DALAFUMA RESOURCE UPDATE

Rift Valley Resources Limited ("**Rift Valley**" or "**Company**") (ASX: RVY) is pleased to announce a Mineral Resource update for the high grade Dalafuma deposit at Miyabi. The Mineral Resource has increased by over 40,000oz to 208,000oz at a grade of 3.6g/t as summarised below. The total Miyabi project Mineral Resource has increased to 745,000oz.

Dalafuma December 2016 Mineral Resource Estimate

Classification	Tonnes	Au g/t	Au Ounces
Indicated	692,000	5.2	116,000
Inferred	1,112,000	2.6	92,000
Total	**1,803,000**	**3.6**	**208,000**

The update was carried out to include the excellent intersections obtained from the 2016 RC drilling program. The previously reported results[1] included:

- MBRC429 13m at 12.01g/t from 163m
- MBRC431 11m at 3.20g/t from 98m
- MBRC440 18m at 2.71g/t from 78m

These results confirm the potential to extend the main, high grade zone at depth as well as defining greater extent to the broad mineralised zones at Dalafuma Northwest.

The main high grade zone at Dalafuma remains open in several areas and further drilling is currently being planned to expand the defined resource.

RIFT VALLEY RESOURCES LIMITED

ASX/ RELEASE

31 January 2017

ASX code "RVY"

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BACKGROUND

The Miyabi gold project is located 200km south of Mwanza within the Lake Victoria Goldfields of Tanzania (Figure 1). It lies 50km east of Acacia Mining's 4.5Moz Buzwagi gold mine, and 30km south of Resolute Mining's 0.9Moz Nyakafuru project.

