline in the emerging Moatize Basin in Mozambique, in line with Rio Tinto's strategy of developing large, long-life, low operating cost assets to grow shareholder value.

Rio Tinto Group (LSE: RIO, ASX: RIO, NYSE: RIO) ("Rio Tinto") and Riversdale Mining Limited (ASX: RIV) ("Riversdale") have entered into a Bid Implementation Agreement ("BIA") for a cash offer (the "Offer") by Rio Tinto² to acquire all of the issued and outstanding shares of Riversdale by way of a recommended off-market takeover offer.

The Offer price of A\$16 per share values Riversdale at approximately A\$3.9 billion³. The Offer price represents a 46 per cent premium to the one-month volume weighted average price ("VWAP") of Riversdale shares to 3 November 2010⁴ and a 24 per cent premium to the one-month VWAP of Riversdale shares to 3 December 2010⁵. The Offer will be financed through Rio Tinto's existing cash reserves and credit facilities.

The Riversdale Directors⁶ have recommended, in the absence of a superior proposal, that shareholders accept Rio Tinto's Offer and have indicated they intend to accept the Offer for shares in Riversdale which they control. Riversdale's executive chairman (Michael O'Keeffe), managing director (Steve Mallyon) and chief financial officer (Niall Lenahan) have entered into pre-bid agreements in relation to shares in which they have a relevant interest.

In aggregate, Rio Tinto has secured pre-bid agreements in relation to 14.9 per cent of Riversdale's current shares on issue.

Cont.../

¹ On a fully diluted basis.

² The offer is likely to be made by a wholly owned subsidiary of Rio Tinto.

³ See note 1.

⁴ Being the last day prior to speculation arising around potential takeover activity involving Riversdale.

⁵ Being the last day prior to the announcement of Riversdale's discussions with Rio Tinto in relation to a possible corporate transaction.

⁶ Mr N.K. Misra, who is the Board nominee of Tata Steel, Riversdale's largest shareholder, abstained from voting on the Board resolution to announce and recommend the Offer.

Doug Ritchie, Rio Tinto chief executive Energy said: "The acquisition of Riversdale is in line with our growth strategy of investing in, developing and operating large, long term, cost-competitive mines and businesses driven by the quality of each opportunity."

"Rio Tinto's extensive experience in infrastructure and large project development combined with our significant financial capacity means that we are well placed to take Riversdale's asset base through its next phase of development. We believe Rio Tinto is one of the few groups in the world with the capabilities, values and incentives to develop the projects quickly and to a world-class standard, bringing considerable benefit to the people of Mozambique," Mr Ritchie said.

"This investment underlines Rio Tinto's commitment to Africa. Our reach extends beyond our operating mines to include an extensive exploration programme and numerous active projects in the region."

Implementation

Rio Tinto and Riversdale have entered into a Bid Implementation Agreement in respect of the Offer. A copy of the BIA is attached to Riversdale's announcement of the Offer.

The Offer is subject to a number of conditions including Rio Tinto acquiring a relevant interest in excess of 50 per cent in Riversdale, Foreign Investment Review Board approval as well as no material adverse change occurring and Riversdale conducting its business within certain specified parameters. A full list of the conditions to the Offer is set out in Appendix I.

The BIA also contains customary deal protection mechanisms including "no shop" and "no talk" restrictions and a matching right for Rio Tinto in the event of a competing proposal. A break fee of A\$37.8 million is also payable to Rio Tinto in certain circumstances.

Next Steps

Rio Tinto and Riversdale expect to dispatch the Bidder's Statement and Target's Statement in relation to the Offer in January 2011.

