DRILLING DEFINES EXTENSION AND CONFIRMS MAIN ZONE RESOURCE AT KITONGO GOLD PROJECT

ASX RELEASE

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Rift Valley Resources Limited ("**Rift Valley**" or "**Company**") (ASX: RVY) is pleased to announce that its recent RC drilling program has intersected strong zones of gold mineralisation at the Kitongo Gold Project in Tanzania. The fourteen hole program was the first drilling at the deposit since 2001 and was designed to confirm the existing resource and to test for depth and strike extensions to the Main Zone. Strong zones of mineralisation were intersected including:

- **21m at 2.68g/t from 12m (including 12m at 4.14g/t from 12m)**
- **21m at 2.43g/t from 117m (including 3m at 9.74g/t from 135m)**
- **12m at 1.67g/t from 69m**
- **18m at 1.55g/t from 51m**

The drilling has confirmed that resource grade mineralisation continues at depth beneath the defined 370,000oz Main Zone resource. Importantly, the results have also identified a major new zone of shallow mineralisation in the South Limb position. The new zone is outside the area of artisanal mining and remains open down dip and for at least 300m along strike.

Managing Director of Rift Valley, Geoff Gilmour said "We are pleased that our first drilling at Kitongo has confirmed our view that major upside exists at the project. It is particularly encouraging to define a new zone of shallow mineralisation in the South Limb. Further testing of this zone and other targets at the project are being planned, with the aim of defining a substantial increase to the existing 370,000oz Mineral Resource."

Rift Valley Initial Drilling Program

Rift Valley's initial drilling program was designed to test for extensions to the Main Zone mineralisation which remained strongly open along strike and at depth. The existing 370,000oz Mineral Resource at the Main Zone occurs within the Northern Shear (Figure 1). Sparse drilling and geochemical sampling had also defined a gold target within the interpreted South Limb position.

Rift has tested the depth extensions of the Main Zone with three holes at 100m spacings. Results are shown on cross section in Figures 2, 3 and 4. Two holes intersected strong gold mineralisation confirming the potential for major depth extension to the deposit. The third hole was abandoned due to drilling problems but did intersect the upper limit of the mineralised zone. These results have confirmed the potential to define major extensions to the Main Zone structure along the 800m of the defined resource. The historic Main Zone drilling was typically limited to 60-80m vertical depth. Better results from the Main Zone drilling include:

- **21m at 2.43g/t from 117m in KTRC255**
  - **including 3m at 9.74g/t from 135m**
- **12m @ 1.67g/t from 69m in KTRC256**

The holes drilled into the interpreted South Limb position have defined a strong zone of shallow mineralisation (Figure 5). In this area, historic RAB and air core drilling had defined intermittent zones of mineralisation. Rift geologists had re-interpreted the historic data and concluded that previous holes may have been drilled in the wrong direction. The recent results have confirmed that interpretation with the intersections of:

- **21m at 2.68g/t from 12m in KTRC259**
  - **including 12m at 4.14g/t from 12m**
  - **which includes 3m at 10.8g/t from 15m**
- **18m at 1.55g/t from 51m in KTRC260**

The South Limb trend is defined by shallow geochemical drilling and remains open to the northwest of the Rift Valley holes for over 300m within which no deep drilling has been completed to follow up anomalous gold mineralisation.

Historic drilling had intersected high grade gold mineralisation defining a potential northern extension to the deposit. The holes drilled by Rift Valley in this area did not return gold mineralisation even though a number of the holes intersected visually mineralised zones. A number of holes did not reach the target due to poor drilling conditions. The Company has commenced a check sampling and assaying program to verify the results. All of these holes were outside the limit of the Mineral Resource so will not affect the stated resource.

All reported intersections are based on assaying of 3m composites samples. The mineralised zones will be re-assayed using the 1m samples collected from the cone splitter at the time

of drilling.

Detailed results from the Rift Valley program are included in Table 1.

