

RIVERSDALE MINING

31 MARCH 2009

QUARTERLY ACTIVITIES REPORT

KEY QUARTER HIGHLIGHTS

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29 April 2009

Mining Contract Approved

- Riversdale Mining has received approval from the Government of the Republic of Mozambique for the Mining Contract for the Benga Coal Project in Mozambique.
- The terms of the Mining Contract have been agreed by the Council of Ministers of the Government of Mozambique and Riversdale Mining has received a Decree signed by the Prime Minister (Decree # 17/2009).
- The Decree approves the Mining Contract and its terms and conditions and delegates authority to the Minister of Mineral Resources to execute and implement the Mining Contract.
- The approval and execution of the Mining Contract is in conjunction with the issuance by the Government of the Mining Concession.

Benga Mine Development

- Environmental data collection has been completed and the environmental impact study is being translated into Portuguese for submission to the Mozambique Government.
- Discussions are continuing with Government agencies for access to infrastructure to Sena rail line and Beira port.
- The Feasibility Study is now being finalised in the June quarter following the approval of the Mining Contract.

Exploration in Mozambique

- An updated Coal Resource estimate in the Benga tenement supports the development of the Benga Coal Project.
 - The total Coal Resource has increased 90% to 4.0 billion tonnes
 - The Resource comprises 1,034 Mt of Measured and Indicated Resources of which 893 Mt are under 500m depth.

- An initial Coal reserve of 273 Mt has been estimated.
- Coal quality results indicate that Benga coking coals will be of premium hard coking quality.
- Drilling at Benga continues to delineate the resource to facilitate mine planning and development.
- Initial findings in EL 946L are very encouraging, confirming the presence of the same seams encountered in Benga, but over a much larger area.
- Reconnaissance exploration drilling is planned for all tenements during 2009.
- Combined tenement area exceeds 250,000 hectares and positions the Company as one of the largest tenement holders in the Tete - Moatize coal basin.

Zululand Anthracite Colliery (ZAC)

- ROM production for the March quarter was 177,401 tonnes, a decrease of 40,252 tonnes for the same quarter last year.
- Saleable production for the March quarter was 174,084 tonnes. This is a decrease of 14,362 tonnes for the same quarter last year.
- Product sales for the March quarter were 136,974 tonnes, of which export sales contributed 47%.
- The Ngwabe Project is progressing well.
- Market conditions are difficult in South Africa and alternative export markets are being evaluated.

Corporate

- Cash on hand was A\$313.3 million at 31 March 2009.
- Gary Lawler was appointed as a Non-Executive director during the quarter.

EXPLORATION IN MOZAMBIQUE



Coal Resources and Coal Reserves Benga Coal Licence (EL 881L) Mozambique (Riversdale share 65%, Tata Steel 35%)

Subsequent to the end of the March quarter, the Company announced a significant upgrade of Coal Resources in the Benga tenement, which have increased by 90% to 4.0 billion tonnes. Of this amount, 1,033.9 Mt are in the Measured and Indicated Category and 893.4 Mt are at a depth of less than 500m. The Company also announced an initial Coal Reserve of 273.3 Mt of which 181.3 Mt are Proved Coal Reserves and 92.0 Mt are Probable Coal Reserves. The increased Resource and initial Reserve estimates represent a material development for the project and will impact positively on the overall scope of the mine and its potential to develop into a project of global significance.

Coal Resources and Coal Reserves

Coal Resources	Mt	
Measured	314	
Indicated	720	
Inferred	2,990	
Total	4,024	

Coal Reserves	Mt	Ash @ 1% adm
Proved	181.3	39.3
Probable	92.0	42.0
Total	273.3	41.1

Notes

1. Coal Resources and Coal Reserves are current as at 15th April 2009.
2. A minimum coal ply thickness of 0.3m was used to estimate Coal Resources.
3. Coal Resources adjacent to normal faults have been excluded as barren zones as determined from geotechnical advice.
4. The total Inferred Coal Resource of 2,990 Mt includes coal projected 1km beyond the outmost boreholes. This 1km extrapolated zone, which includes 1,170 Mt of coal, is supported by the results from the high resolution airborne geophysics flown over the entire tenement. The results provide added confidence in the geology of EL 881L beyond the boreholes indicating the absence of transgressive igneous intrusives (dykes) and complex features within the tenement boundary.
5. The estimate of Open Cut Coal Reserves was based on mine planning by Minarco MineConsult and reflects current market conditions.

6. The products to be marketed have not been finalised at this stage.
7. The estimates of Coal Resources and Coal Reserves presented in this table have been carried out in accordance with The JORC Code.
8. The Proved and Probable Coal Reserves are estimated to support an initial 5.3 Mtpa ROM production plan.
9. Coal Resources and Coal Reserves have been rounded to appropriate levels of accuracy in accordance with The JORC Code.
10. Coal Resources are inclusive of Coal Reserves i.e. Coal Reserves are not additional to Coal Resources.

The Coal Resources quoted in this announcement are based on the Competent Person Report, Coal Resources, Benga Coal Project as at 15th April 2009, compiled by Mr Tri Yoso, who is a Member of the Australasian Institute of Mining and Metallurgy and the Resource Geologist for Riversdale Mining Limited. Tri Yoso has more than 12 years experience as a coal geologist in the resources industry involving exploration and evaluation assignments at operating coal mines and coal exploration areas in a number of coal basins throughout the world. With this level of experience, he is adequately qualified as a Competent Person as defined in the 2004 edition of the JORC Code. The Coal Resource estimate for the Benga Licence, (881L) Mozambique presented in this report has been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2004) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

The Coal Reserves quoted in this announcement are based on Report No 3517M, Benga Coal Project as at 15th April 2009, compiled under the supervision of Mr. Rob Mackenzie, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Minarco MineConsult. Rob is a mining engineer with extensive experience, working for over 30 years with major mining companies. With this level of experience, he is adequately qualified as a Competent Person as defined in the 2004 edition of the JORC Code. The Coal Reserve estimate for the Benga Licence, (881L) Mozambique presented in this report has been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2004) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

The updated statement provides further support for Riversdale Mining's investment to date and is a clear indication of the future potential of the Benga Coal Project. Exploration work will continue in converting resources into reserves.

Mine Development Drilling in Benga

Mine development infill and geotechnical investigation drilling is underway with 5,900 metres of partially and fully cored drilling completed in the March quarter. In the immediate mining area the drill hole spacing is being closed to 250m to provide more detailed data for mine planning and scheduling. Additional bulk sample coring was completed and analysed in support of marketing initiatives.

A program of large diameter coring was undertaken within the proposed Benga South Pit and North Pit areas for the purposes of obtaining additional washability data for CHPP process design modelling, for Coke Oven and Combustion testing and finalisation of a Feasibility Study. Geotechnical consultants undertook foundation assessments for the planned CHPP, workshop and associated mine surface facilities and key infrastructure, including water management structures, equipment erection areas and ferry terminals on the Zambezi river.

No drilling was undertaken in the Tete licence EL1319L, also held 65% by Riversdale and 35% by Tata Steel.

Exploration of Other Riversdale Licences (100% held by Riversdale)

Muarazi West EL 946L

Riversdale Mining had commenced reconnaissance exploration drilling in Muarazi West EL 946L tenement during the December quarter with promising results. The commencement of core drilling in the March quarter was delayed due to site access problems during the wet season. Drilling completed to 31st March comprised 3,660 metres of open hole and cored drilling to provide coal samples for float-sink and coal quality analysis.

Two drilling companies providing a total of six drilling rigs are currently in EL 946L. Hole depths range up to 500m with hole locations concentrated in the northern and north-eastern portion of the licence. The exploration target area has been initially confined to an outcrop zone of approximately 10km.