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

For further information, please contact:

Media Relations, Australia / Asia

David Luff

Office: +61 (0) 3 9283 3620

Mobile: +61 (0) 419 850 205

Karen Halbert

Office: +61 (0) 3 9283 3627

Mobile: +61 (0) 412 119 389

Bruce Tobin

Office: +61 (0) 3 9283 3612

Mobile: +61 (0) 419 103 454

Media Relations, Canada

Bryan Tucker

Office: +1 (0) 514 848 8151

Mobile: +1 (0) 514 825 8319

Investor Relations, Australia

Dave Skinner

Office: +61 (0) 3 9283 3628

Mobile: +61 (0) 408 335 309

Simon Ellinor

Office: +61 (0) 7 3361 4365

Mobile: +61 (0) 439 102 811

Christopher Maitland

Office: +61 (0) 3 9283 3063

Mobile: +61 (0) 459 800 131

Investor Relations, North America

Jason Combes

Office: +1 (0) 801 204 2919

Mobile: +1 (0) 801 558 2645

Media Relations, EMEA / Americas

Tony Shaffer

Office: +44 (0) 20 7781 1138

Mobile: +44 (0) 7920 041 003

Christina Mills

Office: +44 (0) 20 7781 1154

Mobile: +44 (0) 7825 275 605

Investor Relations, London

Mark Shannon

Office: +44 (0) 20 7781 1178

Mobile: +44 (0) 7917 576597

David Ovington

Office: +44 (0) 20 7781 2051

Mobile: +44 (0) 7920 010 978

Website: www.riotinto.com

Email: media.enquiries@riotinto.com / enquiries.mediaaustralia@riotinto.com

High resolution photographs and media pack available at: <http://www.riotinto.com/media>

Appendix I

1. Conditions to the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

(a) Minimum acceptance condition

Before the end of the Offer Period, Rio Tinto Group and its Related Entities have relevant interests in excess of 50% of Riversdale Shares then on issue.

(b) FIRB approval

One of the following occurs before the end of the Offer Period:

- (i) Rio Tinto receives a notice from the Treasurer of the Commonwealth of Australia (**Treasurer**) or his agent to the effect that there is no objection to the acquisition of the Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group (by any means permitted by the Corporations Act) under the Commonwealth Government's foreign investment policy, such notice being unconditional;
- (ii) the period provided under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (as amended) (**FATA**) during which the Treasurer may make an order under section 22 of the FATA prohibiting the acquisition of Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group (by any means permitted under the Corporations Act) has elapsed, without such an order being made; or
- (iii) if an interim order prohibiting such acquisition is made, the subsequent period for making a final order prohibiting the acquisition of Riversdale Shares by Rio Tinto or another wholly owned member of the Rio Tinto Group has elapsed, without such final order being made.

(c) No material adverse event

Except as publicly announced to ASX prior to the Announcement Date or to the extent the information is generally available (within the meaning of section 1042C of the Corporations Act) prior to the Announcement Date, none of the following has happened since 30 June 2010 or happens, is announced, disclosed or otherwise becomes known to Rio Tinto (whether it becomes public or not) during the period from and including the Announcement Date to the end of the Offer Period:

- (iv) any event or circumstance which constitutes or gives rise to or may (upon the passage of time, the fulfilment of any condition, or the giving of notice or taking of any other action by a Mozambique Governmental Authority or any other person) give rise to the suspension, revocation, disclaimer, invalidity, unenforceability, variation, lapse or termination of all or any material rights under any Mining Interest or any material contract or material Project Approval to which Riversdale or any subsidiary of Riversdale is a party;
- (v) the occurrence of the outbreak of war (including civil war), outbreak of hostilities (whether war is declared or not) or terrorism, mobilization of armed forces, insurrection, general civil unrest, or similar event in the Republic of Mozambique, or major civil unrest

in the Tete province of Mozambique or within 200 kilometers of any of the Projects;