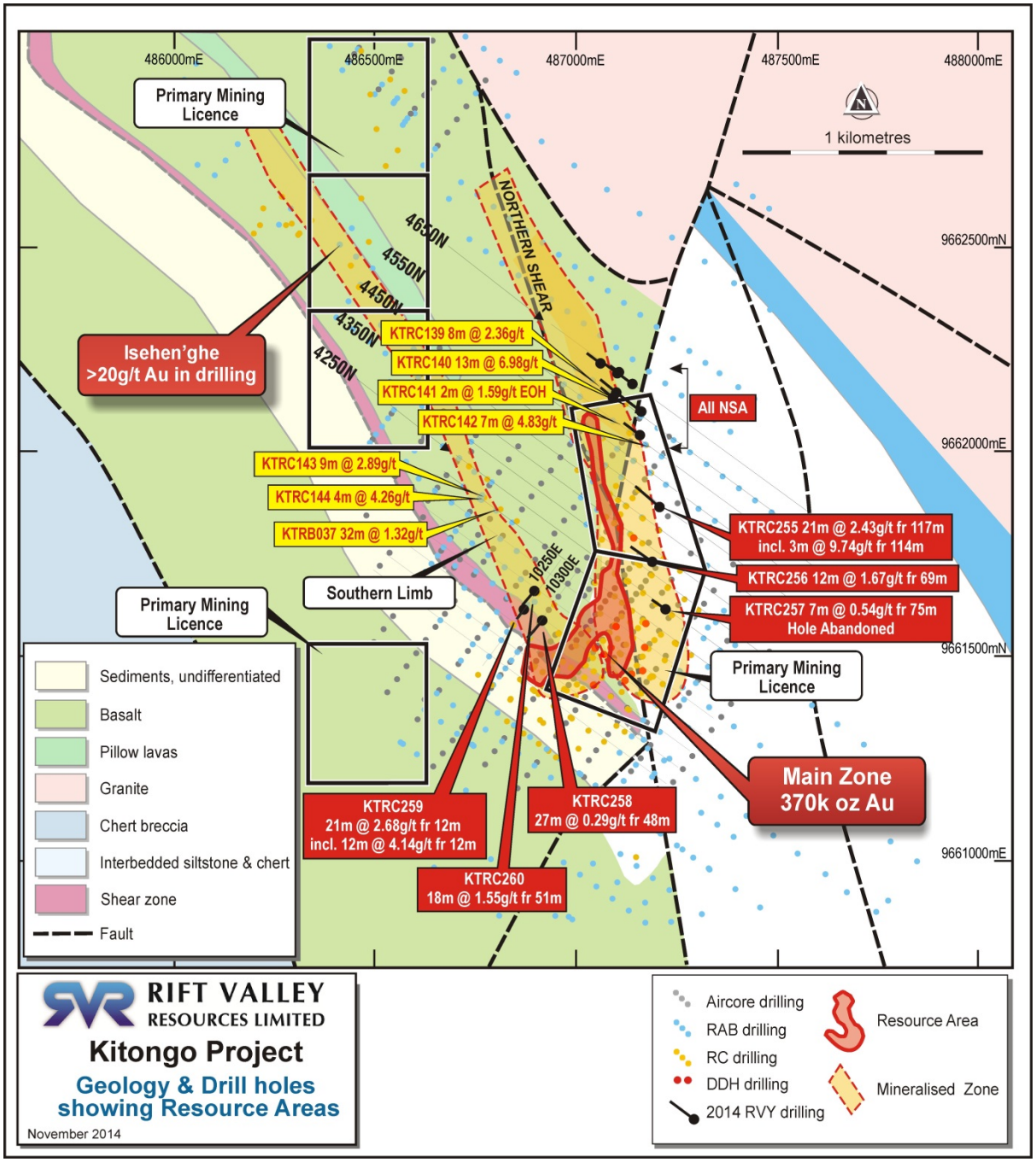

Figure 1: Kitongo Main Zone with Rift Valley drilling, geology and resource boundary