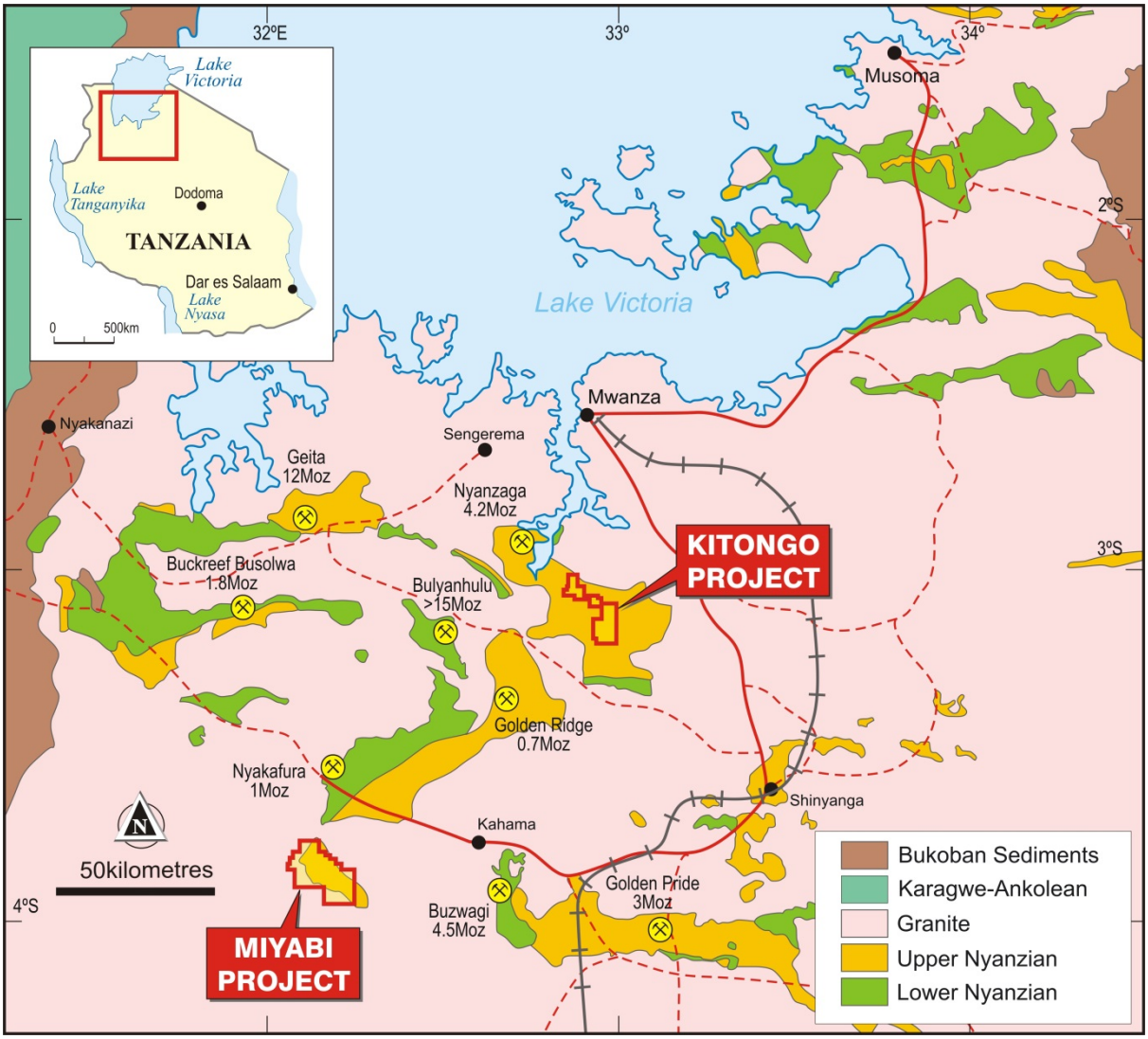

Figure 1: Rift Valley project location plan

Gold mineralisation at the Miyabi project was discovered in 1999 and Rift Valley commenced work at the project in 2010. The discovery of the high grade Dalafuma deposit in 2011 added substantially to the project which now has a Mineral Resource inventory of 745,000oz.

Mineral Resource Update

An updated Mineral Resource estimate has been prepared for the Dalafuma deposit to incorporate the results from recent drilling at the deposit. The updated Mineral Resource is shown in Table 1. The Miyabi Project Mineral Resource Inventory[2] is shown in Table 2 and the location of the deposits is shown in Figure 2.

Table 1: Dalafuma December 2016 Mineral Resource

Classification	Tonnes	Au g/t	Au Ounces
Indicated	692,000	5.2	116,000
Inferred	1,112,000	2.6	92,000
Total	**1,804,000**	**3.6**	**208,000**

Table 2: Miyabi Gold Project
December 2016 Mineral Resource Inventory (0.5g/t Au Cut-off)

Deposit	Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
Dalafuma	692,000	5.2	1,112,000	2.6	1,804,000	3.6	208,000
Faida	3,322,000	1.4	2,248,000	1.2	5,570,000	1.3	241,000
Kilimani	2,704,000	1.3	1,029,000	1.4	3,733,000	1.3	157,000
Ngaya			1,688,000	1.1	1,688,000	1.1	58,000
Shambani	494,000	1.8	1,585,000	1.0	2,080,000	1.2	81,000
Total	**7,213,000**	**1.8**	**7,662,000**	**1.4**	**14,875,000**	**1.6**	**745,000**

*Rounding errors may occur

The Dalafuma Mineral Resource estimate was prepared by Payne Geological Services Pty Ltd ("PayneGeo") using the following parameters:

- The lodes of the Dalafuma deposit strike at approximately 045-050° and are sub-vertical to steep NW dipping. The deposit has a strike length of 500m and a vertical extent of 240m.
- 26 RC drill holes were used in the Mineral Resource estimate for a total of 3,298m of drilling. Holes were angled grid north or grid south and drilled on a regular grid with hole spacing of 40m on 50m spaced cross sections.
- Samples were generally collected at 1m intervals from a rig mounted cyclone and split using a multi-tier riffle splitter.
- All Dalafuma holes were assayed using fire assay.
- Quality control data included the insertion of field duplicates, blanks and standards. This data was reviewed by PayneGeo and found to be satisfactory.

- RVY collars were surveyed in UTM using hand held GPS. Many of the holes were subsequently surveyed using DGPS. All holes were transformed to local grid for Mineral Resource estimation.
- The majority of the RVY holes have single shot reflex camera surveys or gyro surveys to determine hole deviation.
- Geological domains were constructed using a 0.4g/t Au cut-off grade.
- Samples within the wireframes were composited to even 1m intervals. A high grade cut of 40g/t was applied to the composites.
- Ordinary kriging interpolation was used to estimate block grades. A first pass search of 75m was used. This was expanded to 150m for the second pass.
- A Surpac block model was used for the estimate with block dimensions of 5m NS by 20m EW by 5m vertical with sub-cells of 1.25m by 5m by 1.25m.
- Bulk density values of 2.5t/m^3 for ferricrete, 2.2t/m^3 for oxide, 2.6t/m^3 for transition and 2.9t/m^3 or 3.0t/m^3 for fresh were used. The values were based on 196 density determinations from drill core from other Miyabi deposits.
- The portion of the Dalafuma main lode defined by the 40m by 50m spaced drilling was classified as Indicated Mineral Resource where good continuity of mineralisation was observed. The remainder of the resource was classified as Inferred Mineral Resource due to the sparse drilling or less defined continuity of mineralisation.
- The Mineral Resource has been reported at a 0.5g/t Au cut-off to reflect its potential for open pit mining.
- Metallurgical test work has not yet been completed for Dalafuma mineralisation. However the mineralisation is identical in style to the other Miyabi deposits where previous metallurgical test work show that the deposits are amenable to simple cyanide leaching in oxide and fresh rock.

