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Board of Directors:

Mr Stephen Dobson
Chairman

Geoff Gilmour
Managing Director

Greg Cunnold
Technical Director

Akram Aziz
Non-Executive Director

Tel +61 8 9221 00 90

Fax +61 8 9221 00 95

ABN 86 121 985 395

Commencement of Diamond Drilling and Scoping Study Longonjo Magnet Metals Project - Angola

Rift Valley Resources Limited ("Rift Valley" or "Company") (ASX: RVY) is pleased to announce it has engaged AMEC Foster Wheeler to undertake a Scoping Study into the viability of the company's 70% owned Longonjo Magnet Metals project in Angola. To this end the Company has commenced diamond drilling to validate the existing air core drilling data and to provide metallurgical samples for flowsheet optimisation.

HIGHLIGHTS

- Amec Foster Wheeler engaged to oversee an encompassing Scoping Study for the entire Project
- Study will incorporate a JORC 2012 Mineral Resource Estimate, mining, processing, tailings facilities and infrastructure capital and operating cost estimates
- Diamond drilling has commenced to validate the existing air core (AC) drill data set and to provide samples for metallurgical testwork
- Metallurgical testwork planned in order to optimise the flowsheet previously defined

Chairman Mr Stephen Dobson said *"The Company recognises the strong potential of the Longonjo Magnet Metals Project and has engaged world class expertise in the rare earth sector in order to continue the development of this outstanding project. With the continuing growth in the value of the magnet metals neodymium and praseodymium, Rift Valley will be in an enviable position to quickly move this exciting project along the road to production on the assumption of a positive outcome from this Study."*

About the Longonjo Magnet Metal Project

Rift Valley Resources holds 70% equity in the Longonjo prospect is located within the Ozango Project area 50km west of the regional city of Huambo. It is located proximal to good infrastructure including roads, towns and recently recommissioned railway infrastructure which links to the deep water Atlantic port of Lobito (see Figure 1).

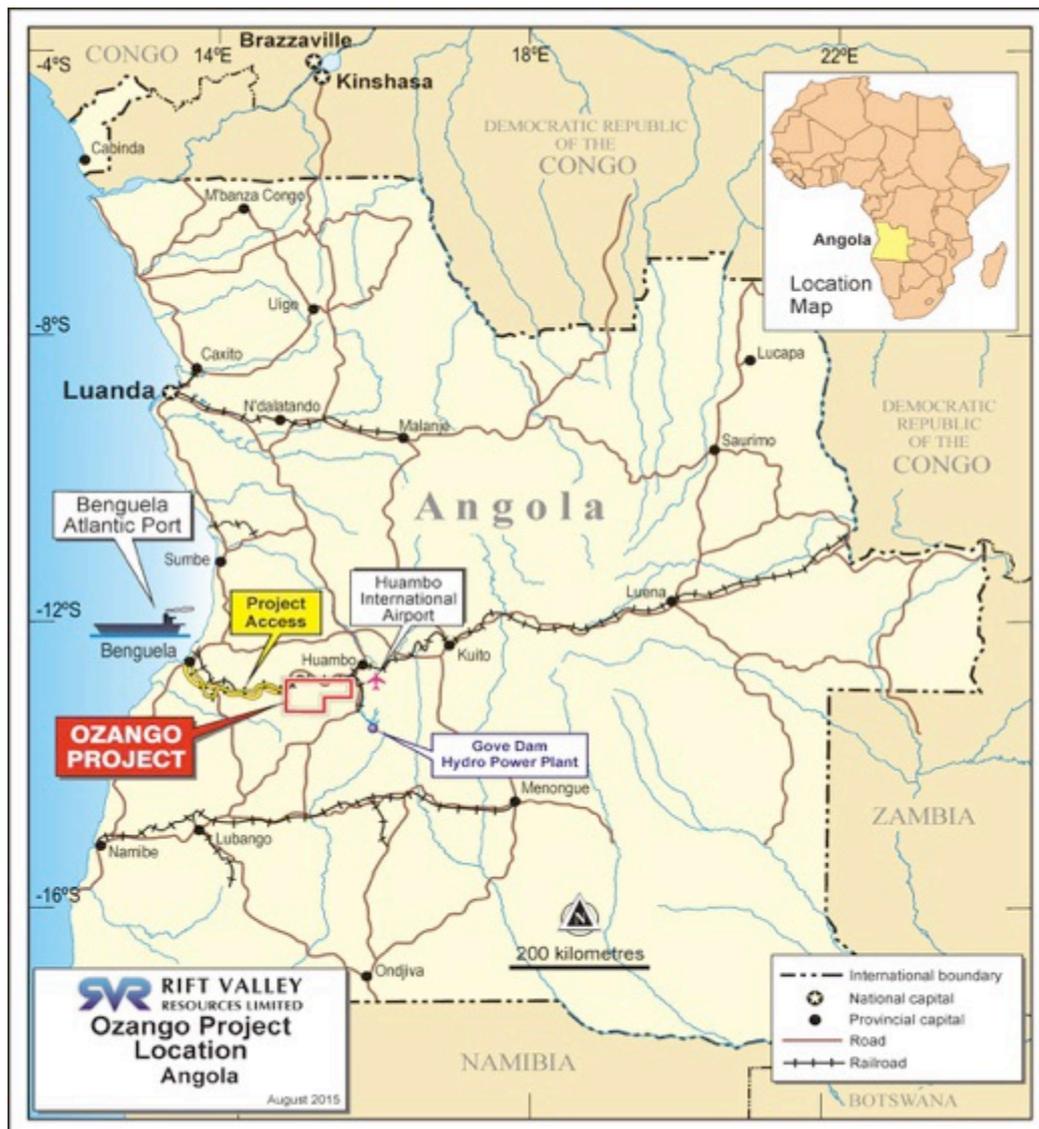


Figure 1: Location of Ozango Project containing the Longonjo Magnet Metal Project

Scoping Study

Further to Rift Valley's ASX announcement titled "*Longonjo Magnet Metals Project Metallurgical Desktop Study*" of 23rd of November 2016, Rift Valley is pleased to announce the appointment of AMEC Foster Wheeler (AFW) to undertake a Scoping Study (Study) of the Longonjo Magnet Metals project in Angola. AFW was selected based on their market leading experience in rare earth projects including Arafura Resources' Nolans Project and most recently Peak Resources' Ngualla Rare Earth Project

The Study encompasses all aspects of the project from mining to tails disposal and product shipment and will incorporate:

- Preparation of a Mineral Resource Estimate compliant to the 2012 JORC Code based on previous the previous AC drilling and the ongoing diamond drilling programs
- Review and interpret the previous and ongoing metallurgical testwork being undertaken on the new AC drill composites
- Develop a mechanical equipment list along with a mass and energy balance based on metallurgical testwork
- Determine infrastructure requirements
- Identify locations for the tailings disposal facility
- Prepare a high level project execution schedule
- Estimate capital and operating costs to an accuracy of $\pm 40\%$

The Study has already commenced with AFW's Principal Resource Geologist traveling to site for an inspection of the drilling program.

Diamond Drilling

A local drilling contractor, Moto Engil, has commenced drilling at Longonjo (Figure 1). Vertical holes will twin previous air core (AC) drill holes with large diameter (PQ - 116mm) diamond drill core as identified on Figure 2. Triple tube barrels are being used to ensure maximum core recovery.

Holes will be drilled to a nominal depth of 50 metres, exceeding the depth of previous AC holes which were only to 'blade refusal' (typically 30 metres). It is expected that this will provide the first 'fresh' material from the Longonjo carbonatite mineralisation and enhance the geological model. Two holes have been selected to extend down to 100 metres, to inspect mineralogy from the sulphide zone and test the depth extents of rare earth mineralization.

A total of 600 metres of drill core will be produced from the campaign. The core will be cut and composited into two metre intervals on site for delivery to Australia for analysis and to provide the samples for the metallurgical testwork program.



Figure 1 – Diamond Drill Rig on site at Longonjo, May 2017

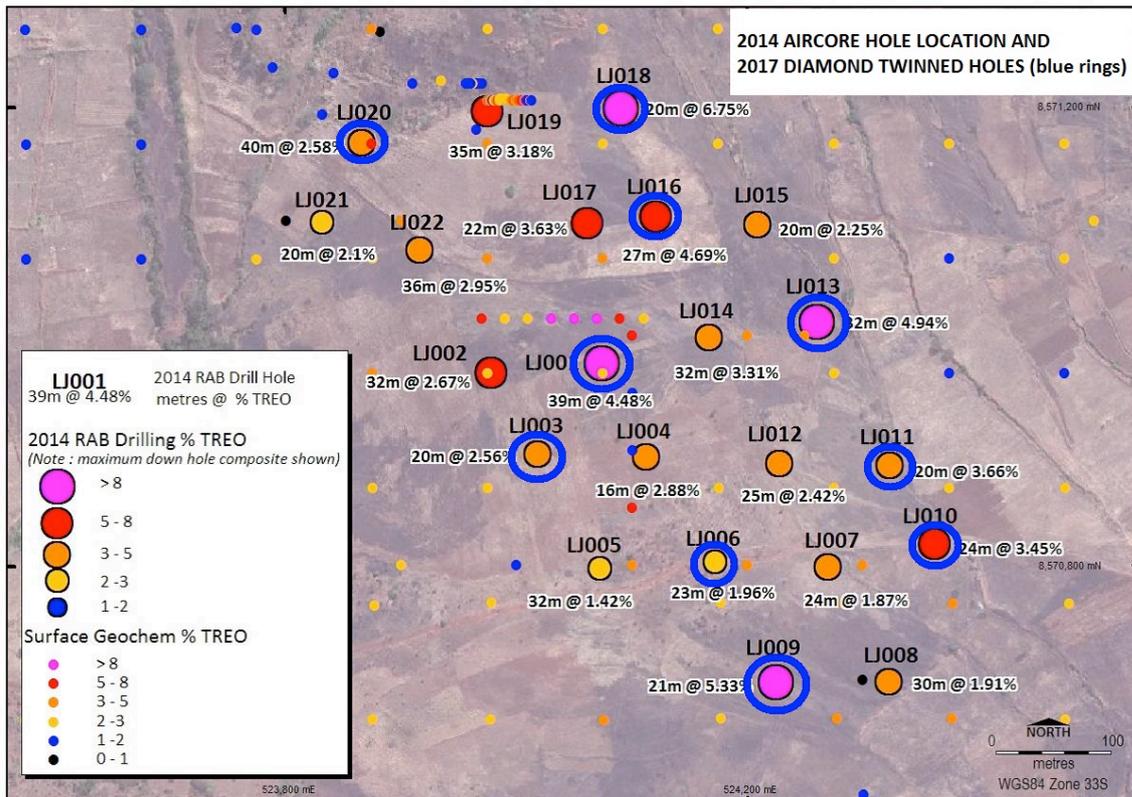


Figure 2 – Current Diamond Drill Hole Locations (blue ringed) with Respect to Previous Air Core Holes

Metallurgical Testwork

A detailed metallurgical testwork program has been scoped for implementation on the diamond drill core and composites.

Initially, the composites will be assayed and categorised using qualitative mineralogy (XRD). A bulk composite, typical on the mineralisation that will be seen in the first five to ten years of mining, will then be made for metallurgical testing. This composite will undergo quantitative mineralogy (QEMSCAN) to guide the testwork.

The testwork program will initially focus on the beneficiation stage, the process that physically upgrades the mined ore to a high grade, low mass mineral concentrate as shown in Figure 3. This will continue on from the previous work undertaken in the Desktop Study where concentrate grades of up to 19.44% REO were achieved.



Figure 3 – Stages of Rare Earth Processing

The concentrate produced from the beneficiation testwork will be used for the extraction testwork, again building on from the positive results reported in Desktop Study where extractions of the magnet metals praseodymium and neodymium exceeded 89%.

Once the drilling programme at Longonjo is completed the rig will mobilize to the Cassenha Hill prospect to test the extents of copper mineralization delineated in the maiden drilling programme during 2016.

Geoff Gilmour

Managing director

Cautionary Statement

The Desktop Study referred to in this report is based on high level technical and economic assessments, and is insufficient to support estimation and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusion of the scoping study will be realized.

The use of the word "ore" in the context of this report does not support the definition of 'Ore Reserves' as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The word 'ore' is used in this report to give an indication of quality and quantity of mineralised material that would be fed to the processing plant and is not to assumed that 'ore' will provide assurance of an economic development case at this stage, or to provide certainty that the conclusion of the scoping study will be realized

Competent Person Statement

We advise in accordance with Australian Stock Exchange Limited Listing Rules 5(6) that the exploration results contained within this ASX Release is based on information compiled by Mr Greg Cunnold who is a member of the Australian Institute of Mining and Metallurgy. Mr Cunnold is a Director of Rift Valley Resources Ltd and has consented in writing to the inclusion in this ASX Release of matter based on the information so compiled by him in the form and context in which it appears. Mr Cunnold has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to be qualified as a Competent Person as defined by the 2012 Edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". The information in this release that relates to Metallurgical Test-work is based on information compiled and / or reviewed by Mr Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional. Mr Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognised as competent to compile and report such information. Mr Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.