- (vi) the occurrence of the nationalization or expropriation by a Mozambique Governmental Authority of privately owned or held natural resource exploration or mining rights or other property or rights required for the use or enjoyment of those natural resource exploration or mining rights;
- (vii) the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of a Mining Interest to any person other than the holder(s) of that Mining Interest (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Mining Interest;
- (viii) without limiting the generality of the foregoing, any event, action, proceeding, circumstance or change in circumstance that (individually or with others) has or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability, future production or prospects of Riversdale and its subsidiaries taken as a whole or any Project, including but not limited to any one or more of the following effects:
 - (A) when considered together with any related events, occurrences or matters, but disregarding the effects of any unrelated events, occurrences or matters, a diminution in the net assets of the consolidated Riversdale Group by \$200 million or more; or
 - (B) a material restraint on or hindrance to the development, timely completion, feasibility, operation, profitability or marketability of a Project; or
 - (C) the incurring of any obligations, liabilities, costs or expenses (contingent or otherwise), other than capital expenditure, where the quantum (whether individually or when aggregated with all such other events) exceeds \$100 million.

(c) No material acquisitions, disposals, commitments, etc

Between the Announcement Date and the end of the Offer Period, neither Riversdale nor any of its subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into;
- (ii) discloses the existence of; or
- (iii) incurs, becomes subject to, or brings forward the time for performance of (or is reasonably likely to incur, become subject to or bring forward the time for performance of),

an obligation or arrangement (other than pursuant to and in the proper discharge of a legally binding obligation entered into and fully disclosed in writing to Riversdale or fully disclosed to the ASX prior to the Announcement Date) or a decision by it, whether conditional or otherwise:

- (iv) to acquire an interest in property or other assets for an amount or having a market value in aggregate greater than \$10 million, other

than in relation to the Benga Project to the extent disclosed in writing to Rio Tinto before the Announcement Date;

- (v) (without limitation to paragraph (e) below) to Dispose of an interest in any property or other assets (including, without limitation, Minerals) for an amount, or in respect of which the book value (as recorded in Riversdale's balance sheet as at 30 June 2010) is, in aggregate, greater than \$10 million;
- (vi) to perform or acquire the benefit of any services or supplies of goods or services in relation to any asset, Project or business or interest therein where the aggregate financial liability of the Riversdale Group in respect of those services exceeds or may exceed \$5 million or the term of the arrangement exceeds and cannot be terminated within 12 months, other than in relation to the Benga Project to the extent disclosed in writing to Rio Tinto before the Announcement Date;
- (vii) to enter into or terminate, or, in any material respect, amend or waive, any of the terms applicable to, or rights (including any rights of pre-emption or first or last refusal) under, a shareholders agreement, joint-venture, asset or profit sharing agreement, partnership or joint-selling agreement, merger of business or of corporate entities, or dual listed company structure; or
- (viii) to make or incur:
 - (A) capital expenditure in relation to the Benga Project of an amount that is 10% or more in excess of the planned capital expenditure disclosed to Rio Tinto prior to the Announcement Date (and whether for an individual item or on an aggregated basis); or
 - (B) capital expenditure that is not in relation to the Benga Project and that exceeds the planned capital expenditure disclosed to Rio Tinto prior to the Announcement Date by \$1 million or more (and whether for an individual item or on an aggregated basis),

without Rio Tinto's prior written consent.

(d) No direct or indirect Disposal of or encumbrance over Mining Interests

Between that day that is one month before the Announcement Date and the end of the Offer Period, neither Riversdale nor any of its subsidiaries:

- (i) enters into or announces an intention or proposal to enter into or offers to enter into; or
- (ii) discloses the existence of; or
- (iii) becomes subject to,

an obligation or arrangement, whether conditional or otherwise and irrespective of the consideration or value:

- (iv) to Dispose of all or any of, or any interest in, a Mining Interest; or
- (v) to Dispose or issue, or grant an option or other rights over or in respect of, all or any of the shares or other voting or economic interests in any member of the Riversdale Group; or

- (vi) to grant, permit, suffer to subsist or enter into any encumbrance or other security interest over all or any part of, or any interest in, a Mining Interest,

without Rio Tinto's prior written consent.

