RIFT VALLEY
RESOURCES LIMITED

Annual Report
for the financial year ended 30 June 2017

Rift Valley Resources Limited
and Controlled Entities

ABN 86 121 985 395

Corporate directory

Directors	Stephen Dobson, Executive Chairman Greg Cunnold, Technical Director Akram Aziz– Non-Executive Director Mark Hohnen– Non-Executive Director
Company Secretary	Mr Scott Mison
Registered Office	Ground Floor 10 Outram Street West Perth WA 6000 www.riftvalleyresources.com.au info@riftvalleyresources.com.au
Share Registry	Boardroom Pty Ltd Grosvenor Place Level 12, 225 George Street Sydney NSW 2000
Auditors	Ernst & Young 11 Mounts Bay Road PERTH WA 6000
Lawyers	Johnson Winter & Slattery Level 4, Westralia Plaza 167 St Georges Terrace Perth WA 6000
ASX Code	RVY

Contents	**Page**

Letter to Shareholders

Dear Shareholders,

I am pleased to report to you the progress that Rift Valley has made during the 2017 financial year particularly with our efforts focused in Angola. Since joining the team at Rift in November 2016, I am confident that our project in Angola has the potential to add significant shareholder value through our methodical approach and well considered exploration programmes. We are in the process of investigating an exit strategy from Tanzania due to recent legislative changes.

Our 3670km^2 Ozango project, located in Huambo Province is blessed with multiple targets. Currently we have three main prospects, Longonjo – Rare Earth Minerals, Cassenha Hill – Copper and Bongo - Gold. The acquisition, geological modelling and interpretation of historical geophysical data acquired in March 2017 has provided us with a further 12 new high priority targets. Furthermore, the success of the first pass concession wide stream sediment programme has reinforced our confidence in the prospectivity of our large landholding.

During the year we completed a desktop study on the Longonjo Magnet Metals Project which delivered a highly positive outcome. A diamond drilling campaign commenced in June 2017 and confirmed the previous air core drilling and provided an addition bulk sample for further metallurgical test work. We engaged AMEC Foster Wheeler to commence the preparation of a JORC 2012 Mineral Resource Estimate (MRE) and an independent scoping study and are optimistic of a favourable outcome. We are highly encouraged about the Longonjo Project's potential given the steady increase in the overall Rare Earth metals prices over the past 10 months, most notably the increase in Neodymium and Praseodymium prices. We believe that the project has the potential to add significant value to shareholders.

We have also been active at the Cassenha Hill Copper project, where trenching has been ongoing along strike and a Diamond Drilling campaign undertaken.

Angola held a General Election on 23 August 2017 that was run peacefully. A smooth handover to the new President Hon. João Lourenço (MPLA) has subsequently been made. In June 2017, Angola became the 157th Contracting State to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards which is considered a major positive for doing business in Angola.

We have established and maintained strong connections and working relationships with our Government partner Ferrangol E-P, The Ministry of Geology and Mines, The regulatory bodies in Huambo Province, local Administrators and Sobas. We have a fantastic in country team and I wish to thank them for their efforts over the year.

We look forward to a continued exploration drive on our existing project and investigating any new opportunities that would be complimentary to our strategy.

On behalf of my fellow Directors, I wish to thank all our shareholders, consultants and our key personnel for your continued support and I look forward to a successful year ahead.

Your sincerely,

Stephen Dobson
Executive Chairman

Directors' Report

The Directors of Rift Valley Resources Limited ("the Company") submit herewith the annual financial report of Rift Valley Resources Limited and its controlled entities ("Consolidated Entity") for the year ended 30 June 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors and Directors' Details

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Stephen Dobson **Chairman** **Appointed:2 November 2016** **Age: 54 years**	Stephen Dobson is a financial specialist with more than 25 years' experience in global capital debt and equity markets. He was previously Managing Director of Mirabaud Securities Australia; part of the Swiss based Mirabaud Group. Mirabaud is a leader in corporate finance in the UK, ranking number 1 and 2 on the London Stock Exchange's AIM market for mine development capital raising's, within the oil & gas and natural resources sectors respectively in 2014. He has been a director of ASX and AIM listed companies and was most recently a director of Carbine Resources Limited. Stephen also has previous experience at Merrill Lynch & Co, where he held leadership positions in Sydney, New York, London, Singapore and Perth. *Other Current Directorships of Listed Companies* None *Former Directorships of Listed Companies in last three years* Carbine Resources Limited
Geoffrey Gilmour **Managing Director** **Appointed: 30 November 2009** **Resigned: 25 August 2017** **Age: 53 years**	Geoff Gilmour has over 20 years corporate experience in the junior resource market and was instrumental in the creation of Andean Resources Ltd. Mr Gilmour was previously Managing Director of Amex Resources Ltd. *Other Current Directorships of Listed Companies* None *Former Directorships of Listed Companies in last three years* None
Greg Cunnold **Technical Director** **Appointed: 10 February 2014** **Age: 47 years**	Greg Cunnold is a geologist with over 20 years' experience in the international exploration industry. His expertise extends from project definition and acquisition, through grass roots exploration and delineation, to resource definition and bankable feasibility. During his career Greg has worked on a range of precious metal, base metal and industrial mineral projects throughout the world. Greg was the first geologist stationed in Romania for Gabriel Resources, where he resided for five years working as project manager on the Rosia Montana gold project, culminating in the completion of a BFS on the 14 million ounce gold deposit defined there. More recently Greg was the Exploration Manager for Reward Minerals, during which time the company discovered and delineated Australia's first potash resource of over 20 million tonnes of potassium sulphate at Lake Disappointment. Greg holds a Bachelor of Science (Geology) degree from the University of Western Australia. He is also a member of the Australian Institute of Geoscientists (MAIG) and the Australian Institute of Mining and Metallurgy (AusIMM). *Other Current Directorships of Listed Companies* None *Former Directorships of Listed Companies in last three years* None