A program of 33 cores hole has been planned for the tenement. The eight holes completed to date have consistently intersected coal seams in excess of 50 metres total thickness. Seams intersected correlate directly with the open cut seams within the proposed Benga mine area. All holes are subject to detailed lithological logging and are also being geophysically logged down-hole.

Slim core samples are being sent to Australian coal laboratories for analysis. It is expected that a resource estimate should be completed during the September quarter.

Other Riversdale Exploration Licences

Plans are nearing completion for the mobilisation of up to 4 drilling rigs progressively across the 20 other tenements held by Riversdale Mining during the balance of 2009 with approximately 80,000 metres of open hole and core drilling planned.

Demining surveys undertaken by a Mozambican consultant were commenced during the quarter for 6 Exploration Licences. The remaining 15 tenements are to be the subject of ongoing demining surveys during the year in advance of the planned exploration drilling and geological field mapping programs.

Environmental Management Plans (EMP's) are being prepared for the above tenements for submission to the Mozambican Ministry of Mineral Resources.

Exploration Plan overview discussions and presentations were held with both Central and Provincial Government officials during the March Quarter. Local government and community consultation is planned across 6 different districts, including the Tete and Moatize areas.

Exploration Camp

Exploration camp facilities in Tete continue to be expanded to support the extensive exploration programme at both Benga and the other licences. Additional core sheds have been constructed as well as additional offices and dining facilities. Riversdale Mining has progressed the establishment of remote area camps as the drilling program moves from having a Benga and EL 946L focus to include reconnaissance drilling of all licences in the other exploration regions.

BENGA COAL QUALITY

Riversdale Mining Limited and TATA Steel announced the first results from the pilot scale coke testing programme for the Benga Exploration Licence during the March quarter.



A coke strength after reaction (CSR) result of 71 was produced from the first Benga coke. This indicates the potential for the Benga coking coals to be "premium hard" coking coals. Premium hard coking coals typically have CSRs greater than 65. CSR is one of the key quality parameters used to assess coke quality.

The CSR results released were preliminary and future results are expected to vary by seam and spatially commensurate with the observed changes in coal rank. Riversdale is currently undertaking a pilot scale coke testing programme and will report summary results upon completion of this programme. The coke testing programme is being conducted in Australian laboratories.

The coal quality information in this announcement has been compiled under the supervision and reviewed by Mr. Andrew Meyers, who is a Member of the Australasian Institute of Mining and Metallurgy and Director of A&B Mylec Metallurgical Consultants Pty Ltd.

Andrew Meyers has more than 19 years experience in coal processing for coal projects and coal mines both in Australia and overseas. With this level of experience, he is adequately qualified as a Competent Person as defined in the 2004 edition of the JORC Code. Andrew Meyers consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

BENGA MINING CONTRACT

Riversdale Mining has received approval from the Government of the Republic of Mozambique for the Mining Contract for the Benga Coal Project in Mozambique. This is an outstanding achievement and is the outcome of years of hard work by our management and staff on the ground in Mozambique.

The granting of the Mining Contract represents a significant event as the Company moves towards commencement of the Benga Coal Project. The project will involve Riversdale Mining progressively developing a 20 Million tonnes (Run of Mine) per annum hard coking and thermal coal mine at Benga in the Moatize area.

The terms of the Mining Contract have been agreed by the Council of Ministers of the Government of Mozambique and Riversdale Mining has received a Decree signed by the Prime Minister (Decree # 17/2009). The Decree approves the Mining Contract and its terms and conditions and delegates authority to the Minister of Mineral Resources to execute and implement the Mining Contract.

The Mining Contract establishes the particular terms which govern the development and implementation of the Benga Coal Project. It covers all aspects of the proposed development including exploration, feasibility, development, operations, fiscal regime, rehabilitation and final mine closure requirements.

The approval and execution of the Mining Contract is in conjunction with the issuance by the Government of the Mining Concession, which is the formal documentary title for the mineral rights for coal and associated minerals, replacing the existing Exploration Licence over the tenement area.

During the quarter, preliminary design work commenced on access roads, a construction camp and other site works in anticipation of this approval.

BENGA FEASIBILITY STUDY

Following the awarding of the Mining Contract, the terms and conditions are being incorporated into the Benga Project Feasibility Study, now due for completion in the current quarter.

The Feasibility Study will take into account the significant downward shift in underlying cost structures following the impact of the global downturn on the mining industry.

Riversdale Mining has seen a reduction in some of the major costs associated with bringing a large mining project on-line, including the cost of key contractors and capital equipment.

Environment

All specialist environmental studies have been completed and the final EIA report has been completed.

It is now being translated into Portuguese. The EIA will be presented into the public domain for comment before being submitted to the Ministry of Coordination of Environmental Affairs (MICOA). It is anticipated that the approval process will be complete by late 2009, which aligns with the planned construction period of the CHPP.

SOCIAL PROJECTS

Riversdale Mining is increasingly interacting with its local communities as the Benga project progresses. Information is being gathered to assess the needs of these communities and to involve them in decisions relating to their relocation where relocation is found to be necessary. A census of communities and asset survey has been initiated in this regard.



Riversdale Mining formulated a structured approach for its interaction with Benga hosting communities. Three Community Committees have been created in each of the 3 villages within the Benga tenement area. These committees represent community interests in interaction with the Company and the Government in relation to the Benga development process. Riversdale Mining has implemented a capacity building programme for the committee members so that they can increase their awareness of the Project and improve their knowledge base when fulfilling their roles in the Community Committees.

The Company also commenced a bus service during the quarter which is provided to 400 local school children and their teachers.

TRANSPORT INFRASTRUCTURE

Riversdale Mining has assessed the issues pertaining to the inbound transportation of goods and construction materials to site for the Benga project, and also the outbound transportation of coal once the project has been constructed.

The base case for coal transportation to market remains the Sena railway line and the port at Beira. Recent reports have indicated that the Sena railway line will be open for general traffic in January 2010. This aligns with Riversdale Mining's plans to ship first coal in the December quarter 2010. Discussions are continuing in respect of formalising an access agreement to use the

Sena rail line to transport coal to the Port of Beira.

Riversdale Mining has continued discussions with the Mozambique Government regarding the refurbishment of the existing Beira coal terminal and has provided further information in relation to its requirements for the new multi-user Beira coal terminal for which a tender process is currently underway. The discussions are expected to be formalised following the approval of the Mining Contract with the Mozambican Government for the Benga Coal Project.

The Company is continuing to evaluate the feasibility of barging coal down the Zambezi River.

POWER PROJECT

A feasibility study for a coal-fired power station is progressing and discussions have commenced with potential developers and financiers for the project. Further progress is expected during the June quarter.

OPERATIONS OVERVIEW AT ZULULAND ANTHRACITE COLLIERY (ZAC)

ZAC Production & Sales Report 100% Basis (Riversdale share 74%)					
	Mar-09	Dec-08	2008/09	2007/08	Mar-08
	Quarter	Quarter	YTD	YTD	Quarter
	<i>Tonnes</i>	<i>Tonnes</i>	<i>Tonnes</i>	<i>Tonnes</i>	<i>Tonnes</i>
ROM Coal Production*	177,401	167,117	609,929	633,774	217,653
Average Yield	84.00%	84.20%	83.57%	79.70%	81.10%
Plant Feed	207,182	216,504	627,030	676,212	232,189
Saleable Coal Production					
Prime low ash	135,968	149,058	429,941	445,488	155,622
Middlings	38,116	33,133	94,097	93,410	32,824
Total	174,084	182,191	524,038	538,898	188,446
Coal Sales					
Prime low ash	130,296	118,172	403,873	393,603	132,156
Middlings	6,678	29,148	51,184	84,628	42,827
Total	136,974	147,320	455,057	478,231	174,983

*ROM = Run Of Mine/Raw Coal Production

Run of Mine Production

ROM production for the March quarter was 177,401 tonnes, which is an increase of 10,284 tonnes compared with the December quarter and 40,242 tonnes less than the same quarter last year.



New ZAC Voest

Deep E

The main development was placed on hold due to geological conditions. A decision was made to move onto pillar extraction in section 8. As a result of an excessive amount of water in the main development, a new dam has been built. An additional water column

was installed in the ventilation shaft to assist in bringing the water under control.

Kwa-Sheleza

Section 7, the continuous miner section, is currently undertaking development and stooping in the shaft bottom area. The Joy continuous miner was removed from the section at the beginning of March for a planned major overhaul. The shaft will be mined out by the middle of May 2009. All mining activities will be moved across to Western Extension.

Outcrop

There are three sections currently deployed at the Outcrop Shaft. The new Voest ABM10 was commissioned on the 15th of February 2009. The training of the drivers is complete resulting in a gradual increase in production. The Outcrop performance was exceptional for the quarter showing a 29% increase in production.



Health and Safety Performance

There were two major incidents in the past quarter which resulted in the Lost Time, Classified, Total Recordable and All Injury frequency rates deteriorating. All incident/accident investigations have been completed, some of which were done utilising the services of independent consultants. All recommendations forthcoming from the ICAM investigation have been implemented. Accident and incident prevention tools of practice are being driven with renewed vigour. Focus is being placed on Fatal Risk Control Protocols, Hazard Identification & Risk Assessment, Near Miss Reporting, Planned Task Observations, On the Job Training, stopping of unsafe work and leadership presence on the floor.

Health & Safety Management System

Zululand Anthracite Colliery has embarked on the implementation of a unique Health & Safety Management System, which consists primarily of four pillars. These are:

Fatality Prevention; A framework for assessing effectiveness of fatality prevention systems has been developed. Fatal risks areas are identified through a systematic risk based process used to highlight hazards, assess risks and develop controls,

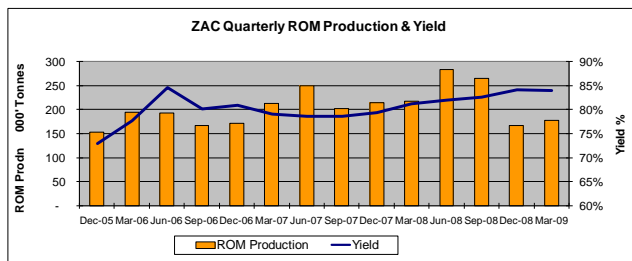
Risk Assessment: To align management and the entire workforce on hazard identification and risk awareness,

Lead and Lag Indicators: To provide indication of progress towards proactive elimination of accidents & fatalities, and

Communication: To align the entire workforce as to the health and safety messages being communicated, and at the same time demonstrate management's commitment to these messages.

Plant Production

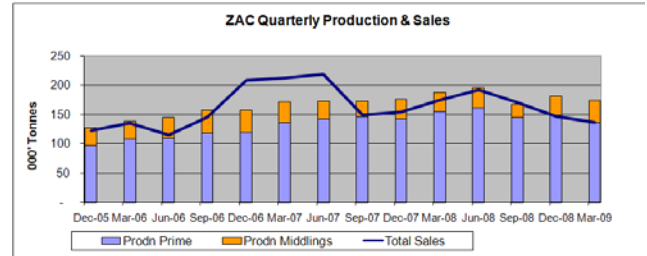
Saleable production for the March quarter was 174,084 tonnes. This is a decrease of 8,106 tonnes compared with the December quarter and 14,362 tonnes against the same quarter last year.



