Riversdale Mining Limited (ABN 53 006 031 161)

Supplementary Target's Statement

This Supplementary Target's Statement has been issued in respect of the off-market takeover bid made by Rio Tinto Jersey Holdings 2010 Limited (ARBN 148 135 844) for all the ordinary shares in Riversdale Mining Limited.

This is an important document and requires your immediate attention. If you are in any doubt about what to do, you should contact your broker or your legal, financial or other professional advisor as soon as possible.

If you have recently sold all of your Riversdale Shares, please disregard this document.

Supplementary Target's Statement

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the first supplementary target's statement (**Supplementary Target's Statement**) to the target's statement of Riversdale Mining Limited (ABN 53 006 031 161) (**Riversdale**) dated 24 January 2011 (**Original Target's Statement**) in relation to the off-market takeover bid of Rio Tinto Jersey Holdings 2010 Limited (ARBN 148 135 844) (**Rio Tinto**) for all of the ordinary shares in Riversdale (**Offer**).

This Supplementary Target's Statement supplements, and should be read together with, the Original Target's Statement. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Original Target's Statement. Unless the context requires otherwise, capitalised terms defined in the Original Target's Statement have the same meaning where used in this Supplementary Target's Statement.

This Supplementary Target's Statement is dated, and was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 7 April 2011. Neither ASIC or ASX, nor any of their respective officers, takes any responsibility for the contents of this Supplementary Target's Statement.

This Supplementary Target's Statement has been approved by a resolution passed by the directors of Riversdale Mining Limited.

Signed for and on behalf of Riversdale Mining Limited.

W. M. O'Keeffe
Executive Chairman

7 April 2011

1 Update Rio Tinto's Offer

- The Offer is unconditional.
- The Offer Price is now $16.50 for each Riversdale Share.
- The Offer remains open for acceptance until 7.00pm (Sydney, Australia time) on 20 April 2011.
- Payment for acceptances of the Offer will be made within 5 Business Days of acceptances being received.
- Rio Tinto has disclosed that it has a relevant interest in 49.53% of Riversdale Shares.

The Riversdale Board[1] unanimously recommends Riversdale shareholders to accept the Rio Tinto Offer in the absence of a superior proposal.

2 Vesting of Riversdale Convertible Securities

2.1 Riversdale Convertible Securities on issue

Immediately prior to the date of this Supplementary Target's Statement, Riversdale had on issue the following Riversdale Convertible Securities:

(a) 6,398,333 Riversdale Options;

(b) 1,125,000 Riversdale Share Appreciation Rights (equity settled);

(c) 600,000 Riversdale Share Appreciation Rights (cash settled);

(d) 555,000 Riversdale Share Rights (equity settled); and

(e) 250,000 Riversdale Share Rights (cash settled).

Of these, 1,085,833 Riversdale Options were fully vested and no Riversdale Share Appreciation Rights or Riversdale Share Rights were fully vested.

In addition immediately prior to the date of this Supplementary Target's Statement, Riversdale had on issue 4,824 deferred shares, being a right to be issued Riversdale Shares in the future (**Riversdale Deferred Shares**), of which none was vested.

2.2 Waiver of vesting conditions

Under the terms of issue of each of the Riversdale Convertible Securities the Riversdale Board has a discretion to waive any outstanding vesting conditions, inter alia, in the context of a recommended takeover bid being made for Riversdale. The terms of issue of the Riversdale Deferred Shares contains an equivalent discretion.

Riversdale agreed in the Bid Implementation Agreement not to waive outstanding vesting conditions or hurdles attached to the Riversdale Convertible Securities unless either Rio Tinto requested it do so or

1 Mr NK Misra is one of the Directors and he is also the Vice President and Group Head of Mergers and Acquisitions at Tata Steel Limited (**TSL**). While Mr NK Misra recommends the Offer, in the absence of a superior proposal, his recommendation is given in his capacity as a director of Riversdale and does not reflect TSL's position which, through its wholly owned subsidiary TS Global Minerals Holdings Pte Ltd (**TSGMH**), is the second largest shareholder of Riversdale (holding 27.1359% of Riversdale Shares as disclosed in TSGMH's notice of substantial shareholding dated 1 March 2011). TSL and TSGMH reserve all their rights in relation to TSGMH's Riversdale shareholding and any response to the Offer.

the prerequisites for Rio Tinto to compulsorily acquire Riversdale Shares are met (in which case Riversdale will waive all unsatisfied conditions and hurdles attached to the Riversdale Convertible Securities).