Akram Aziz **Non-executive Director** **Appointed: 21 October 2015** **Age: 54 years**	Mr. Aziz is a Tanzanian national and Founder and Principal Shareholder of Caspian Limited, a specialist civil engineering, building and mining contractor. Caspian is perhaps the largest contractor in Tanzania. With 30 years of business experience, Akram has been the driving force behind the growth and expansion of Caspian, specifically spearheading and diversifying the company's services into the fields of mining, construction and bulk earthworks services. Specializing in Plant and Equipment, Akram heads the technical directorate of the company. Akram is a significant sponsor and key stakeholder for Tanzania wildlife conservation and anti-poaching initiatives. *Other Current Directorships of Listed Companies* None *Former Directorships of Listed Companies in last three years* None
Mark Hohnen **Non-executive Director** **Appointed: 25 August 2017** **Age: 67 years**	Mr. Hohnen has experience in the Japanese, Chinese and Korean markets, all of which play a significant role in the production of lithium ion batteries and the development of electric vehicle technology. Mr. Hohnen has been involved in the mineral resource sector since the late 1970s. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as being on the board of oil and coal company Anglo Pacific Resources Plc. Mr. Hohnen was also a director of Kalahari Minerals and Extract Resources, having successfully negotiated the sale of both companies to Taurus (CGN). He is also chairman of ASX listed, Boss Resources Limited and director of Salt Lake Potash Limited. *Other Current Directorships of Listed Companies* Boss Resources Limited (ASX) (26 April 2016 – present) Bacanora Minerals Limited (AIM / TSX listed) (27 April 2016 – Present) Salt Lake Potash Limited (ASX) (February 2010 – present) *Former Directorships of Listed Companies in last three years* None
Graeme Clatworthy **Non-executive Director** **Appointed: 10 February 2014** **Resigned: 15 February 2017** **Age: 52 years**	Graeme holds a Bachelor of Business, majoring in Accounting. He has accumulated 27 years of experience in the Australian Capital Markets having worked for several Australian based Stockbroking firms. Graeme brings to Rift Valley a vast understanding of Capital Markets and has established long standing relationships within the broking community. Graeme is currently an Executive Director of Meteoric Resources NL. *Other Current Directorships of Listed Companies* Meteoric Resources NL (29 November 2012 – Present) *Former Directorships of Listed Companies in last three years* *None*

Company Secretary – Mr. Scott Mison - B.Bus, CA, AGIA.
Scott holds a Bachelor of Business degree majoring in Accounting and is a Member of the Institute of Chartered Accountants in Australia and Governance Institute of Australia.

Scott has more than 18 years of corporate and operational experience across Australia, UK, Central Asia, Africa and the US. He is currently a Director of ASX-listed Jupiter Energy and Longford Resources. He is also a member of the Board of Rebound WA Inc. (formerly Wheelchair Sports WA Inc.).

Principal Activities

The principal activity of the Company is exploration for gold in Tanzania and rare earths, gold and copper in Angola.

Operating and Financial Review

The consolidated entity incurred an operating loss after income tax of $9,192,599 (30 June 2016: $1,348,853) for the year ended 30 June 2017.

2017 REPORT ON PROJECTS

OZANGO PROJECT - ANGOLA (RIFT VALLEY 70%)

2017 Review of Activities

Longonjo Magnet Metals Project

Highlights:

- Desk-top study completed with positive outcome.
- Diamond Drilling Programme confirms shallow broad mineralization.
- 1.8 tonnes of core sample air freighted to Australia for further metallurgical testing.
- 2m composite assays graded up to 15.08% TREO.
- High value magnet metals Neodymium and Praseodymium account for 20.9% of the TREO content.
- AMEC Foster Wheeler engaged for the calculation of a maiden JORC Mineral Resource Estimate and Scoping Study.
- Maiden JORC Mineral Resource Estimate calculation completed– September 2017.
- Scoping Study progressing.

Desktop Study

The Company engaged renowned rare earth metallurgist Mr Gavin Beer to develop a Metallurgical flowsheet and undertake a metallurgical desktop study into the project's viability. (ASX release 23 November 2016). Highlights include:

- Positive Beneficiation test-work achieved.
- Leach test-work on concentrates achieved >89% extraction of Magnet Metals Neodymium and Praseodymium
- Metallurgical Flowsheet developed utilising proven technologies of floatation and acid bake
- 75% in-situ value represented by magnet metals Neodymium and Praseodymium

The distribution of the high value Neodymium and Praseodymium in the mineralization was found to be substantial, accounting for more than 75% of the in-situ value as shown graphically in Figure 1.

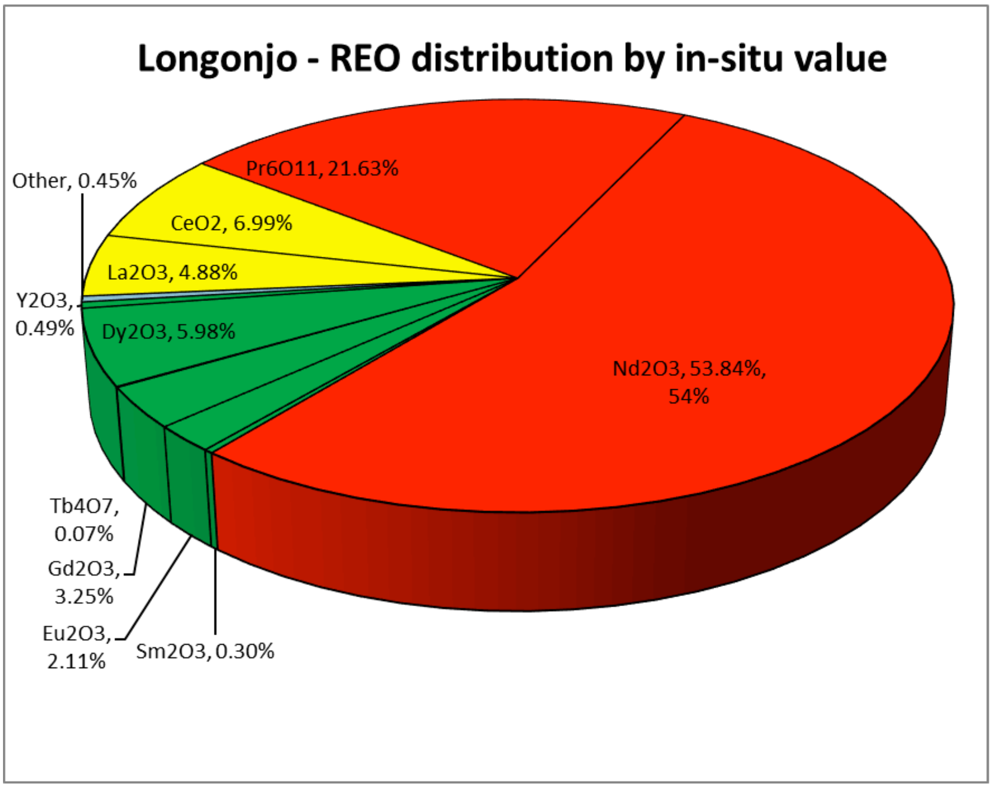

Figure 1 – In-Situ Value Distribution
(Source: Metals Pages – 16th November 2016)

Neodymium and Praseodymium metals are essential for the production of high strength permanent magnets. They are used in wind turbines, MRI machines, electric motors, drones, mobile phones, computers and many more technology and industry applications.

