

Media Release

13 March 2019

OFFER TO ACQUIRE SHARES IN RIVERSDALE RESOURCES LIMITED NOW OPEN FOR ACCEPTANCES

Hancock Corporation Pty Ltd (**Hancock**), a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**Hancock Prospecting**), is pleased to announce that it has completed the dispatch of its Bidder's Statement in relation to its offer to acquire all of the ordinary shares in Riversdale Resources Limited (**Riversdale**) in which Hancock does not already have a relevant interest (**Offer**). As a result, **the Offer is now open to shareholders for acceptance**.

As detailed in Hancock's previous announcement of 27 February and in the Bidder's Statement, Hancock's all-cash offer is at a price of **\$2.20** per share, which price will **increase to \$2.50** per share if Hancock's shareholding in Riversdale reaches **more than 50%** on a diluted basis¹ before the close of the Offer.

Hancock's current shareholding in Riversdale, at the time of this media release, is **19.8%** of issued shares.

Given Riversdale is unlisted, the Offer provides all Riversdale shareholders with a rare opportunity to sell their shares and at a cash price which is considered by Hancock to represent a compelling premium to the company's recent share placements to Hancock as well as recent share issues in respect of convertible notes and options.

If Hancock's shareholding in Riversdale reaches more than 50% on a diluted basis then the **\$2.50 per share** Offer price represents a:

- **47% premium** to the weighted average subscription price of \$1.70 under which Hancock acquired its current shareholdings in August and September 2018; and
- **43% premium** to the \$1.75 maximum subscription price for any new share issued by Riversdale during the last 12 months.

If Hancock achieves a shareholding of not more than 50% on a diluted basis, then the **\$2.20 per share Offer** price paid **for Hancock to increase its minority shareholding position** will represent a:

- **29% premium** to Hancock's average previous subscription price; and
- **26% premium** to the maximum new issuance price during the last 12 months.

The Offer is all cash and is subject only to a no "prescribed occurrences" condition, as detailed in the Bidder's Statement dispatched to shareholders today. This means that the Offer is not subject to any minimum acceptance or due diligence conditions.

As also fully detailed in the Bidder's Statement, the **founding shareholders** of Riversdale, Mr **Steve Mallyon** (former Riversdale Managing Director), Mr **Michael O'Keeffe** (former Riversdale Chairman) and Mr **Anthony Martin** (Riversdale Chief Financial Officer) have each provided Hancock with **statements of intent to accept the Offer**, subject to not receiving a superior offer. Each of the founding shareholders has also reserved the right to alter that intention. Collectively, the founding shareholders currently hold **16.6%** of Riversdale's issued shares.

Mr Jay Newby, Executive Director of Hancock Prospecting, encouraged Riversdale shareholders to accept the Offer at their earliest opportunity:

"On behalf of Hancock Prospecting and Hancock Corporation, we are delighted to announce that our Bidder's Statement has now been dispatched and therefore, that the Offer is open for acceptance by shareholders. The directors of Hancock consider that its premium pricing and low conditionality make it a compelling opportunity for Riversdale shareholders. We again encourage all shareholders to accept the Offer at their early opportunity".

A copy of the Bidder's Statement dispatched to shareholders containing the Offer is available on Hancock Prospecting's website. The Offer is open for acceptance by Riversdale shareholders for one month, until 7.00pm (Sydney time) on 14 April 2019, unless it is extended or withdrawn by Hancock in accordance with the Corporations Act.

¹ On a diluted basis means that new shares which could be issued as a result of the exercise of options and any other convertible securities are taken into account when determining the percentage of ownership.

Hancock Prospecting

Hancock Prospecting is a privately held Australian company that has a long and important association with the mining industry, primarily through its involvement in the Pilbara region of West Australia and with the iron ore sector.

Hancock Prospecting holds a 50% interest in the 46mtpa Hope Downs Project (in a joint venture with Rio Tinto) and a 70% interest in the Roy Hill Project, a substantial integrated iron ore mine, railway and port project. Roy Hill recently ramped up its production and shipments of iron ore to a rate of 55 million tonnes per annum and has obtained approvals to increase production further to 60 million tonnes per annum. During 2018 Hancock completed the acquisition of Atlas Iron Limited, and also has various iron ore exploration projects in the Pilbara, including its Mulga Downs project.

In 2018, Hancock Prospecting entered the register of Riversdale, through a placement for 19.99% of the company at a weighted average subscription price of \$1.70 per share.

Hancock Prospecting also holds various other mining interests and tenements in Australia and recently abroad.

The Bidder's Statement, and more detail on the company, is available on the company's website: <https://www.hancockprospecting.com.au/>

Hancock Corporation

Hancock Corporation is an Australian proprietary company limited by shares and is a wholly owned subsidiary of Hancock Prospecting.

Riversdale Resources Limited

Riversdale Resources Limited (Riversdale) ABN 63 152 669 291 is an Australian incorporated hard coking coal development company which is focused on the permitting and development of the Grassy Mountain project and surrounding exploration tenements in the Crowsnest Pass region of Alberta, Canada.

More detail on the company is available on the company's website: <http://www.rivresources.com>

Contact

Riversdale shareholders are encouraged to phone the following information line if they have any questions on the Offer during the hours of 12.00pm and 8.00pm (Sydney time), Monday to Friday on:

For Australian callers: 08 9429 8222

For international callers: +61 8 9429 8222

Ends.