(e) New Mining Contract and Mining Interest Renewals

- (i) If before the end of the Offer Period:
 - (A) a mining contract ('Contracto Mineiro') has been entered into with the Government of the Republic of Mozambique in relation to Exploration Licence LPP946L; or
 - (B) any Mining Interest in relation to which a renewal application:
 - (aa) has been made before and is outstanding on the Announcement Date; or
 - (bb) is made on or after the Announcement Date,
 is renewed,

that mining contract is entered into or (as the case may be) that renewal is granted in favour of, and solely for the benefit of, a wholly owned subsidiary of Riversdale and on terms and conditions that are substantially the same as, or more favourable to Riversdale than, the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms or otherwise disclosed by Riversdale to Rio Tinto before the Announcement Date.
- (ii) If before the end of the Offer Period, such a mining contract has not been entered into or such a renewal has not been granted:
 - (A) the applicable Mozambique Governmental Authority has not before the end of Offer Period notified or otherwise made known an intention to refuse to enter into the mining contract or grant the renewal; and
 - (B) neither the applicable Mozambique Governmental Authority nor any member of the Riversdale Group has before the end of Offer Period notified or otherwise proposed or made known an intention to seek a material change to the terms and conditions of that mining contract or renewal relative to the final draft of that mining contract or (as applicable) the terms and conditions of renewal set out in the renewal application forms or otherwise disclosed by Riversdale to Rio Tinto before the Announcement Date.

(f) No Prescribed Occurrences

Between the period beginning on the date Rio Tinto gives its bidder's statement to Riversdale and ending at the end of the Offer Period, none of the following events (each a Prescribed Occurrence) occurs in relation to Riversdale or any of its subsidiaries:

- (i) Riversdale converts all or any of the Riversdale Shares into a larger or smaller number of shares;
- (ii) Riversdale or a subsidiary of Riversdale resolves to reduce its share capital in any way;

- (iii) Riversdale or a subsidiary of Riversdale:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Riversdale or a subsidiary of Riversdale issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the issue of shares to satisfy the exercise of any options that are on issue as at the Announcement Date;
- (v) Riversdale or a subsidiary of Riversdale issues, or agrees to issue, convertible notes;
- (vi) (without limitation to paragraph (d) or (e) above) Riversdale or a subsidiary of Riversdale disposes or agrees to dispose of the whole, or a substantial part, of its business or property;
- (vii) Riversdale or a subsidiary of Riversdale charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Riversdale or a subsidiary of Riversdale resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Riversdale or of a subsidiary of Riversdale is appointed;
- (x) a court makes an order for the winding up of Riversdale or of a subsidiary of Riversdale;
- (xi) an administrator of Riversdale, or of a subsidiary of Riversdale, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Riversdale or a subsidiary of Riversdale executes a deed of company arrangement; or
- (xiii) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Riversdale or of a subsidiary of Riversdale.

(g) No Prescribed Occurrences between Announcement Date and service of bidder's statement

Between the period beginning on the Announcement Date up to the date Rio Tinto gives its bidder's statement to Riversdale, none of the events listed in sub-paragraphs (f)(i) to (f)(xiii) occurs.

(h) Conduct of Riversdale's business

Between the Announcement Date and the end of the Offer Period, none of the following events occurs:

- (i) except as required by law, Riversdale or a subsidiary of Riversdale:
 - (A) increases the remuneration of or pays any bonus or issues any securities or options to, or otherwise varies the employment agreements with, any of its directors or employees except:

- (I) as expressly required under the terms of any employment agreement existing as at the Announcement Date; or
 - (II) that the remuneration of employees may be increased provided that:
 - (aa) the remuneration of any one employee is not increased by more than 20% of the remuneration payable to that employee as at the Announcement Date; and
 - (ab) the aggregate of all the increases in remuneration do not exceed 5% of the total remuneration payable by Riversdale to all its employees (including the employees of Riversdale's Related Entities) as at the Announcement Date; or
 - (B) accelerates the rights of any of its directors or employees to benefits of any kind; or
 - (C) pays a director, executive or employee a termination payment, other than as provided for in an existing employment contract;
 - (ii) Riversdale or a subsidiary of Riversdale gives or agrees to give a financial benefit to a related party of Riversdale within the meaning of Chapter 2E of the Corporations Act;
 - (iii) Riversdale or a subsidiary of Riversdale enters into any arrangement for the borrowing of an amount in excess of \$20 million except as a consequence of the renegotiation of its banking facilities that exist as at the Announcement Date, but without increasing the amount available under those facilities;
 - (iv) Riversdale or a subsidiary of Riversdale enters into any arrangement under which Riversdale or a subsidiary of Riversdale may be required to advance or provide financial accommodation to another party, other than in the ordinary course of business;
 - (v) Riversdale or any of its subsidiaries exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any shares, assets or property held by another person prior to the final date on which those rights may be exercised;
 - (vi) Riversdale declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise; or
 - (vii) Riversdale or a subsidiary of Riversdale amends its constitution, without Rio Tinto's prior written consent, unless already specifically disclosed in writing to the ASX or Rio Tinto prior to the Announcement Date.
- (i) No regulatory action**
- As at the date on which the bidder gives notice under section 630(3) of the Corporations Act there is not in effect a final or interim decision, order or decree issued by a Regulatory Authority in consequence of or otherwise relating to the Offer (other than an application or determination by ASIC or the Takeovers Panel in exercise of the powers and discretions

conferred by the Corporations Act or if the regulatory action results from action or inaction of Rio Tinto or its associates) which restrains, prohibits, impedes or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including the acquisition of Riversdale Shares) or requires the divestiture of any assets of the Riversdale Group or the Rio Tinto Group.

(j) Non-existence or exercise of certain rights

Between the Announcement Date and the end of the Offer Period, there is no person (other than a member of the Rio Tinto Group) having any rights, being entitled to or exercising any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) and in all cases whether subject to conditions or not, as a result of any change of control event in respect of Riversdale (including Rio Tinto acquiring shares in Riversdale) or any of its subsidiaries or assets, to:

- (i) terminate or alter any Mining Interest or any material contract or material Project Approval to which Riversdale or any of its subsidiaries is a party (for this purpose an alteration includes, without limitation, an alteration of the operations of a Mining Interest, material contract or material Project Approval, whether or not that altered operation is provided for under the existing terms of or applicable to the Mining Interest, contract or Project Approval);
- (ii) require the termination, modification or disposal or offer to dispose of any material interest or asset, corporate body, other entity, partnership or joint venture (incorporated or unincorporated); or
- (iii) accelerate or adversely modify the nature or performance of any material obligations of Riversdale or any of its subsidiaries under any Mining Interest or other material contract or material Project Approval.

(k) Equal access to information

At all times between the Announcement Date and the end of the Offer Period, Riversdale promptly (and in any event within two Business Days) provides to Rio Tinto a copy of all material information concerning the Riversdale Group's business and operations that is not generally available (within the meaning of the Corporations Act) and that has not already been provided to Rio Tinto relating to Riversdale or any subsidiary of Riversdale or any of their respective businesses or operations that is provided by Riversdale or any of its Related Entities to any person (other than Rio Tinto or a Regulatory Authority) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a Competing Proposal.

(l) Index decline

Between the Announcement Date and the earlier of the end of the Offer Period and 30 April 2011, it is not the case that:

- (i) the S&P/ASX 200 Index falls to 3,900 or less; and
- (ii) the S&P/ASX 200 Index remains at or below that level (at the close of trade) for at least 5 consecutive Business Days or until the Business Day immediately prior to the earlier of the end of the Offer Period and 30 April 2011.

2. Definitions for conditions

Announcement Date means the date on which Rio Tinto announces the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Benga Project means Riversdale's exploration, development and mining project within Mozambique Mining Concession 3365C and all associated infrastructure.

Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

Competing Proposal has the same meaning as in the bid implementation agreement between Rio Tinto and Riversdale.

Control has the meaning given under section 50AA of the Corporations Act.
Controlled has the same meaning.