On 6 April 2011, Rio Tinto delivered to Riversdale a request under clause 3.6(b) of the Bid Implementation Agreement that Riversdale waive all unsatisfied conditions and hurdles attached to all of the Riversdale Convertible Securities such that those securities become vested as soon as reasonably practicable after receipt of that letter.

In consequence of Rio Tinto's request referred to above, the Riversdale Board resolved to waive all unsatisfied conditions and hurdles attached to all of the Riversdale Convertible Securities and to allow those Riversdale Convertible Securities which are convertible into Riversdale Shares to be immediately exercisable.

The Riversdale Board also determined to waive all unsatisfied conditions and hurdles attached to all of the Riversdale Deferred Shares.

Neither Mr O'Keeffe nor Mr Mallyon, being directors of Riversdale who hold Riversdale Convertible Securities, participated in these decisions of the Riversdale Board.

The consequence of outstanding conditions and hurdles being waived is that the holders of Riversdale Convertible Securities and Riversdale Deferred Shares are now entitled to convert those securities into Riversdale Shares (if equity settled) or to receive cash consideration (if cash settled) in the manner provided for by their terms of issue.

If Riversdale Convertible Securities or Riversdale Deferred Shares are converted into Riversdale Shares in accordance with their terms of issue during the Offer Period, they will be available to participate in the Offer together with all other Riversdale Shares.

Riversdale Convertible Securities that are cash settled will not participate in the Offer.

The vesting of the Riversdale Convertible Securities and Riversdale Deferred Shares will mean that Riversdale will be entitled to receive a total of $63.6million in cash on exercise of the Riversdale Options and will pay to holders of cash settled Riversdale Convertible Securities a total of $10.6 million on the settlement of those securities.

2.3 Intention to accept Offer

Each Director who holds Riversdale Convertible Securities intends to accept the Offer in relation to all Riversdale Shares issued to them pursuant to those securities, in the absence of a superior proposal.

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3. Reconstitution of the Riversdale Board

The following nominees of Rio Tinto (**New Directors**) have been appointed as additions to the Riversdale Board bringing to nine the number of directors on the Riversdale Board: Douglas Ritchie, David Peever and Matthew Coulter:

- Mr Ritchie is the Chief Executive of Rio Tinto's Energy business, which incorporates coal and uranium. He has been with Rio Tinto since 1986 and has held various legal, commercial, business analysis, strategy, operational and project evaluation and development roles, including in the Aluminium, Energy and Diamonds & Minerals product groups, and within corporate functions. Mr Richie's previous roles have included managing director of Dampier Salt, Rio Tinto Coal Australia and Rio Tinto Diamonds. Prior to his current role, he was managing director, Strategy of Rio Tinto.

- Mr Peever is the managing director of Rio Tinto Australia with responsibility for directing the corporate interests of Rio Tinto in Australia. In this role he provides strategic leadership for Rio Tinto's business in Australia, working closely with governments, regulators, shareholders and other important stakeholders. Mr Peever also holds the position of managing director of Rio Tinto Marine, Rio Tinto's stand-alone marine transportation business unit, which delivers a broad-ranging capability in all aspects of marine transportation for Rio Tinto's Australian and international operations. He is based in Rio Tinto's Australian headquarters in Melbourne,

- Mr Coulter is Rio Tinto's Chief Development Officer – Coal. He is accountable to Rio Tinto's Chief Executive Energy for mergers, acquisitions and divestments in the global coal sector. Mr Coulter has extensive experience in mergers, acquisitions, divestments, developments of new projects, securing port and rail capacity, property development and industry and competitor analysis in the coal sector. He is based in Rio Tinto's Brisbane offices,

Rio Tinto has agreed to procure that the New Directors do not participate in decisions of Riversdale in relation to the Offer until after the end of the Offer Period.

Further, Mr Michael O'Keeffe (Executive Chairman) and Mr Andrew Love (Non Executive Director) have advised the Riversdale Board of their intention to resign from the Riversdale Board as soon as practicable following the earlier to occur of Rio Tinto acquiring a relevant interest in more than 50% of Riversdale Shares and the end of the Offer Period under the Rio Tinto Offer.

4 How to accept

To accept the Offer Riverdale Shareholders should carefully follow the instructions in the Bidder's Statement and complete the Acceptance Form enclosed with the Bidder's Statement. If you need another Acceptance Form or if you have any questions in relation to your position as a Riversdale Shareholder, you are encouraged to seek financial and legal advice without delay or contact the Riversdale Shareholder Information Line on 1300 038 427 (within Australia) or +61 3 9415 4198 (outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday.