

Quarterly Activities Report

Period Ending December 31, 2017



Highlights:

- 100% acquisition of a Cobalt – Nickel – Scandium platinum project (“Hylea project”) in the central New South Wales.
- non-renounceable entitlement issue offer to raise A2.2m from qualified existing shareholders and a placement to raise A\$1.80m from Neon Capital Ltd.
- Hylea Project contains drilled Cobalt, Nickel, Platinum and Scandium mineralisation akin to the nearby Sunrise (Clean Teq ASX:CLQ), Flemington (Australian Mines ASX:AUZ), Owendale (Platina Resources ASX:PGM), and Nyngan (Scandium International Mining Corp TSX:SCY) laterite Co-Ni-Sc-Pt Resources.
- The Hylea Project hosts comparable scale intrusive complexes, source geology and grades, with near-term resource potential.
- High grade, near or at surface drilled intersections across approximately 1km x 0.5km at the Tigers Creek Prospect, including:
 - 7m @ 0.32% Co, 0.15g/t Pt & 0.55% Ni, incl. 1m @ 0.64% Co
 - 8m @ 0.27% Co, 0.69g/t Pt & 0.73% Ni, incl. 1m @ 0.85% Co
 - 5m @ 504ppm Sc, within 13m @ 355ppm Sc
 - 4m @ 460ppm Sc, within 17m @ 323ppm Sc
 - 21m @ 1.05g/t Pt, Incl. 4m @ 2.84g/t Pt

Introduction

Riva Resources Limited (“Riva” or “the Company”, ASX: RIR) is an exploration company with a portfolio of cobalt, nickel, platinum, scandium, gold, and base metal assets in New South Wales and Western Australia.

Subsequent to the successful rights issue and the Placement and the completion of the project acquisition in January 2018, the newly added Hylea project in NSW has become a new focus for the Company.

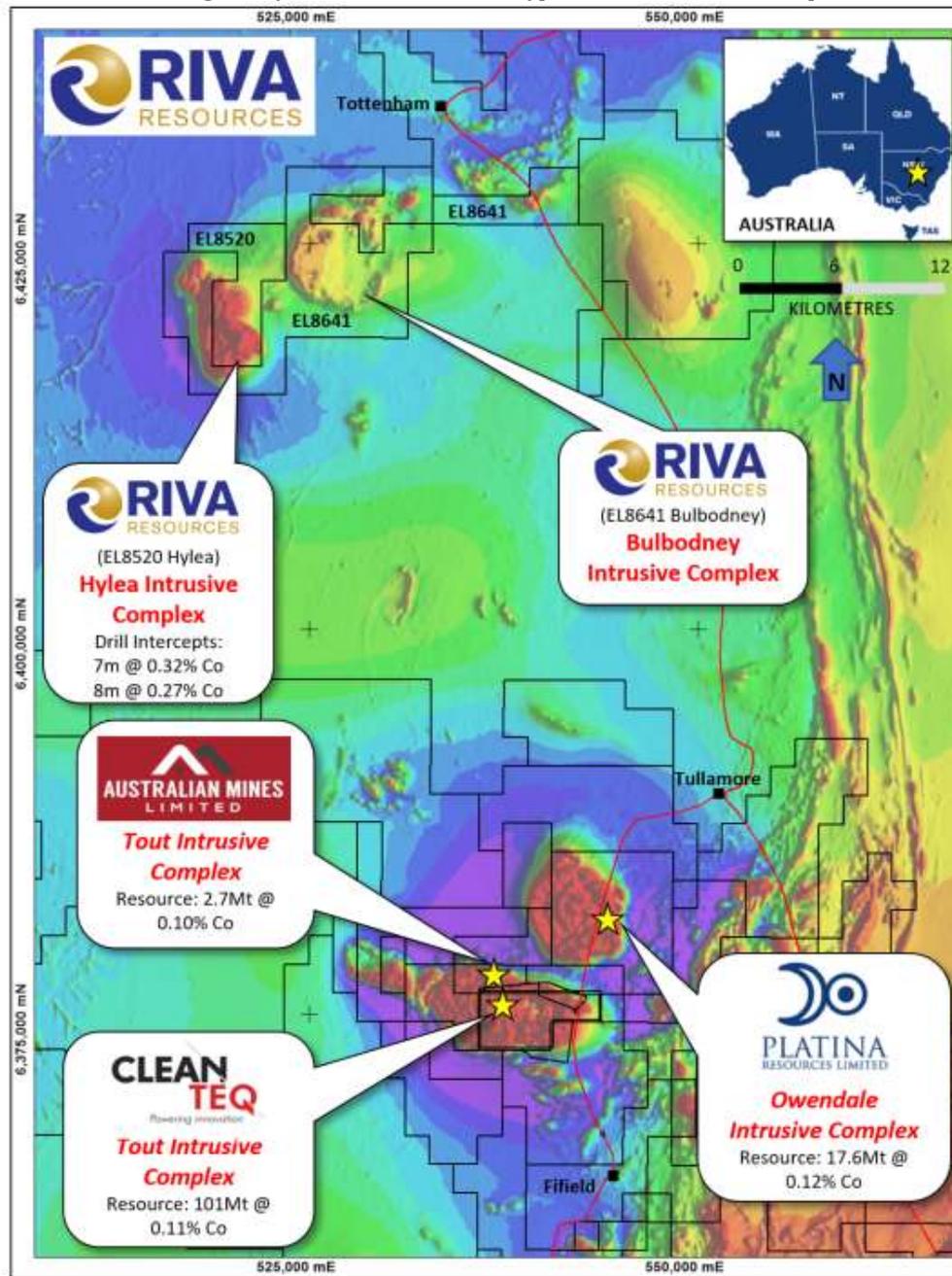
Riva’s acquisition of Hylea project represents a strategic and significant scale 200km² ground holding in this highly competitive, tightly held and rapidly advancing region.

Hylea Project (RIR: 100%)

On 6 December 2017, the Company announced that it has entered into a binding agreement (**Acquisition Agreement**) to acquire 100% of the Hylea Cobalt-Nickel-

Platinum-Scandium Project (**Hylea Project** or the **Project**) , which is currently held by Providence Metals Pty Ltd.

Figure 1: Hylea Project Location, Fifiel District, East Lachlan Fold Belt, NSW, Australia Illustrating Nearby Resources and Alaskan-type Ultramafic Intrusive Complex.



Project Overview

The Hylea Project is located in Australia's premier Cobalt-Scandium-Nickel Province in Central West of NSW, Australia 10km south-west of Tottenham and 140km NW by road from Parkes. The Project area is approximately 200 km² comprising of two granted tenements being the Hylea EL8520 which consists of 12 units and the Bulbodney EL 8641 being 56 units. The Project is located within an established mining district close to road, rail and grid power infrastructure with a highly experience workforce. Key projects and mines in the region include North Parkes, Newcrest's Cadia operations, Evolution Mining's Cowal Gold Mine and the Cobar Mining district. The tenements comprising the

Project are on undulating broad acre pasture paddocks with farm tracks, public gravel roads providing excellent access to the Project.

Key development projects located nearby include:

- **Sunrise** (Syerston) (**Clean Teq** ASX:CLQ) is 45km away and is one of Australia's largest undeveloped Nickel-Cobalt resources¹;
- **Owendale** (**Platina Resources** ASX:PGM) is 43km away and is one of the world's highest grade scandium and cobalt deposits²;
- **Flemington** (**Australian Mines** ASX:AUZ) is 44km away and is a continuation of the Sunrise ore body³; and
- **Nyngan** (**Scandium International Mining Corp**TSX: SCY) is 85km away in a NNW direction.
- **Homeville** (**Collerina Cobalt** ASX: CLL) is 40 km away.



The Hylea Project is located within the world class Lachlan Orogen of NSW, highly regarded as Australia's premier porphyry Copper-Gold mining district and home to Australia's largest Gold mine at Cadia (Newcrest). Gold endowment of the Lachlan Orogen is second only to the Yilgarn Craton in Australia, with the region also host to world class polymetallic mines. The Fifield District of the East Lachlan Fold Belt is known for its Early Silurian to Devonian aged Alaskan-type zoned ultramafic intrusive complexes, source of Australia's only significant Platinum production from alluvial deep Lead mining (~20,000oz Pt mined) from the 1890's. Significant thin and laterally extensive laterite profiles have developed over the ultramafic complexes enriching and hosting high grade Cobalt, Scandium and Nickel, Platinum mineralisation. Recent exploration of neighbouring complexes by Clean Teq, Platina Resources Ltd, Australian Mines Ltd, Collerina Cobalt Ltd and Scandium International Mining Corp has generated significant high grade and bulk tonnage Scandium and Cobalt resources, transforming the district into Australia's premier Cobalt and Scandium Province.

Riva's acquisition represents a strategic and significant scale 200km² ground holding in this highly competitive, tightly held and rapidly advancing region.

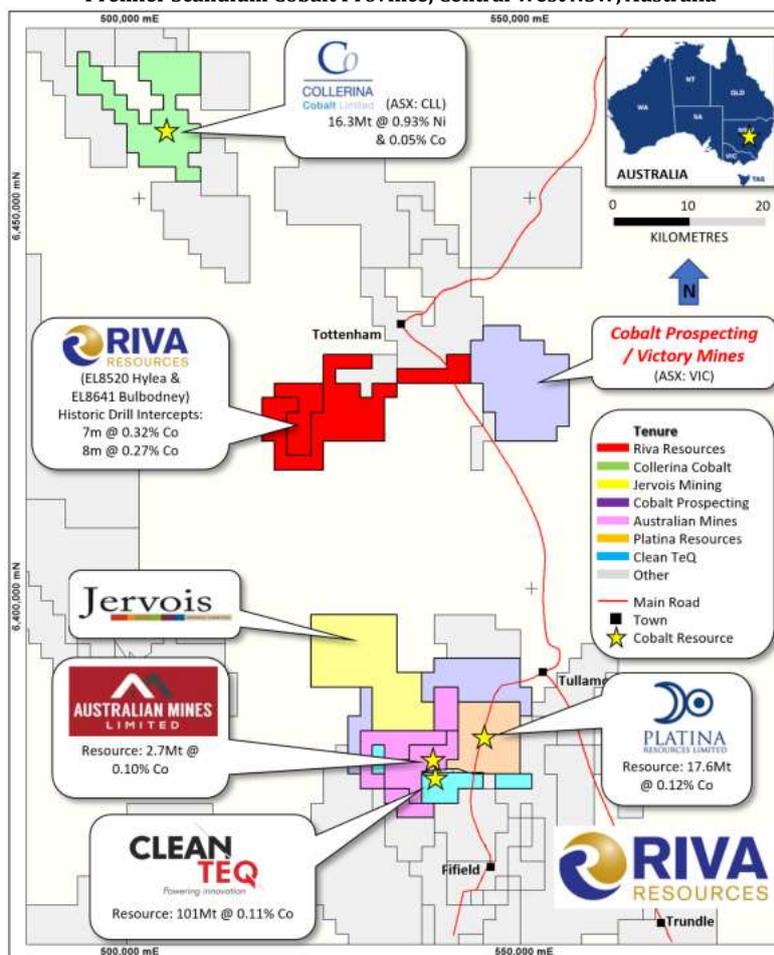
For full project details, please refer to the Company's announcement on 6 December 2017.

¹ Page 14 of Clean Teq ASX presentation dated 1 November 2017

² Page 3 of Platina Resources ASX presentation dated 13 November 2017

³ Page 1 of Australian Mines ASX announcement dated 31 October 2017

Figure 2: Hylea EL8520 and Bulbodney EL8641, Strategic Gold Holding in Australia's Premier Scandium Cobalt Province, Central West NSW, Australia



Project Geology

The Hylea Project encapsulates the Hylea and Bulbodney Early Silurian to Devonian aged Alaskan-type intrusive complexes, of dunite - pyroxenite – hornblendite to gabbro, diorite and monzonite compositions. Hylea and Bulbodney collectively with the Tout (host to the Sunrise and Flemington Co Sc resources), Owendale and multiple other similar intrusions, form the “Fifield Complexes” which extend from north of the town of Condobolin to south of Bourke, NSW. The Fifield Complexes are considered to be derived from a fertile mantle source emplaced as a diapir into wet sediments of the Girilambone Group during a period of regional extension, coeval with “Phase 4” magmatism associated with porphyry Cu-Au mineralisation at the Cadia and North Parkes mines.

High background contents of Nickel, Cobalt, Scandium and Platinum in these basement ultramafic rocks have been enriched to higher grades in the overlying laterite profile due to supergene enrichment processes. The lateritisation process has resulted in a thin laterally extensive zone in-turn covered by lateritic soils and/or shallow alluvial gravels and sands. The geology is considered analogous to the nearby Owendale Complex held by Platina Resources, and the Tout intrusive complex held by CleanTeq Ltd and Australian Mines Limited, which host significant laterite Ni Co Sc and Pt resources.

Key features of the Hylea Project geology are:

- 8km x 3.5km Alaskan-type zoned ultramafic intrusive ‘Fifield’ complex at Hylea (Fig. 3).
- Dunite, pyroxenites, hornblendite, monzonite basement lithologies.

- 10m to 70m thick in situ regolith profile including laterite.
- Laterite host to Co-Ni-Sc-Pt mineralisation consistent with Sunrise (Clean Teq ASX:CLQ) and Owendale (Platina Resources ASX:PGM)
 - Comparable scale intrusive complexes
 - Comparable source geology, and
 - Comparable Co, Ni, Sc, and Pt grades

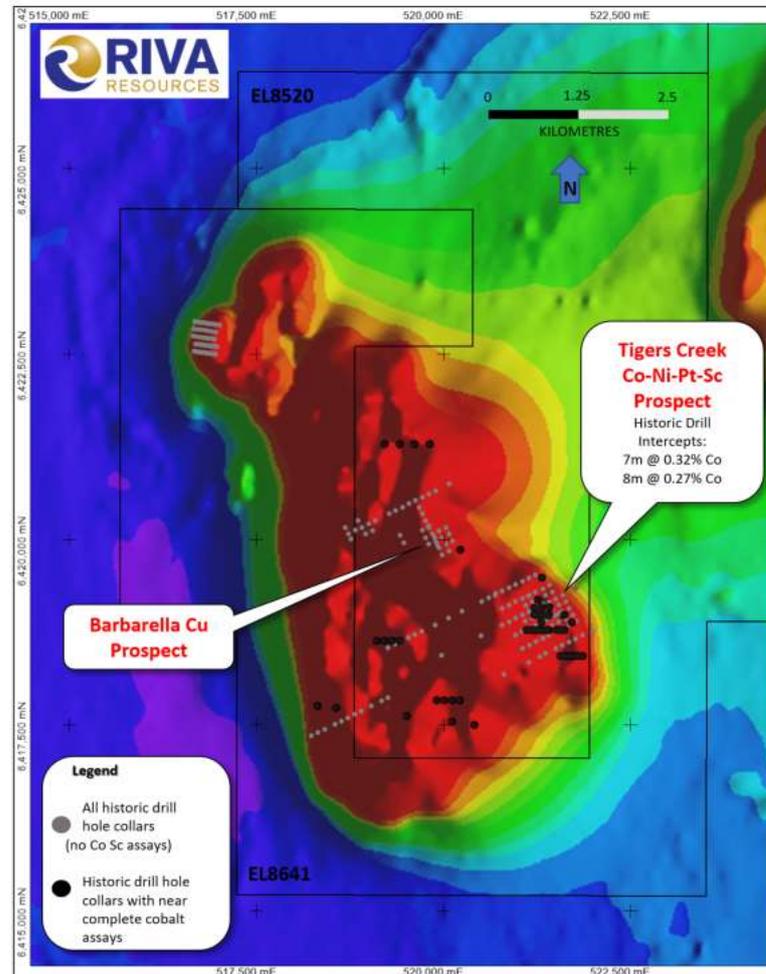


Figure 3: Hylea Alaskan-type Ultramafic Complex with Historic Drill Collars & Location of the Tigers Creek Co-Ni-Pt-Sc Prospect on RTP Aeromagnetic Image.

Providence Metals Pty Ltd has been focused on compiling and interpreting historic data that supports the presence of a laterite hosted Co, Ni, Sc, and Pt system at the Tigers Creek Prospect.

Tabac Project (RIR: 100%)

The Tabac Project is located on the Goldfields Highway 30km west of Wiluna and adjacent to the Paroo Station lead mine.

The two Exploration Licences (E53/1891 and E53/1895) were granted in January and March 2017 respectively.

During the quarter, the Company carried out rehabilitation works for the previous drilling. Given the disappointing drilling results, the Company is currently considering options for this project.

Ashburton Project (RIR: 47.20%)

The Ashburton Project is located in the Ashburton Basin, and is 10 to 40km from rail and other infrastructure associated with the Paraburdoo iron ore operations of Rio Tinto Limited.

Field reconnaissance demonstrated a paucity of outcrop over E08/2211 & E08/2209. These tenements host the greatest thicknesses and areal extent of Cainozoic sediments, which potentially fill palaeochannels presently incised by Turee Creek as it flows south into Ashburton River. The braided drainages of Turee Creek and Seven Mile Creek drain the ranges of the Brockman Iron Formation near Paraburdoo, as such these palaeochannels may host detrital and/or CID mineralisation.

Elevated alluvial gravel beds are evident with the ground surface dominated in parts by iron (hematite) gravels. Small outcrops were rarely observed, the most interesting a foliated, ferruginised sediment and ironstones- possibly shear or gossan in the basement sediment. This outcrop returned up to 51% Fe, 555ppm Zn and 292ppm Ni (2007-2010 sampling) and may be associated with mantle tapping structures, namely the Barings Down Fault which transects E08/2211 (identified by a 2011 regional seismic survey).

Following a heritage survey in 2013 a planned reconnaissance drilling programme on E08/2211 & E47/2417 was delayed awaiting access via Rio Tinto's service road. Further exploration strategies have subsequently been developed to investigate potential base metal and gold targets, greatly enhanced by recent DMP releases of seismic data in 2012 and a regional EM survey over the project area in 2014.

In April 2013 Dragon Energy Ltd (now Riva Resources Limited) entered into a Farm-in/Farm-out Agreement for its Ashburton Project (JV) with Shandong Energy Australia Pty Ltd (Shandong Energy) and Shandong Lunan Geo-Engineering Exploration Institute (Lunan) (JV Partners).

The JV Partners are required to spend \$300,000 on exploration on the Ashburton Project to acquire 30% participating interest in the tenements (Stage One Expenditure) and have the option to acquire an additional 20% participating interest in the JV by spending an additional amount of \$700,000 on exploration on the Ashburton Project (Stage Two Expenditure). The JV Partners have fulfilled the Stage One and Stage Two Expenditure commitments to earn a 50% participating interest in the JV.

Further, the JV Partners have the option to spend an additional \$1,000,000 on exploration on the Ashburton Project to acquire an additional 15% participating interest in the JV (Stage Three Expenditure).

A supplementary agreement was signed with the JV Partners (Supplementary Agreement) on 28 October 2015. Under the Supplementary Agreement:

1. Shandong Energy and Lunan will fund an additional \$187,598 expenditure on the Ashburton Project to earn an additional 2.8% participating interest.
2. Stage Three Expenditure is removed.

At the time of reporting, Shandong Lunan has indicated not to fulfill their share of contribution for \$93,799, the Company will work with all JV parties for a new holding and exploration strategy.

Corporate Activity

On 1 December 2017, the Company and Providence Metals Pty Ltd (**Providence**) entered into the Acquisition Agreement pursuant to which the Company has conditionally agreed to acquire 100% of the issued capital of Providence (**Providence Shares**) from the shareholder of Providence (**Vendor**) including the business and assets of Providence which comprise the Hylea Project (**Acquisition**).

The Acquisition is conditional on, amongst other things, the Company obtaining shareholder approval pursuant to ASX Listing Rule 7.1 and 11.1.2.

In consideration for the Acquisition, the Company has agreed to pay the Vendors \$8 million, comprising:

- a) a \$4 million cash payment (**Cash Payment**);
- b) the issue of 1,000,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) to the Vendor at a deemed notional issue price of \$0.004 (**Consideration Shares**); and
- c) a 1.5% gross sales royalty on Group 1 Minerals (as defined in Schedule 2 of the *Mining Regulation 2016 (NSW)*) (**Group 1 Metals**) that are processed or reprocessed in the future and result in Group 1 Metals production by the Company or any of its related bodies corporate from the tenements comprising the Project (**Royalty**),
(together the **Consideration**).

The Company must raise \$4 million to fund the Cash Payment, which it intends to raise via a fully underwritten capital raising, comprising:

- (a) a placement of 450,000,000 Shares at an issue price of \$0.004 per Shares to raise \$1.8 million (**Placement**); and
- (b) a pro-rata entitlement issue at a ratio of 3 Shares for every 4 Shares held at an issue price of \$0.004 per Share to raise approximately \$2.2 million (**Entitlement Issue**),
(together the **Capital Raising**).

Subject to the terms of the underwriting agreement, the Capital Raising will be fully underwritten by Neon Capital Limited (**NEN**). In consideration, the Company has agreed to grant to NEN 200,000,000 options to acquire Shares (**Underwriting Options**) on completion of the Placement and Entitlement Issue each with an exercise price of \$0.01 expiring on or before the date which is two (2) years from the date of issue.

NEN will ensure that no person will acquire, through participating in sub-underwriting the Capital Raising, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Capital Raising, or from a starting point that is above 20% to a greater percentage on completion of the Capital Raising than was held prior to the Capital Raising.

Subject to settlement of the Acquisition, the Company has agreed to issue 62,500,000 Shares at an issue price of \$0.004 per Share (**Introduction Shares**) to Henconner Pty Ltd (or its nominee), in consideration for the introduction of the Acquisition.

Pursuant to the terms of the Acquisition Agreement, upon settlement of the Acquisition, the Company agrees to appoint a director nominated by the Vendors to the Board of the

Company, subject to receipt of consents to act and any other documentation required to permit such appointment.

On 15 December 2017, the Company opened a fully underwritten non-renounceable entitlement issue offer to raise A\$2.2m from qualified existing shareholders and a placement to raise A\$1.80m from Neon Capital Ltd.

As at the end of the quarter, the Company has a cash balance of \$1.78m.

For further enquiries, please contact:

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Competent Person's Statement

The information in this announcement that relates to Hylea Project is based on information compiled and fairly represented by Mr Gang Xu, who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Riva Resources Limited. Mr Xu has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Xu consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

RIR Tenement Schedule as of 31 January 2018

A	Status	Granted Date	Project	Holdings	Expiry Date
E08/2211-I	GRANTED	28-Jul-11	ASHBURTON	RIVA 47.2%	27-Jul-21
E08/2210-I	GRANTED	02-Mar-12	ASHBURTON	RIVA 47.2%	01-Mar-22
E08/2209-I	GRANTED	02-Mar-12	ASHBURTON	RIVA 47.2%	01-Mar-22
E47/2417-I	GRANTED	02-Dec-11	ASHBURTON	RIVA 47.2%	01-Dec-21
E53/1891	GRANTED	13-Jan-17	TABAC	RIVA 100%	12-Jan-22
E53/1895	GRANTED	01-Mar-17	TABAC	RIVA 100%	28-Feb-22