Diamond Drilling and Metallurgical Test-work

Drilling Services contractor, Moto Engil, commenced drilling at Longonjo in May 2017 (ASX release 6 June 2017). 10 Vertical holes twinned previous air core (AC) drill holes with large diameter (PQ - 116mm) diamond drill core as identified in Figure 2. Triple tube barrels were used to ensure maximum core recovery.

Holes were drilled to a nominal depth of 50 metres, exceeding the depth of previous AC holes which were to 'blade refusal' (typically 30 metres). This provided the first 'fresh' material from the Longonjo carbonatite mineralisation and will be used to enhance the geological model.

Two holes were 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 approximately 650 metres of drill core was produced from the campaign.

The core was cut and composited into two metre intervals on site and delivered to Australia for analysis and to provide the samples for the continued metallurgical test-work program.

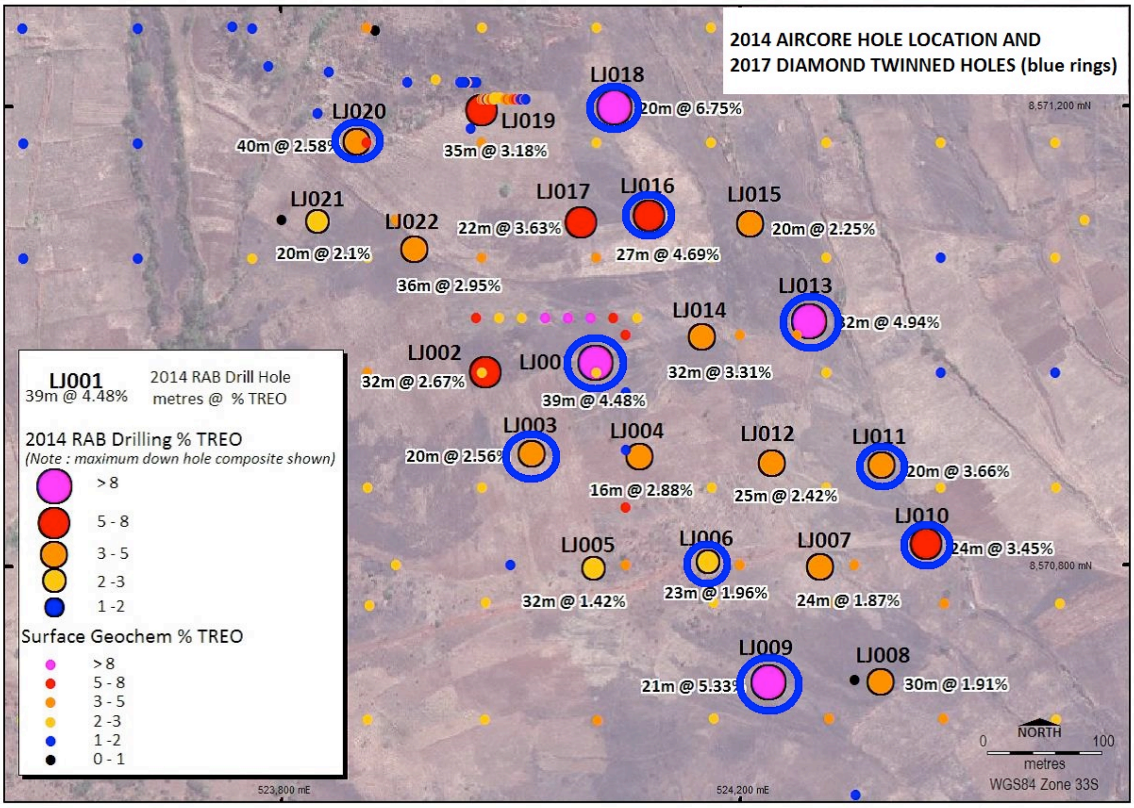

Figure 2 – Diamond Drill Hole Locations (blue ringed) with Respect to Previous Air Core Holes

Commencement of Scoping Study

Tier 1 engineering house AMEC Foster Wheeler (AFW) was engaged to oversee an encompassing Scoping Study and a JORC 2012 Mineral Resource Estimate (MRE) for the Longonjo Magnet Metals Project (ASX release 6 June 2017). AFW was selected based on their market leading experience in rare earth projects globally. The scoping study is advancing and is anticipated to be competed in October 2017.

SUBSEQUENT EVENTS

Longonjo Diamond Drilling Results:

A total of 1.8 tonnes of quarter core, derived from the programme, was airfreighted to Nagrom Laboratories in Perth for the assaying and metallurgical test-work that will form the basis of the scoping study by Amec Foster Wheeler (AFW). A senior geologist from AFW attended site to audit the drilling and core processing as the drilling will also facilitate the maiden mineral resource estimate over Longonjo.

Assays returned confirmed broad mineralized intercepts from surface (ASX release 24 August 2017) and included: -

- 20m @ 6.47% TREO from surface.
- 38m @ 5.04% TREO from surface.
- 16m @ 7.04% TREO from surface.
- 16m @ 6.04% TREO from surface.

2m composite assays graded up to 15.08% TREO, with high value magnet metals Neodymium and Praseodymium accounting for 20.9% of the TREO content.

The mineralisation remains open in all directions and at depth.

A detailed metallurgical test-work program has been scoped for implementation on the diamond drill core and composites.
The test-work 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 test-work will be used for the extraction test-work, again building on from the positive results reported in Desktop Study where extractions of the magnet metals praseodymium and neodymium exceeded 89%.

Maiden JORC Mineral Resource Estimate (MRE)

The company published its maiden JORC mineral resource estimate at Longonjo (ASX release 26 September 2017).
Highlights include: -

- 11.6 Mt @ 4.30% TREO* in the oxide material.
- 33.2 Mt @ 1.87% TREO* in the fresh material.
- A combined 44.7 Mt @ 2.50% TREO*.
- Mineralization remains open in all directions and at depth.
- MRE forms the basis of an independent Scoping Study presently being carried out by Amec Foster Wheeler.

*TREO = Sum of La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy2O3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3
* Cut-off of 1% TREO applied
* Inferred level of confidence
* Reported in accordance with the JORC Code (2012)
* individual totals may not sum to combined total due to rounding

Geological modelling and grade estimation were undertaken by Amec Foster Wheeler. The diamond drill (DD) and Rotary Air Blast (RAB) drilling grids are over an average length of ~780 north-south and ~395m east-west. Quality Assurance and Quality Control formed an integral part of the exploration process from drilling management, to shipment and analysis of the samples. A three-dimensional model was compiled using both the RAB and DD information. The two domains, fresh and oxide, were estimated separately. The estimation methodology employed was Inverse Distance Squared (ID2) utilizing the DD hole results. The block size for the grade model estimation was 50 X 50 X 2m (X, Y and Z respectively). The in-situ density applied to the volumes were obtained from measurements taken on samples from the Longonjo DD campaign.
The Inferred MRE covers a small portion, less than 10%, of the prospective Longonjo Carbonatite, based on the current geological understanding and available exploration information. The mineralization remains open in all directions, and at depth, with the highest-grade tenor holes being largely on the periphery of the RAB (prefix 'LJ') and DD ('prefix LJD') drill holes (Figures 4 and 5).

The higher-grade oxide material conformably overlies the fresh material throughout the deposit, mineralised from surface in every drill hole. The average depth of the oxide zone is estimated at 20m below surface.

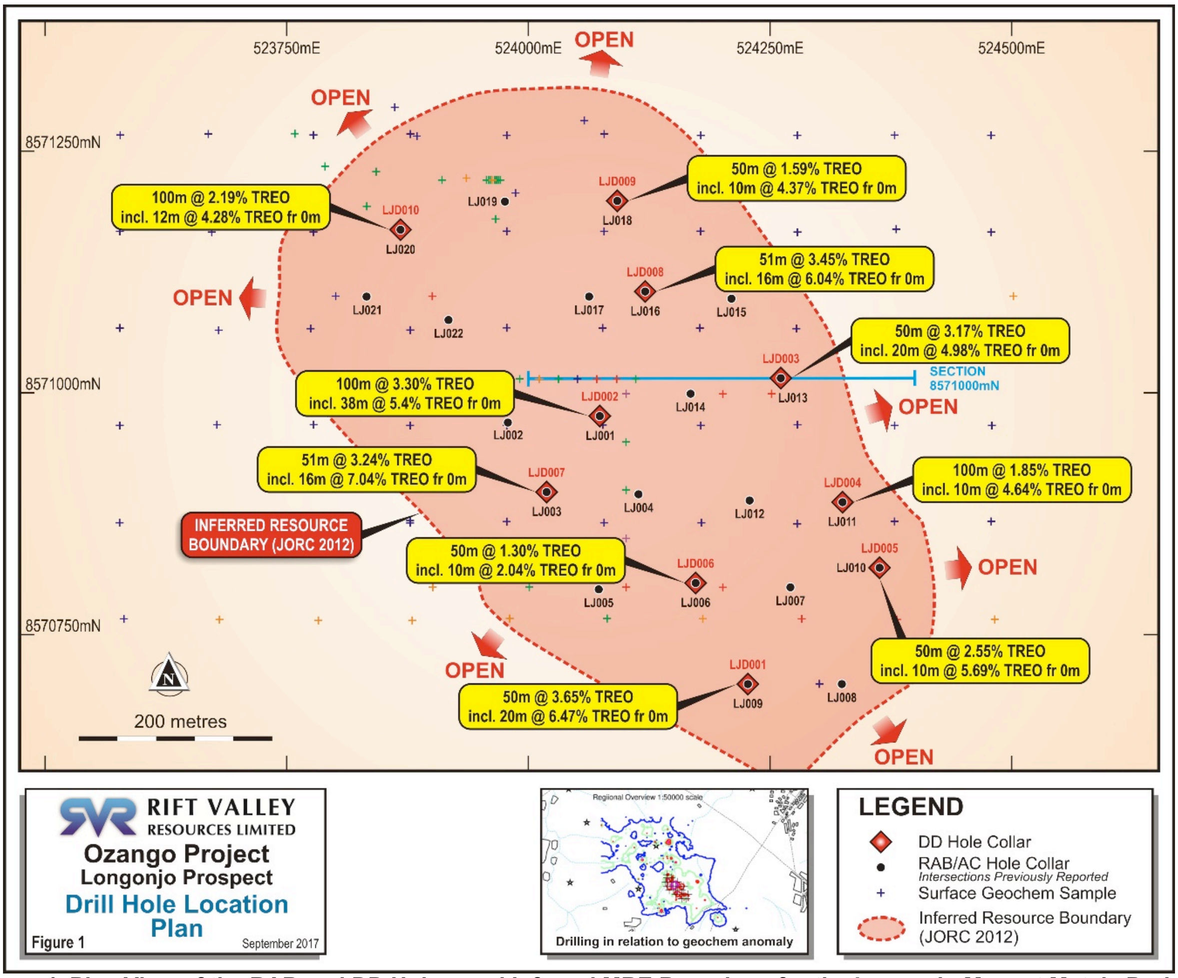

Figure 4. Plan View of the RAB and DD Holes, and Inferred MRE Boundary, for the Longonjo Magnet Metals Project.

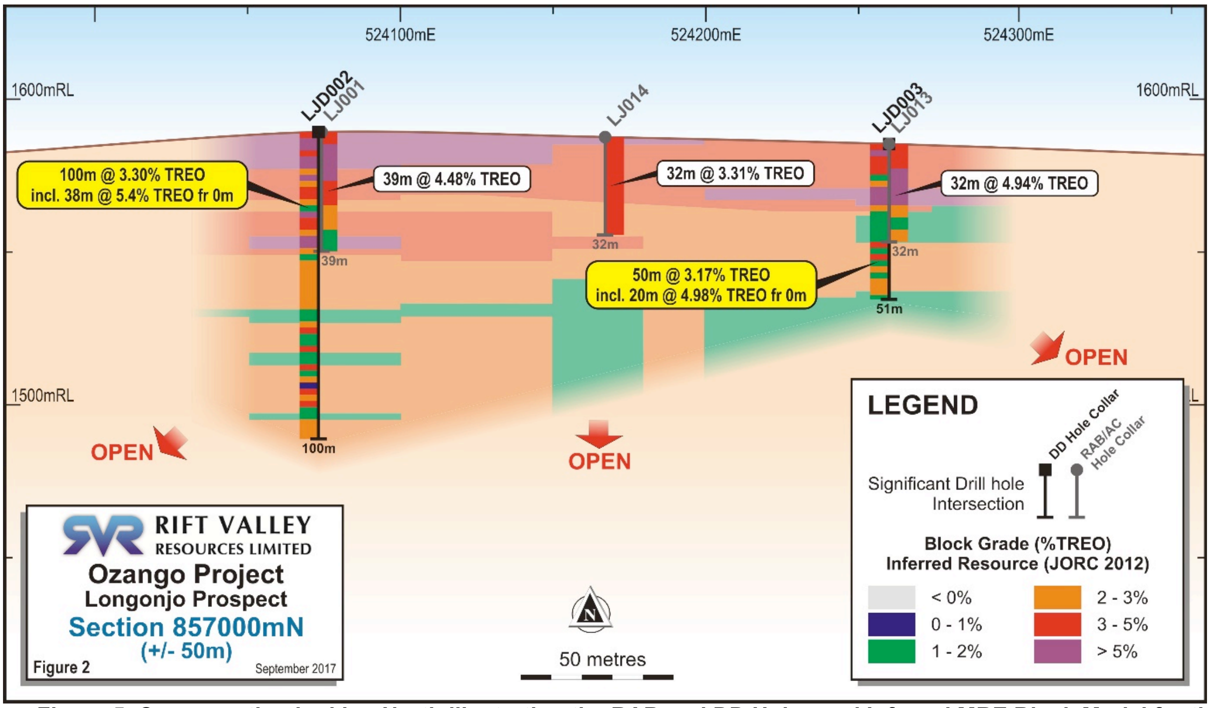

Figure 5. Cross-section looking North illustrating the RAB and DD Holes and Inferred MRE Block Model for the Longonjo Magnet Metals Project.

About the Longonjo Magnet Metals Project
The Longonjo Project is located within the Ozango Project area 60km west of the regional city of Huambo. It is located proximal to good infrastructure including roads, towns and the recently recommissioned railway infrastructure which links to the deep water Atlantic port of Benguela/Lobito.

The geology is typical of REE mines and prospects globally including Lynas Corp's Mt Weld deposit in Western Australia.

Figure 6. Carbonatite Vent – National Highway to Port (390km)

Cassenha Hill Copper Prospect

The Cassenha Hill Copper Prospect lies within the broader Catabola copper-gold target which comprises an area of approximately 180km² with two separately identified 7.5km mineralized zones both trending northwest to southeast, approximately 5 kilometres apart.

- **Zone 1 – Cassenha Hill Copper-Gold Prospect**: Centred on historic small-scale copper mining at Cassenha Hill.
- **Zone 2 – Cambumbula Prospect**: A potential major zone of iron rich altered metasediment with associated weakly anomalous copper- gold values.

A aimed to test copper-gold mineralization delineated at surface with trenching and with channel sampling from shallow, historical exploration adits.

Results from the maiden drilling campaign at the prospect (ASX Release 17 Feb 2016 and 11 April 2016) confirmed the depth extension of copper mineralisation previously delineated at surface with trenching and with channel sampling of historical underground workings (exploration adits). The combined results also demonstrated broad zones of copper mineralization with associated gold that remains open along 3.5 km of strike and at depth (Figure 7).

Subsequent to the year end, a second phase diamond drilling programme commenced at the Cassenha Hill copper prospect to test the extents of mineralization delineated in the maiden drilling campaign.Trenching crews were operative in advance of the drill rig, targeting the strike extents of structures in the area. The current drilling and trenching programme is expected to be completed in October 2017. Assay results will be reported when received.

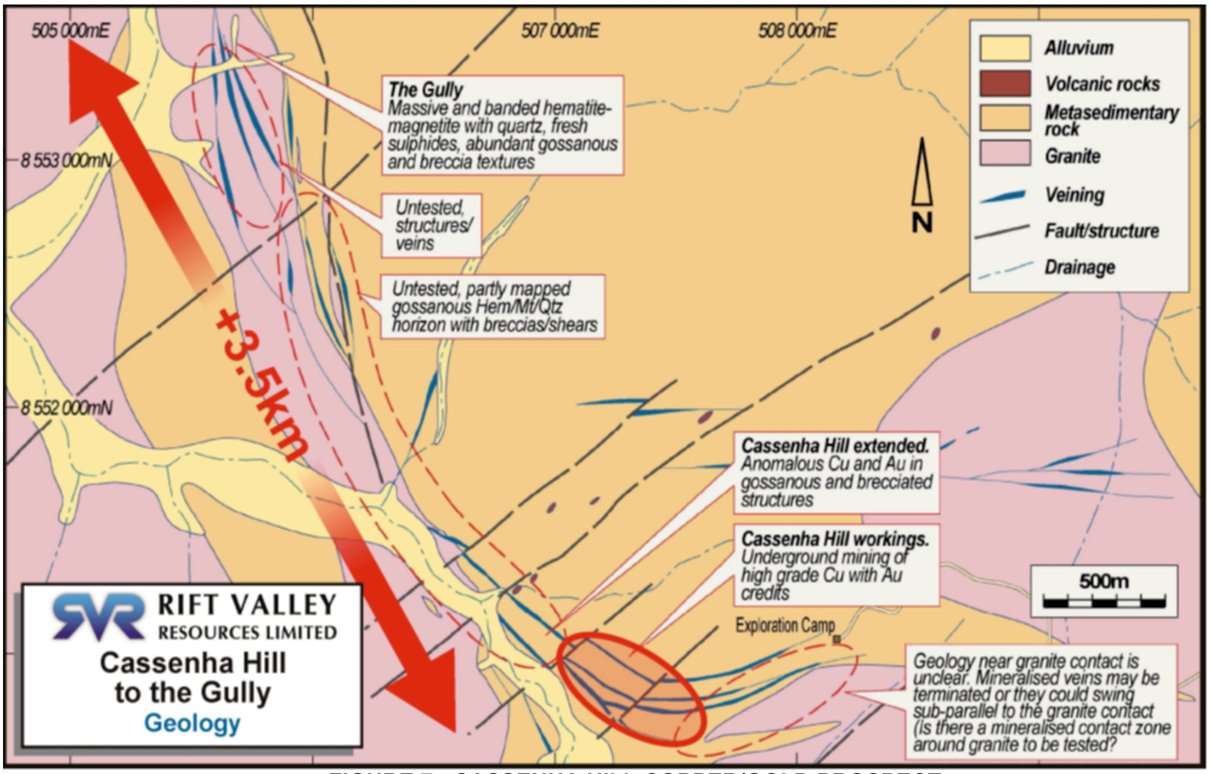

FIGURE 7 - CASSENHA HILL COPPER/GOLD PROSPECT

Concession Wide Stream Sediment Program

During the year, a concession wide stream sediment program was completed (ASX release 15 March 2017). The first pass collected over 600 samples to complete a geochemical screen over the 3760km² concession on a nominal 5km² catchment area. An ultrafine (-63um) sample was collected at site and submitted for multi element analysis.

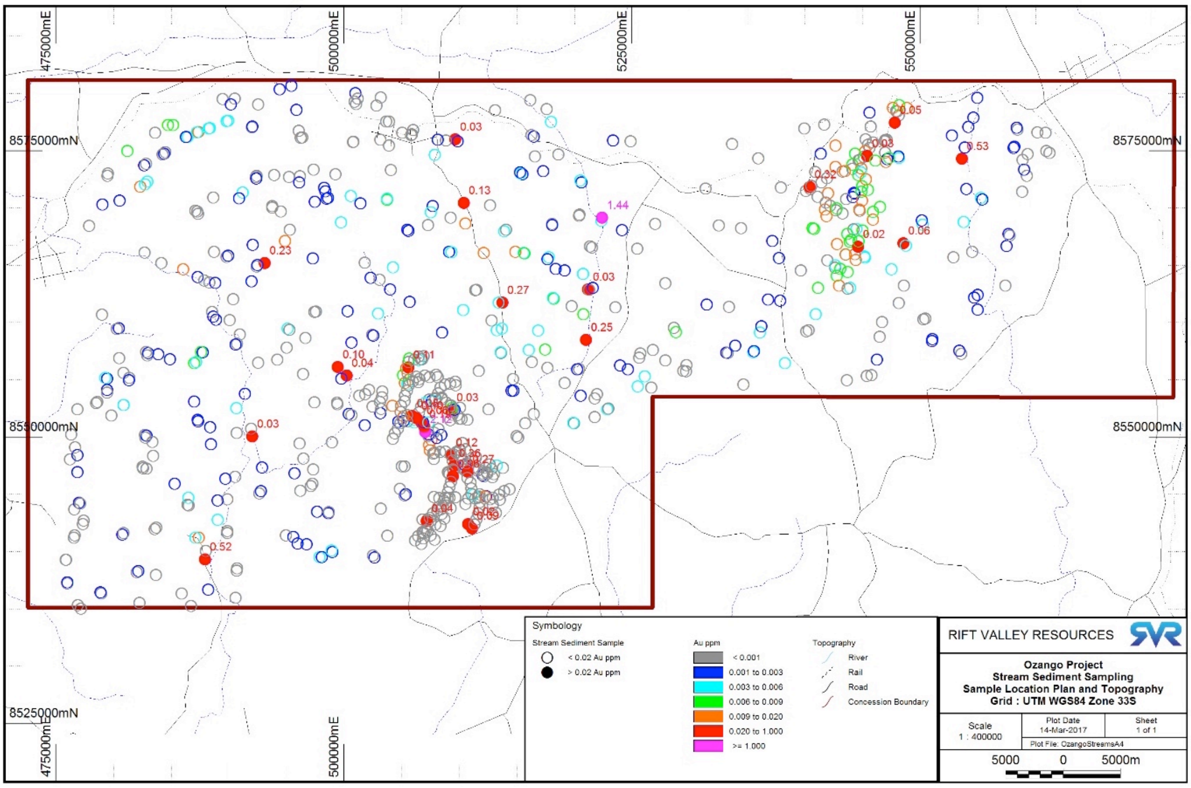

Figure 8. Stream Sediment Sample Location Plan with Gold Values

Ozango Project Geological Modelling

Airborne magnetic data from an historical, regional (1km spaced) survey over the Ozango project was acquired during the year. The data was processed and interpreted with 30m resolution DTM data. A geological interpretation of the project area at 1:150 000 scale, referenced to existing geological data was compiled.

This work demonstrates that the Ozango Project has the potential to host further copper and gold exploration targets and has also evidenced the potential strike of the Cassenha Hill and Cambumbula copper mineralization. The identification of controlling structures will assist future exploration campaigns.

The aeromagnetic data coupled with the results from the multi element stream sediment programme has generated up to 12 additional high priority targets on the project area (Figure 9). Through Geophysical and Geological interpretation, the company has now prioritised these targets for investigation. The targets will be validated with surface geochemistry and field mapping.

