



15 December 2017

Dear Optionholder

RIVA RESOURCES LIMITED – LETTER TO OPTIONHOLDERS

On 6 December 2017, Riva Resources Limited (ACN 119 992 175) (**Company**) announced that it had executed a binding terms sheet (**Acquisition Agreement**) pursuant to which the Company has agreed to acquire 100% of the issued share capital of Providence Metals Pty Ltd (ACN 612 933 981) (**Providence**) free from encumbrances, from the shareholders of Providence (**Providence Shareholders**) (**Acquisition**).

Providence is a proprietary exploration company and is the legal and beneficial owner of the Hylea Project, a cobalt, nickel, platinum and scandium project located in central NSW (**Hylea Project**).

Pursuant to the terms of the Acquisition Agreement, the Company intend to raise \$4,013,783 via:

- a) a placement of 450,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.004 per Share to raise \$1.8 million (**Placement**); and
- b) a three (3) for four (4) pro rata non-renounceable entitlement offer of approximately 553,445,811 Shares at an offer price of \$0.004 per Share to raise approximately \$2,213,783 (**Entitlement Offer**),

(together the **Capital Raising**).

The Capital Raising is fully underwritten by Neon Capital Ltd (ACN 002 796 974) (**NEN**). Subject to shareholder approval at the general meeting scheduled for 23 January 2018 (**General Meeting**), the Company will issue to NEN (or its nominees) 200,000,000 options to acquire Shares (**Options**) exercisable at \$0.01 expiring on or before the date which is two (2) years from their date of issue (**Underwriter Options**).

The Company lodged an offer document for the Entitlement Offer (**Offer Document**) with ASX on 15 December 2017.

The Company intends to apply the funds raised from the Capital Raising upon completion of the Acquisition towards payment of the cash consideration for the Acquisition, payment of cost associated with the Acquisition and the Capital Raising, expenditure on the Hylea Project, expenditure on the Company's existing projects, corporate administration costs and working capital. If Shareholder approval for the Acquisition is not obtained at the General Meeting, the Company intend to allocate funds raised under the Entitlement Offer to expenditure on the Company's existing projects. This is a statement of the Board's current intentions as at the date of the Offer Document. However, the Board reserves the right to alter the way the funds are applied.

The Entitlement Offer is being made to all shareholders of the Company named on its register of members at 5.00pm (Western Standard Time) on 20 December 2017 (**Record Date**), whose registered address is in Australia, New Zealand or Hong Kong (**Eligible Shareholders**).

Shares issued under the Entitlement Offer will rank equally with all Shares already on issue.

Following completion of the Entitlement Offer (assuming full subscription), the Company will have issued 553,445,811 Shares resulting in total Shares on issue of approximately 1,291,373,559. Subject to shareholder approval at the General Meeting, the Company is also proposing to issue up to a further 450,000,000 Shares under the Placement, 1,000,000,000 Shares in consideration for the Acquisition (**Consideration Shares**), 62,500,000 Shares in consideration for the introduction of the Acquisition (**Introduction Shares**) and the 200,000,000 Underwriter Options. The Company intends to issue the Shares the subject of the Placement, the Consideration Shares, the Introduction Shares and the Underwriter Options at the same time as Shares offered under the Entitlement Offer.

A copy of the Offer Document is available on ASX's and the Company's website. Eligible Shareholders will be mailed an Offer Document together with a personalised Entitlement and Acceptance Form no later than 22 December 2017.

Optionholders

The terms and conditions of the Options you currently hold do not entitle you to participate in the Entitlement Offer unless you exercise your Options in time for Shares to be issued to you and to be entered on the Company's register of members on or before 5.00pm (Western Standard Time) on the Record Date.

To exercise your Options and thereby participate in the Entitlement Offer, you will need to deliver the following to the Company in the manner contemplated by your option terms:

- (i) a notice of exercise of Options; and
- (ii) payment for the exercise price in respect of those Options to be exercised.

To ensure that your new shares are issued prior to the Record Date, the above must be received by the Company **no later than** 18 December 2017. If received after this date, issue of Shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your Options, you should read the Offer Document in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Entitlement Offer, please contact your financial adviser or Company Secretary, Mr Keong Chan on +61 8 9322 6009.

Yours sincerely

TIM KESTELL
NON-EXECUTIVE DIRECTOR
RIVA RESOURCES LIMITED