Sales

Product sales for the March quarter were 136,974 tonnes which is 10,346 tonnes down on the December quarter and 38,009 tonnes compared with the same quarter last year. Market demand for anthracite is

encountering similar trading conditions as elsewhere in the coal sector. Both Export and Domestic customers have deferred receipt of shipments during the quarter. It is envisaged that the South African market demand will remain soft for most of 2009. The ZAC operation is closely monitoring the market demand for product and is aggressively developing other market opportunities for supply which are expected to start producing results in the next six months.



Ngwabe Block

The Ngwabe development project is progressing well. The project is behind schedule due to difficult ground conditions being encountered. Once through this area the backlog will be made up.

Western Extension

Western Extension is progressing as expected considering the exceptionally poor roof conditions. It is anticipated that production will commence within the next quarter.

Exploration and Development Expenditure

During the March quarter A\$10.91 million was spent on exploration activities and A\$7.03 million was spent on property, plant, equipment and development activities by the Company.

CORPORATE

Cash Balance

Riversdale Mining is in a sound cash position with A\$313.3 million on hand at the end of March 2009. Cash on hand at 31 December 2008 was \$326.1 million.

Directorate

Gary Lawler was appointed as a Non-Executive director during the quarter.

OUTLOOK

In Mozambique the Benga Project Feasibility Study is now being finalised and is due for completion in the June 2009 quarter.

Exploration activities will be extended to tenements in the Tete region and further afield.

In South Africa, development of the Ngwabe Block will be accelerated in conjunction with a market development program for offshore markets.

CORPORATE INFORMATION

Directors

William Michael O'Keeffe
Steve Mallyon
Niall Lenahan
Andrew Love
Gary Lawler

Executive Chairman
Managing Director (From 1 August 2008)
Finance Director and Company Secretary
Non-Executive Deputy Chairman
Non-Executive Director (From 28 January 2009)

Issued Capital

As at 29 April 2009, the issued capital of the company was 188,458,524 fully paid ordinary shares, all of which are quoted on the ASX. [ASX: RIV]

Substantial Shareholders (as advised*)

Talbot Group	18.87%
Passport Capital	15.62%
TS Global Minerals Holdings	14.99%

*Note: does not necessarily take account of recent changes in the Company's share capital

Options over Ordinary Shares as at 29 April 2009

1,000,000	exercisable at \$1.00 expiring on 09.05.2011
1,000,000	exercisable at \$1.50 expiring on 09.05.2011
400,000	exercisable at \$1.00 expiring on 01.04.2011
1,000,000	exercisable at \$1.50 expiring on 01.04.2011
125,000	exercisable at \$1.50 expiring on 24.04.2011
1,725,000	exercisable at \$1.50 expiring on 21.11.2009
1,412,500	exercisable at \$2.50 expiring on 21.11.2010
750,000	exercisable at \$1.86 expiring on 04.12.2010
2,250,000	exercisable at \$1.50 expiring on 16.01.2010
2,250,000	exercisable at \$2.50 expiring on 16.01.2011
150,000	exercisable at \$2.03 expiring on 25.01.2011
250,000	exercisable at \$2.15 expiring on 22.05.2012
2,000,000	exercisable at \$11.39 expiring on 30.06.2013
3,275,000	exercisable at \$11.57 expiring on 01.07.2013
1,500,000	exercisable at \$9.80 expiring on 22.10.2013
1,050,000	exercisable at \$2.24 expiring on 19.12.2013
<u>20,137,500</u>	

Full Company Name & Registered Office

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Stock Exchange Listing

Australian Stock Exchange
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Electronic Communications

Shareholders may also register to receive shareholder information and the Annual Report via the web. To register for this facility go to www.computershare.com and follow the instructions. Shareholders will need their Security Reference Number (SRN) or Holder Identification Number (HIN) to enable them to register.



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