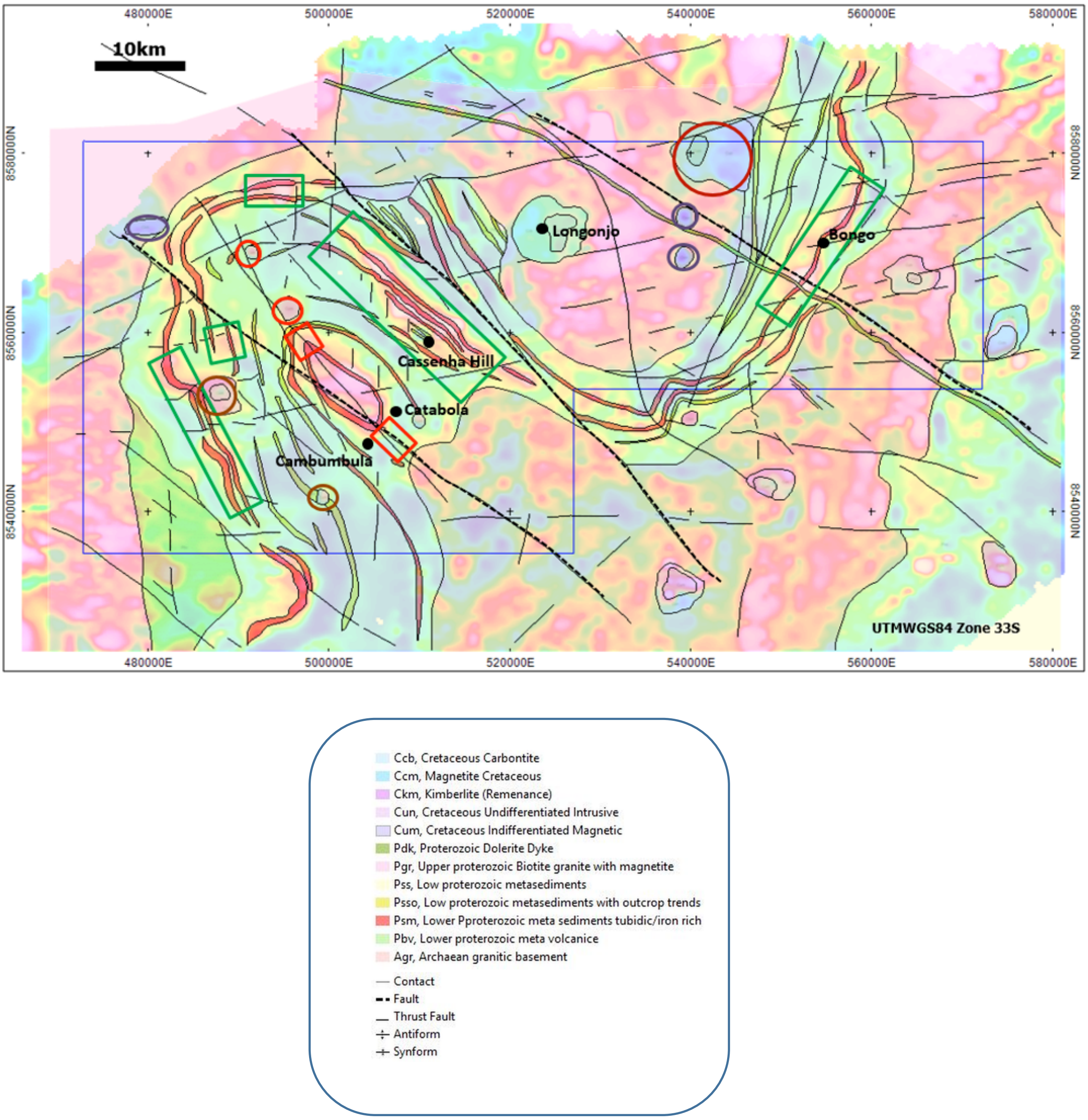

Figure 9. Airborne magnetic interpretation with target areas.

OZANGO PROJECT OVERVIEW

The Project is located 520 kilometres southeast of Luanda, the capital city of Angola and centred only 70 kilometres to the west of the country's second largest city of Huambo.

A national highway and refurbished railway, that links Huambo with the Atlantic deep-water port of Benguela/Lobito some 390 kilometres to the west, both run through the Ozango tenement.

Huambo hosts an international airport. Hydro power, fuel, water, general supplies and accommodation are readily available.

The Ozango Project consists of a single Exploration Licence (Nº 013/03/09/T.P/ANG -MGM/2015) that covers an area of 3,670km². The property extends for 100 kilometres in an east-west direction and varies between 28 to 46 kilometres in width. The northeast corner of the property comes to within 17 kilometres of Huambo.

Figure 10: Location of Ozango Project in Angola

GEOLOGICAL OVERVIEW

The Ozango Project is situated within the late Archaean to Proterozoic Lucapa Graben, a regional north-east trending 1,300Km structure overlying the Archaean crystalline basement of the Congo Craton and extending across Angola into the Democratic Republic of Congo. The Licence is underlain by Archaean granitic basement and lower Proterozoic metasediments and minor metavolcanics which are cut by upper Proterozoic granites and porphyries. Late stage Mesozoic age intrusives include a number of kimberlites (not known to be diamondiferous) and the Longonjo carbonatite.

- Longonjo Magnet Metals Project,
- Catabola Copper-Gold prospect, and
- Bongo Gold target.