Dispose means, in relation to a Mining Interest or an interest in any property or other asset, a sale, transfer, assignment, novation, disposal, waiver, relinquishment or other dealing or action of any kind by means of which a legal, beneficial, voting or economic interest of any kind in that Mining Interest, property or other asset, whether absolute or by way of security and whether proprietary in nature or merely contractual, is, will or may be conferred on or transferred to another person or waived, relinquished or forfeited by a member of the Riversdale Group, and includes the grant of an option or of a royalty interest, net profit interest or other economic interest in or in relation to a Mining Interest or activities conducted under the authority of any Mining Interest. **Disposal** has a corresponding meaning.

Minerals means minerals or hydrocarbons of any kind or composition, including but not limited to coal and coal bed methane.

Mining Interest means any agreement, instrument, lease, tenement, licence, permit, approval, consent, concession, grant, permission, authorisation, renewal or right of any kind and however described issued, granted or entered into by any Mozambique Governmental Authority, which:

- (a) confers or is expressed or intended to confer a right to explore for, appraise, test, extract, produce, mine, remove, sell, own, export, deal with or otherwise exploit in any way Minerals of any kind and/or to conduct related activities and/or to construct, install or develop and/or operate plant, equipment or facilities of any kind in relation to any such activity; and/or
- (b) confers or is expressed or intended to confer rights to or in respect of any such agreement, instrument, lease, tenement, licence, permit, approval, consent, concession, grant, permission, authorisation or right which falls within paragraph (a) above or imposes obligations (including without limitation rights in relation to fiscal, environmental or health and safety matters) in respect of any activity referred to in paragraph (a) above,

and either:

- (c) is held (or, according to materials disclosed on the ASX as of the Announcement Date or disclosed by Riversdale to Rio Tinto before the Announcement Date, is claimed to be held) by or for the benefit of any

member of the Riversdale Group (whether alone or together with any other person or persons); or

- (d) is issued or granted or entered into by virtue of or in substitution for or which overlaps in whole or part with any such agreement, instrument, lease, tenement, licence, permit, approval, consent, concession or other grant or authorisation falling within paragraph (c) above; or
- (e) is granted pursuant to a Mining Interest Application.

Mining Interest Applications means the applications for Mining Interests submitted by Riversdale or a subsidiary of Riversdale to a Mozambique Governmental Authority prior to the Announcement Date each in a form fully disclosed by Riversdale to Rio Tinto prior to the Announcement Date.

Mining Project means the mining projects of Riversdale or its subsidiaries known as the:

- (a) Benga Project;
- (b) Zambeze Project,

(each being a separate **Mining Project**), involving the commercialisation of Mineral reserves in relation to the Mining Interests held or proposed to be held in relation to the relevant project, including but not limited to the continued exploration for and evaluation and mining of Mineral reserves from or by virtue of such Mining Interests, and the ownership, occupation, construction, testing, repair, operation, maintenance, use and financing of the relevant project, and the processing, treatment, handling, delivery and export of Minerals from such Mining Interests.

Mozambique Governmental Authority means the Government of Mozambique, governmental or any semi-governmental, administrative, fiscal or judicial entity or authority, minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of the Government of Mozambique or any of its political sub-divisions.

Power Project means the thermal coal fired power station proposed to be constructed on or in the vicinity of Mozambique Mining Concession 3365C and all associated infrastructure.

Project means each Mining Project and the Power Project.

Project Approval means any a licence, permit, approval, consent, derogation, exemption, concession or other grant or authorisation of any kind required from any Mozambique Governmental Authority in relation to a Mining Interest or a Project, other than a Mining Interest.

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under a statute;
- (d) in particular, ASX, ASIC and the Foreign Investment Review Board.

Related Entity means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic

entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Rio Tinto means that member of the Rio Tinto group that makes the Offers.

Riversdale Group means Riversdale and its Related Entities.

Zambeze Project means Riversdale's exploration project within Mozambique Exploration Licence 946L, any mining project that is developed out of or in connection with Exploration Licence 946L and any infrastructure associated with the foregoing.