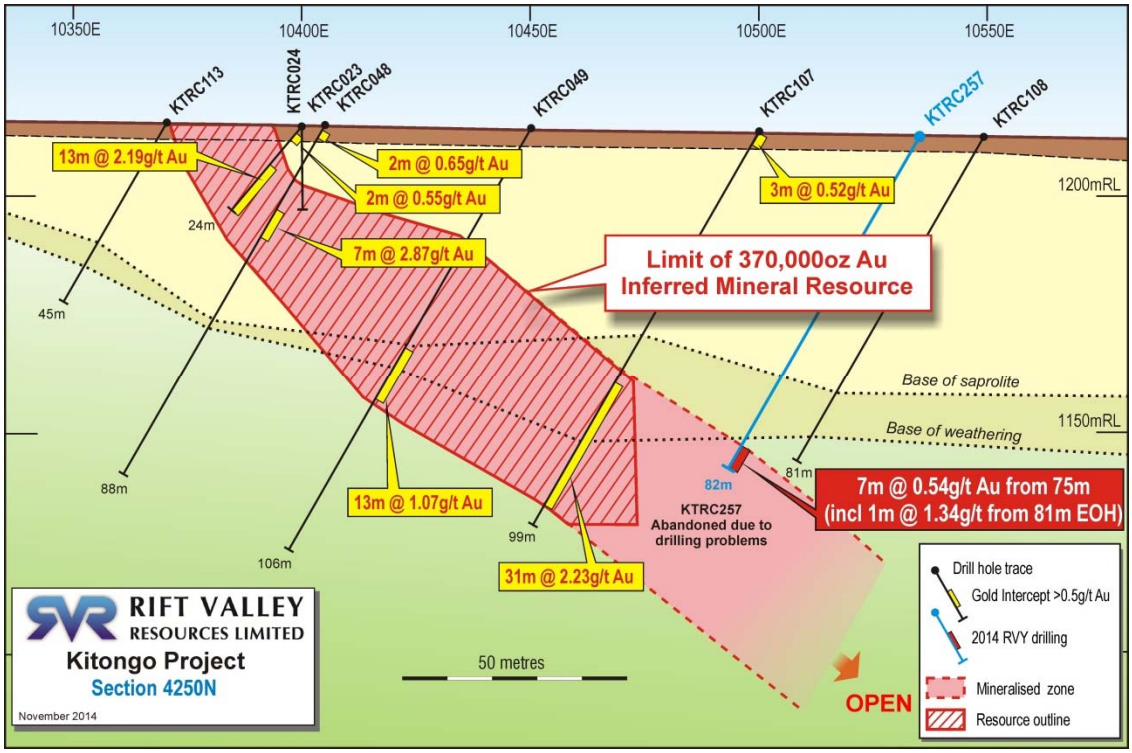

Figure 2: Cross Section 4250N

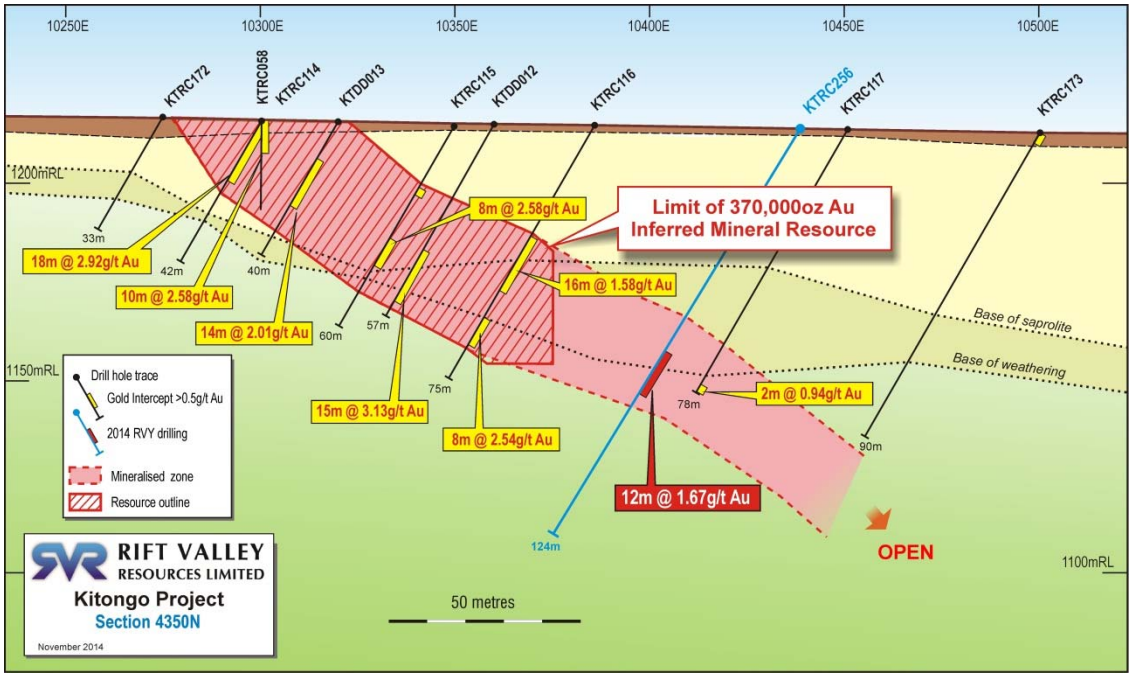

Figure 3: Cross Section 4350N

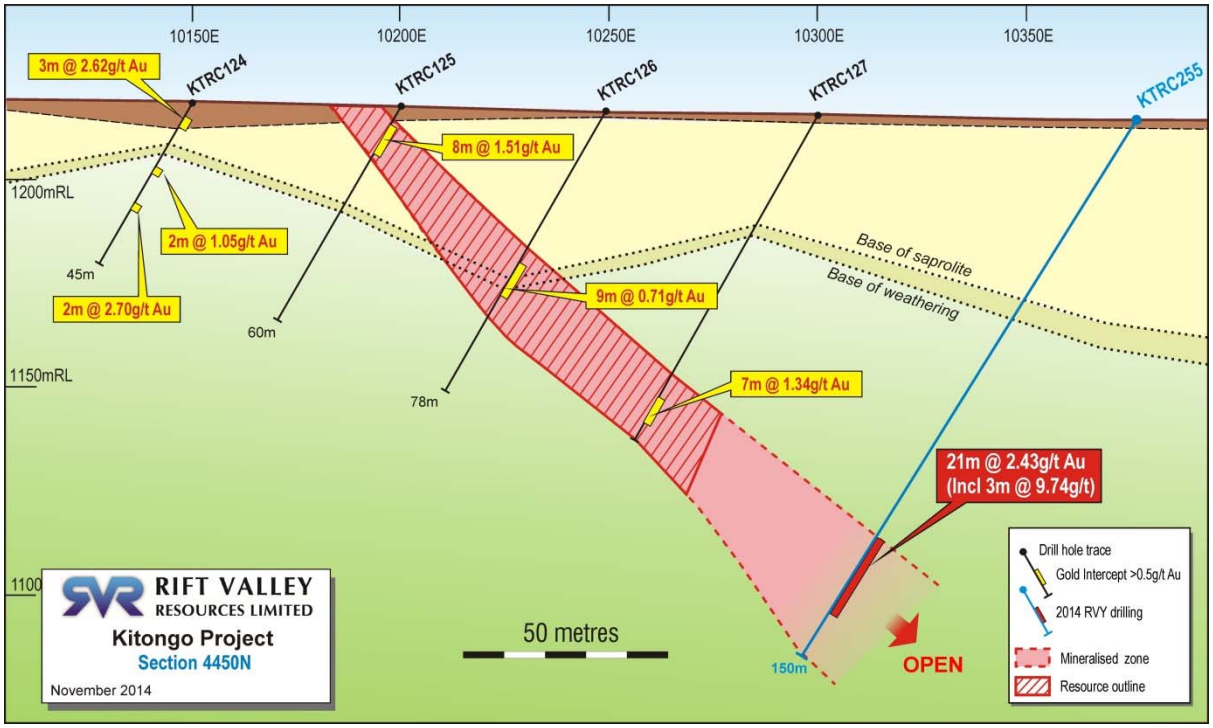

Figure 4: Cross Section 4450N

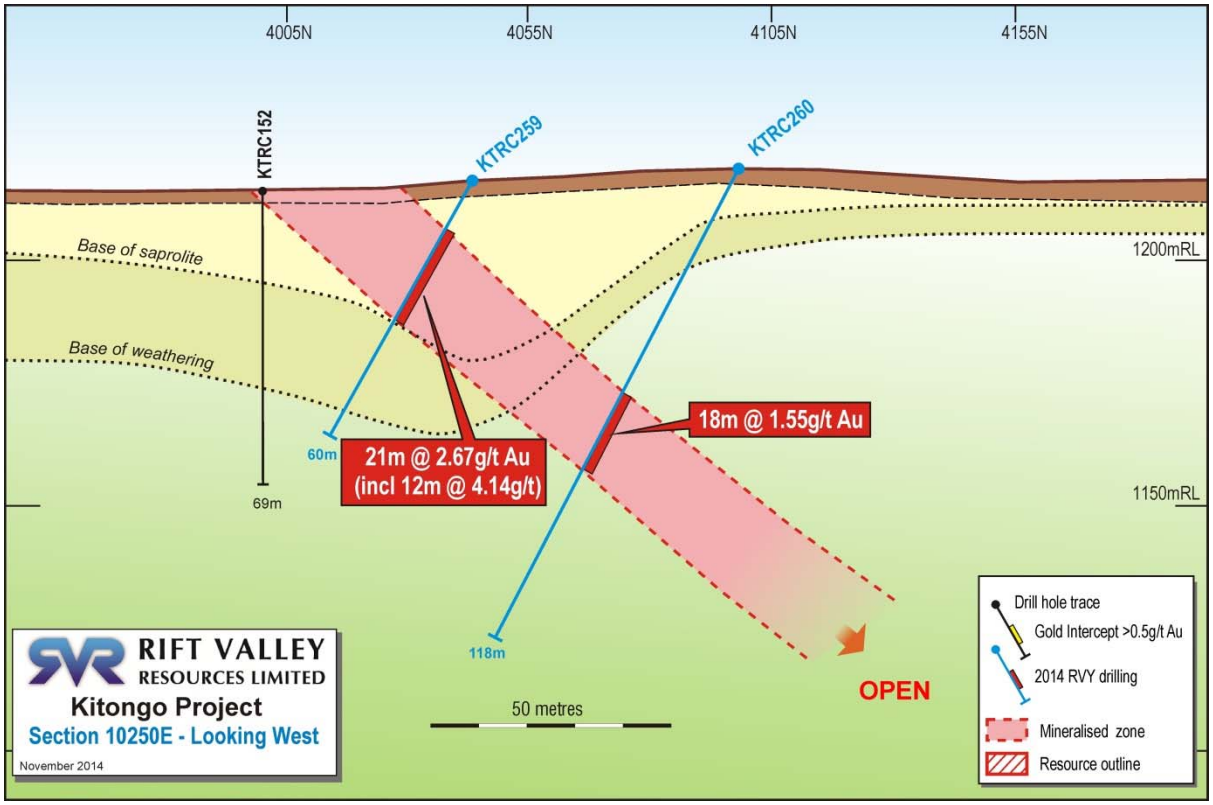

Figure 5: Cross Section 10250E

Further Work Programs

In addition to the highly prospective Main Zone area, a number of other advanced, drill defined targets exist at Kitongo. Exploration of these targets, as well as further resource extension drilling at the Main Zone is being planned for 2015.

A full evaluation of the large tenement holdings at Kitongo will also be carried out in 2015.

Table 1: Kitongo Drilling Results

Collar Location and Orientation (local grid)								Intersection > 0.5ppm Au			
Hole ID	Type	East	North	RL	Depth	Dip	Az	From (m)	To (m)	Length (m)	Au ppm
KTRC247	RC	10,123	4,593	1,217	75	-60	270	Hole abandoned			
KTRC248	RC	10,124	4,607	1,220	96	-60	271	No assays > 0.5g/t			
KTRC249	RC	10,145	4,646	1,216	75	-60	274	Hole abandoned			
KTRC250	RC	10,099	4,650	1,219	52	-60	272	Hole abandoned			
KTRC251	RC	10,098	4,647	1,217	60	-60	270	Hole abandoned			
KTRC252	RC	10,050	4,642	1,219	80	-60	270	No assays > 0.5g/t			
KTRC253	RC	10,199	4,607	1,212	132	-60	270	No assays > 0.5g/t			
KTRC254	RC	10,232	4,559	1,215	102	-60	270	No assays > 0.5g/t			
KTRC255	RC	10,376	4,447	1,214	150	-59	272	117	138	21	2.43
						including		135	138	3	9.74
KTRC256	RC	10,440	4,328	1,215	124	-59	268	69	81	12	1.67
KTRC257	RC	10,535	4,254	1,211	82	-60	270	75	82 (EOH)	7	0.54
						including		81	82(EOH)	1	1.34
KTRC258	RC	10,305	4,050	1,211	120	-61	181	48	75	27	0.29
KTRC259	RC	10,254	4,044	1,216	60	-60	180	12	33	21	2.68
						including		12	24	12	4.14
KTRC260	RC	10,247	4,099	1,218	108	-60	180	51	69	18	1.55

Down hole widths are estimated to be 70%-100% of true width

Table 2: Kitongo Gold Project 2006 Inferred Mineral Resource

Type	1.0g/t Au Cut-off			0.5g/t Au Cut-off		
	Mt	g/t	Moz	Mt	g/t	Moz
Laterite	0.4	2.1	0.03	0.8	1.3	0.04
Highly Ox	2.4	2.2	0.17	3.8	1.7	0.21
Moderately Ox	0.4	2.0	0.03	0.7	1.5	0.04
Fresh	1.2	1.7	0.07	2.5	1.2	0.09
Total	**4.4**	**2.0**	**0.29**	**7.8**	**1.5**	**0.37**

*Rounding errors may occur

Competent Person Statement

The information in this report that relates the Exploration Results and Mineral Resources for the Kitongo gold deposit is based on information compiled by Mr Paul Payne, a full time employee of Payne Geological Services and a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is a consultant to and a shareholder of Rift Valley Resources and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All information relating to Mineral Resources was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