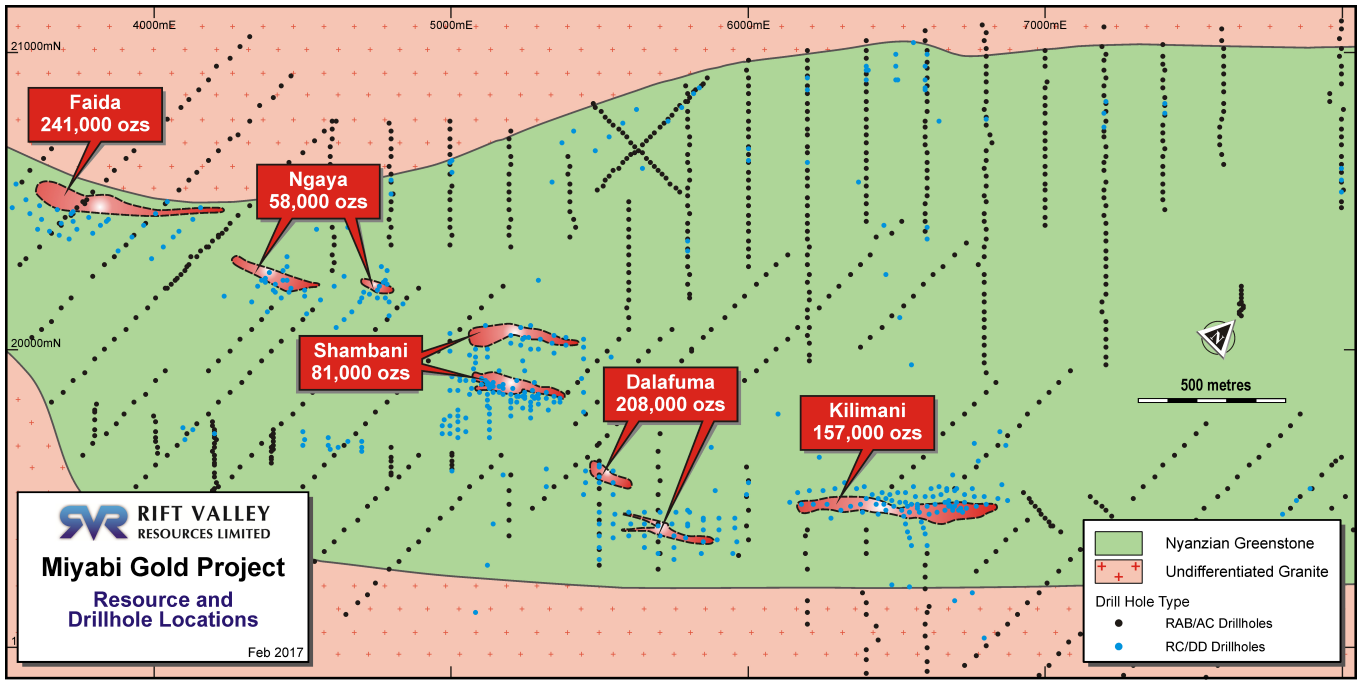

Figure 2: Miyabi Mineral Resources

Future Work

The increased Mineral Resource inventory at the Miyabi project has confirmed the Company's belief that further shallow gold mineralisation remains to be discovered at the project.

The geological understanding gained from the recent work at Dalafuma has allowed company geologists to re-evaluate previous work carried out throughout the entire project area and a number of high priority targets have been identified for further drilling. These include extensions to existing resources as well as strong gold anomalies within previous geochemical sampling programs. The significance of barren transported ferricrete over these target areas was not previously understood and many prospective parts of the project have been tested with either soil sampling or shallow RAB drill holes, neither of which would have been effective.

Competent Person Statement

The information in this report that relates the Exploration Results and Mineral Resources for the Miyabi gold project is based on information compiled by Mr Paul Payne, a full time employee of Payne Geological Services and a Fellow 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.

[1] Exploration results from the 2016 drilling have been reported in detail in a Company release to the ASX dated 7 September 2016.

[2] Mineral Resource estimates for deposits other than Dalafuma were reported in compliance with JORC, 2012 guidelines in a Company release to the ASX dated 12 August 2015. The company confirms that that it is not aware of any new information that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply.

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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.

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.*	• Results have been received from 26 RC holes • Holes were generally angled to optimally intersect the mineralised zones; • Dry RC samples were collected from a rig mounted or free standing cyclone in one metre intervals and split using a multi tier riffle splitter. • Below the water table, holes were blown dry after each rod change to minimize down hole contamination and dry samples were obtained; • Samples were composited into 3m intervals for assay and anomalous intervals were resubmitted at 1m intervals.
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;
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.*	• Sample recovery was generally good and sample size was visually monitored to ensure satisfactory recovery; • There is no known relationship between sample recovery and sample grades.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a*	• All drill holes were logged in full. • Logging is carried out in detail in anticipation of being used in subsequent Mineral

Criteria	JORC Code explanation	Commentary
	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.*	Resource estimates.
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.*	• Dry RC samples were collected from a rig mounted or free standing cyclone in one metre intervals and split using a multi stage riffle splitter. • Below the water table, holes were blown dry after each rod change to minimize down hole contamination and no wet samples were collected; • 3m composite samples were assayed at SGS laboratories in Mwanza and Johannesburg. Samples from anomalous intervals were re-submitted at 1m intervals; • A comprehensive QAQC program of standards, blanks and duplicates has been used to confirm assay integrity; • 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 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.*	• RVY samples were assayed by fire assay by SGS in Mwanza, Tanzania and Johannesburg, South Africa; • The analytical techniques used approach total dissolution of gold in most circumstances. • Comprehensive QAQC programs of standards, blanks and duplicates were incorporated to confirm assay integrity;
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 then entered into a digital database. This has allowed RVY personnel to verify database records by comparing to original logs. • There has been no adjustment to assay data.
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*	• Drill hole collar coordinates used UTM Arc-1960 datum with transforms to the Miyabi local grid (045^{o} rotation). • Hand-held GPS has been used for collar

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	survey of early RVY drilling. Recent holes were surveyed using DGPS. • Topographic control is from drill hole collar surveys and DGPS traverses.
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.*	• RC hole spacing is largely 40m by 50m in the Dalafuma drilling; • The drilling was sufficient for Mineral Resource estimation; • In the majority of holes, initial 3m composites have been re-assayed at 1m intervals.
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.*	• Holes were generally angled to grid south or grid north to optimize the intersection angle with the interpreted structures; • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Samples are placed into bulk bags on site then transported to the laboratory by company personnel;
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling procedures was completed on site by the Competent Person; • Assaying was carried out by reputable companies using industry standard methods.

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 Miyabi project comprises a series of Prospecting Licences and applications. All main prospects are located within PL/11026/2016 which is 100% owned by RVY; • All other areas of the project are owned 100% by RVY or RVY has ongoing entitlement to the ground through access agreements.
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 Twigg Gold (subsidiary of African Eagle Resources plc) between 2000 and 2008 and RVY between 2011 and 2016; • A small amount of work was completed by RandGold under JV.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Miyabi gold project comprises a series of shear hosted, mesothermal ore bodies located in the Lake Victoria Goldfields of Tanzania; • Gold is typically disseminated through altered host rocks with some high grade mineralisation in quartz veins. • Weathering to a depth of 40-80m occurs throughout much of the project area; • A thin but laterally extensive veneer of laterite and transported ferricrete occurs across the deposit 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 (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.*
		• The locations and results from recent drilling were included in the RVY release to the ASX dated 7 September 2016.
		• A comprehensive listing of significant intersections from previous drilling was included in the RVY release to the ASX dated 29 May 2015.