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APPENDIX 1 – JORC TABLE 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results and Mineral Resources. Note that all of this information relates to the 2014 Rift Valley drilling. Details of historic drilling carried out between 1994 and 2001can be found in the ASX announcement dated 12 September 2014.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rift Valley completed 14 RC holes at the deposit for 1,316m of drilling; • Holes were angled towards grid west or grid south to optimally intersect the mineralised zones; • Samples were collected from a rig mounted cone splitter in one metre intervals. Composite samples were also collected from the cone splitter at 3m intervals. Wet samples were also collected via a rig mounted cyclone, drained and a sample collected by spear sampling; • The majority of samples were dry and below the water table (generally 50m), holes were blown dry after each rod change to prevent down hole contamination; • A small number of wet samples were collected but holes were typically stopped once the hole could not be kept dry.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling used a face sampling bit; • A booster compressor was used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Bags of RC chips were visually assessed to ensure consistency of recovery. • It is unknown if sample recovery and grades are related but sample recovery appeared to be very good.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The entire holes were logged in detail.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were collected from a rig mounted cone splitter in one metre intervals; • 3m composite samples were also collected from the cone splitter; • A small number of wet samples were also collected from the cone splitter. • Below the water table (generally 50m), holes were blown dry after each rod change to prevent down hole contamination; • The 3m composite samples were submitted to ALS Laboratories in Mwanza for sample preparation. • Samples were dried, crushed to minus 2mm with a jaw crusher then pulverized to 85% passing 75 microns; • QAQC programs included field duplicates at 1 in 20 to confirm consistency of sub-sampling. • Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and expected assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Prepared samples were sent to ALS Laboratories in Johannesburg; • Samples were assayed using a 50g fire assay method. • The analytical techniques used approach total dissolution of gold in most circumstances. • Certified standards were submitted at 1 in 20 to check assay reliability. • Blanks were submitted at 1 in 20 to ensure no contamination of samples in the preparation or assay process. • All QAQC results were satisfactory.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent verification of significant intersections has been carried out. • Primary data was collected on manual logging sheets. This has allowed RVY personnel to verify database records by comparing to original logs. • Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collars were surveyed using hand held GPS then coordinates transformed to local grid using a known algorithm. • Down hole surveys were recorded for some holes using a single shot electronic camera. • Topographic control is from drill hole collar surveys and remote sensing data and is adequate due to the very low relief of the prospect area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The RVY drilling was at 50m or 100m spacings but was located down dip or along strike from closer spaced RC holes. • The drilling has demonstrated sufficient continuity in both geological and grade continuity to support the extension of the Mineral Resource if required, and the classifications applied under the 2012 JORC Code. • 3m composite samples were analysed and results reported for combined intervals >0.5g/t Au.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of RC holes were angled to grid west, which is approximately perpendicular to the orientation of the mineralised trend of the Northern Shear. • Holes in the Southern Limb were oriented grid south to be approximately perpendicular to the orientation of the mineralisation. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Samples were securely held by company personnel before being transported by company vehicle direct to the laboratory in Mwanza.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits and reviews have been carried out;

APPENDIX 2 – JORC TABLE 2

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Kitongo project comprises a series of Prospecting Licences and applications. All main prospects are located within PL10068/2014 and PL 10069/2014; • The defined Kitongo Mineral Resource is largely within Primary Mining Licences recently granted to Tanzanian nationals. Joint venture negotiations have commenced between Rift Valley and the PML holders, but are not concluded and it is not certain that the Company will gain an interest in the PMLs; • All other areas of the project are owned 100% by Rift Valley.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The majority of work completed at the project was carried out by East Africa Mines (subsidiary of Spinifex Gold) between 1994 and 2001; • A small amount of work was completed by AngloGold Ashanti under JV.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kitongo gold deposit is a shear hosted, mesothermal ore body located in the Lake Victoria Goldfields of Tanzania; • Weathering to a depth of 40-80m is present throughout the deposit; • A thin but laterally extensive veneer of laterite occurs across the deposit area so no basement rock outcrop in the area.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole locations for RVY drilling are shown in Figure 1 of this release.
		• All significant intersections from historic RC and DD drilling were reported in the RVY ASX release dated 12 September 2014.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some*	• Length weighting of assay results has been used where samples of uneven length were present; • No grade truncations have been used when reporting significant intersections. • Metal equivalent values are not being reported.

Criteria	JORC Code explanation	Commentary
	typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• Drill holes are angled to grid west (Northern Shear) or grid south (Southern Limb), which is approximately perpendicular to the orientation of the mineralised trend in the each part of the deposit so down hole length is approximately equivalent to true width .
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within the main body of text.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill hole collar coordinates were based on hand held GPS readings with a typical accuracy of ± 6m. • Results from all RVY holes have been included in Table 1 of the release.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Small scale artisanal mining activities have occurred in the deposit area. This has demonstrated the presence of gold and defined the trend of the mineralisation. There is currently no active artisanal mining at Kitongo.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up drilling is planned to test for depth and strike extensions; • Drill testing of other mineralised zones is also planned. • Areas with potential for resource extension are shown in diagrams in the body of this release.