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 typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• 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
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 (eg down hole length, true width not known').*	• Drill holes are angled to grid south or grid north, which is approximately perpendicular to the orientation of the mineralised trend. • 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 or in previous ASX releases.
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 used UTM Arc-1960 datum with transforms to various local grids. • RVY used hand-held GPS for collar survey with most recent holes re-surveyed using DGPS. • All holes in the current program have been down hole surveyed using a Reflex single shot electronic camera. • Locations and results from recent drilling were included in the RVY release to the ASX dated 7 September 2016. • A comprehensive listing of significant intersections from previous drilling was included in the RVY release to the ASX dated 29 May 2015.
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.*	• Extensive geophysical and geochemical surveys have been conducted in the past. Most areas now have drilling data.
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.*	• Geological information is being compiled to allow further programs to be prepared • High grade mineralisation remains open and is likely to be tested with future drilling programs.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• For recent drilling, all assay results have been loaded electronically so there is no potential for transcription errors. The data is also checked by the resource geologists against original assay reports. • PayneGeo also performed data audits in Surpac.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A number of site visits have been conducted by Paul Payne (PayneGeo) between 2011 and 2016. On each occasion, the deposit area and drilling and sampling operations were reviewed. • No major issues were identified.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good and is based on good quality drilling. • The deposit consists of moderate to steeply dipping mineralised shear zones which have been interpreted based on logging of samples taken at regular intervals from angled drill holes.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Dalafuma Mineral Resource area extends over a strike length of 500m with a vertical extent of 240m from surface at 1,210mRL to 990mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample*	• Drilling data was composited to 1m intervals • Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades within the deposit. • Surpac software was used for the estimations. • A high grade cut of 40g/t was used for all domains. A total of 2 samples were cut. • In the Dalafuma model, block size was 5m NS x 20m EW x 5m vertical with sub-cells of 1.25m x 5m x 1.25m. • The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit. • The Dalafuma deposit was initially estimated in 2015. Additional drilling in 2016 along strike and down dip has resulted in an increase to the estimate. • No assumptions have been made regarding recovery of by-products. • No estimation of deleterious elements was carried out. Only Au was interpolated into the block model. • An orientated 'ellipsoid' search was used to select data and was based on parameters taken from the variography or the observed lode geometry. Two passes were used for

Criteria	JORC Code explanation	Commentary
	spacing and the search employed. • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	most domains. The first pass used a range of 75m, with a minimum of 10 samples. For the second pass, the range was extended up to 150m, with a minimum of 2 samples. A maximum of 24 samples was used for both passes. • Selective mining units were not modelled in the Mineral Resource model. The block size used in the model was based on drill sample spacing and lode orientation. • Only Au assay data was available, therefore correlation analysis was not possible. • The deposit mineralisation was constrained by wireframes constructed using a 0.4g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from all lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result a high grade cut of 40g/t was applied to the 1m composite data, resulting in a total of 2 samples being cut. • A three step process was used to validate the model. A qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average Au grades of the composite file input against the Au block model output for all the resource objects. A trend analysis was completed by comparing the interpolated blocks to the sample composite data within the main resource domains. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 0.5g/t Au cut-off based on assumptions about economic cut-off grades for open pit mining.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining*	• The shallow, broad nature of the deposit and the medium to high gold grade suggests there is good potential for mining using open pit methods. • The Dalafuma deposit has sufficient grade and ounces per vertical metre to have potential for underground mining if the mineralisation can be extended down dip.

Criteria	JORC Code explanation	Commentary
	assumptions made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No testing of Dalafuma mineralisation has been carried out however preliminary metallurgical test-work on other Miyabi deposits was undertaken by Twigg Gold in 2005. • Likely recovery from conventional cyanide treatment was demonstrated to be around 95% and the mineralisation style and characteristic of Dalafuma is very similar to the other deposits and there is nothing to suggest that metallurgical issues will exist.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No formal environmental assessment has been completed due to the greenfield nature of the project. • The area comprises flat terrain with natural vegetation highly degraded by subsistence farming and artisanal mining. • Large areas of disturbance from artisanal mining exist in close proximity to the Dalafuma Mineral Resource. • No environmental restrictions other than standard operating procedures are anticipated for any future mining operation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• No density test work has been carried out on Dalafuma mineralisation, however a total of 196 drill core samples from other Miyabi deposits were sent to a commercial laboratory for analysis. • Results suggested the fresh material had a density of 2.9t/m^3, transitional material had a density of 2.6t/m^3 and oxide material had a density of 2.2t/m^3. • These values were used in the current Dalafuma block model. • Further density determinations are required when drill core becomes available.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The Mineral Resource was classified as Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. • The Indicated portion of the Mineral Resource was defined in the Miyabi Main Lode where the drill section spacing was predominantly at 50m or less, and continuity of mineralisation was evident. • The portions of the deposit classified as Inferred Mineral Resource include sparsely tested zones, and small zones peripheral to the main structures which appear to have poor clear lateral continuity.

Criteria	JORC Code explanation	Commentary
	data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The drilling data is comprehensive in its coverage of the mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by PayneGeo which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Dalafuma Mineral Resource has been estimated and reported with a degree of confidence appropriate to the resource classification. • The data quality is good and the drill holes have detailed logs produced by qualified geologists. Recognised laboratories have been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The Dalafuma deposit has not been mined other than by small scale artisanal methods and the deposit has been depleted to account for the small portion mined.