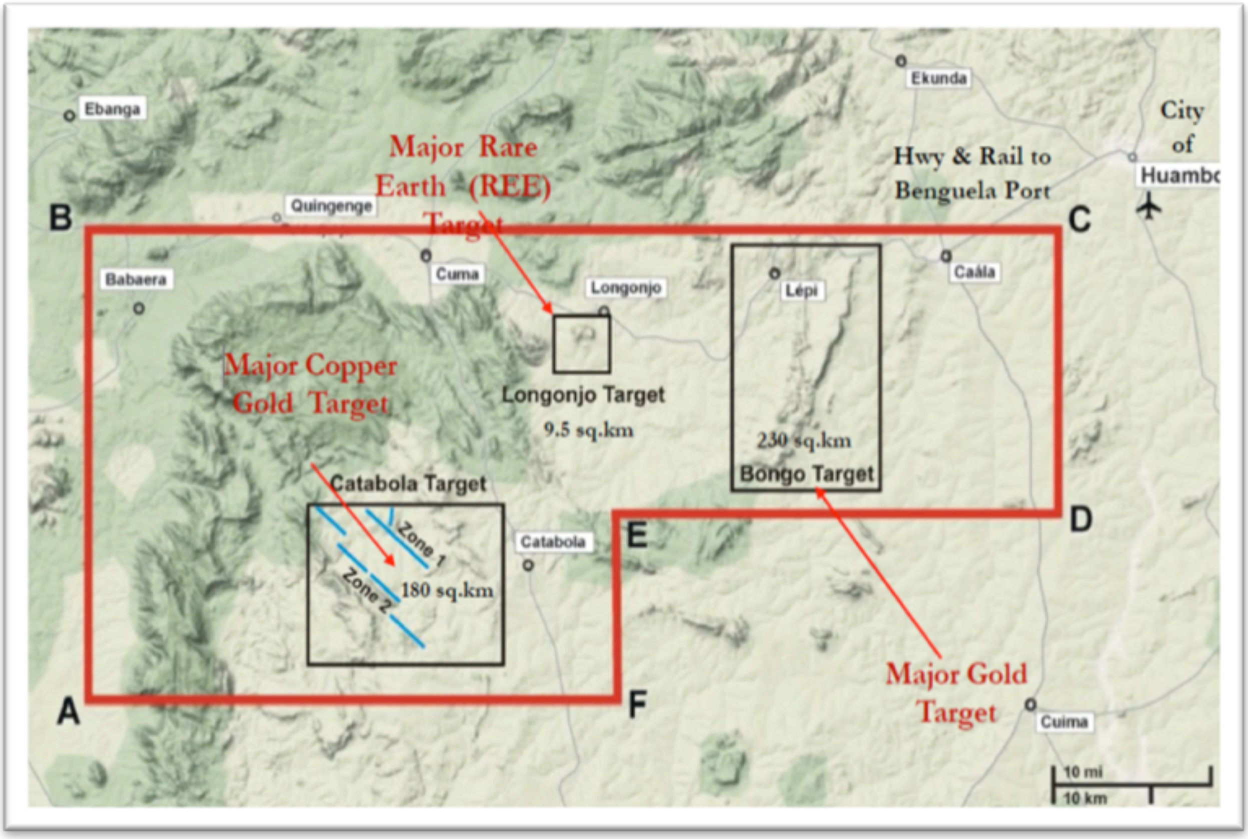

Figure 11 Ozango Project Major Targets

MIYABI PROJECT - TANZANIA (RIFT VALLEY 100%)

RC drilling during the year, at the Company's 100% owned Miyabi project, returned further significant gold intersections.

At the Shambani prospect, drilling tested the western extents of known gold mineralisation. Composite samples returned significant intersections, including 6 meters @ 5.03 g/t Au from 81 meters. Results to date support the theory that the two defined mineralised envelopes delineated to date at Shambani, may join in a fold closure to the west.
Current Mineral Resources are tabulated in Table 1. A drill-hole location plan detailing the new drill intercepts in context with previous drilling and resource envelopes, is presented below (Figure 12).

Deposit	Indicated		Inferred		Total		
	Mt	g/t	Mt	g/t	Mt	g/t	Ounces
Dalafuma	0.5	5.4	0.7	3.1	**1.2**	**4.1**	**166,700**
Faida	3.3	1.4	2.2	1.2	**5.5**	**1.3**	**241,100**
Kilimani	2.7	1.3	1.0	1.4	**3.7**	**1.3**	**156,700**
Ngaya			1.7	1.1	**1.7**	**1.1**	**57,700**
Shambani	0.5	1.8	1.6	1.0	**2.1**	**1.2**	**81,300**
Total	**7.0**	**1.7**	**7.2**	**1.4**	**14.2**	**1.5**	**703,500**

Table 1 – Miyabi Gold Project July 2015 Mineral Resources at 0.5g/t Au Cut-off

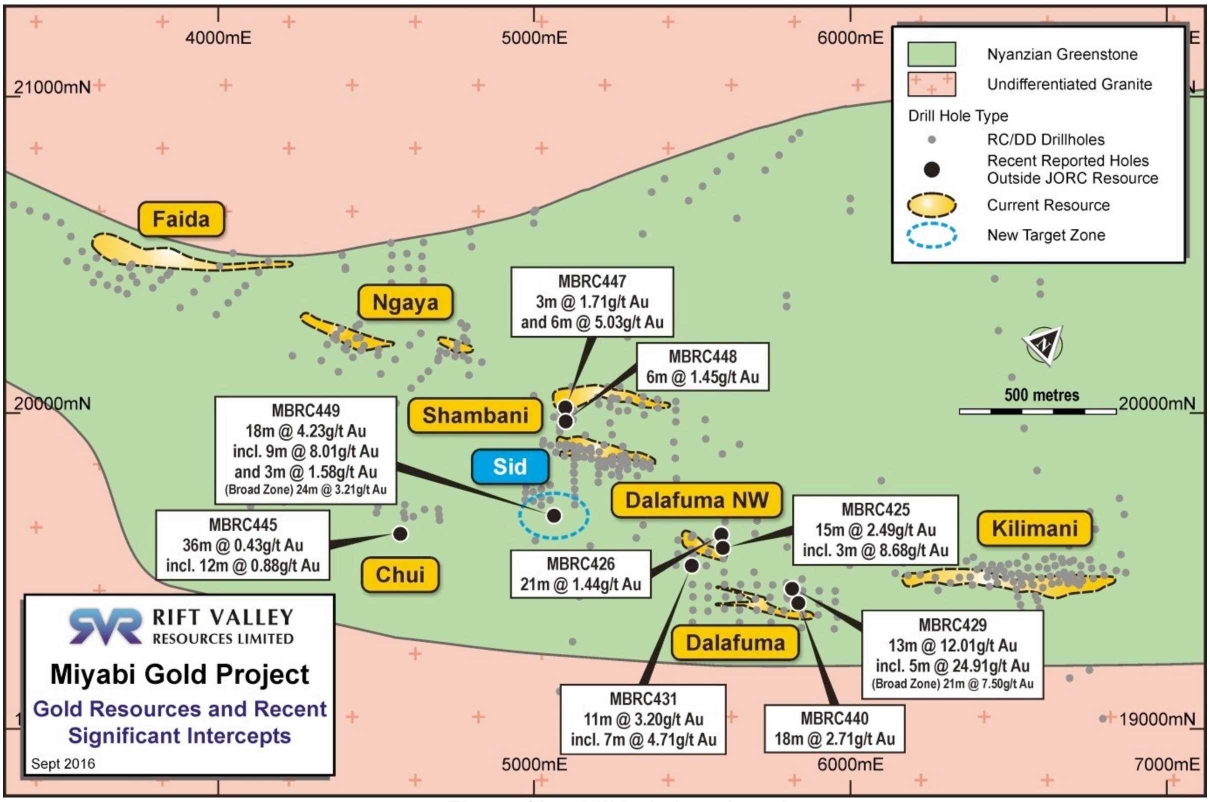

Figure 12 – drill hole location plan

The drilling at Miyabi ceased in December 2016 with extensional drilling at Dalafuma and Shambani being carried out. Results of which will be compiled for an updated resources estimation in the March quarter. 31 holes were drilled in total for an advance of 4558 meters. Rift Valley also drilled a water bore for the local community. A good flow of potable water was developed alleviating a dire need.

New Licence

A new prospecting licence, PL/10908/2016 has been issued replacing PL/11026/15 (Figure 13). The licence is for a 4 year period and is able to be extended for an additional 3 years and a further 2 years thereafter.

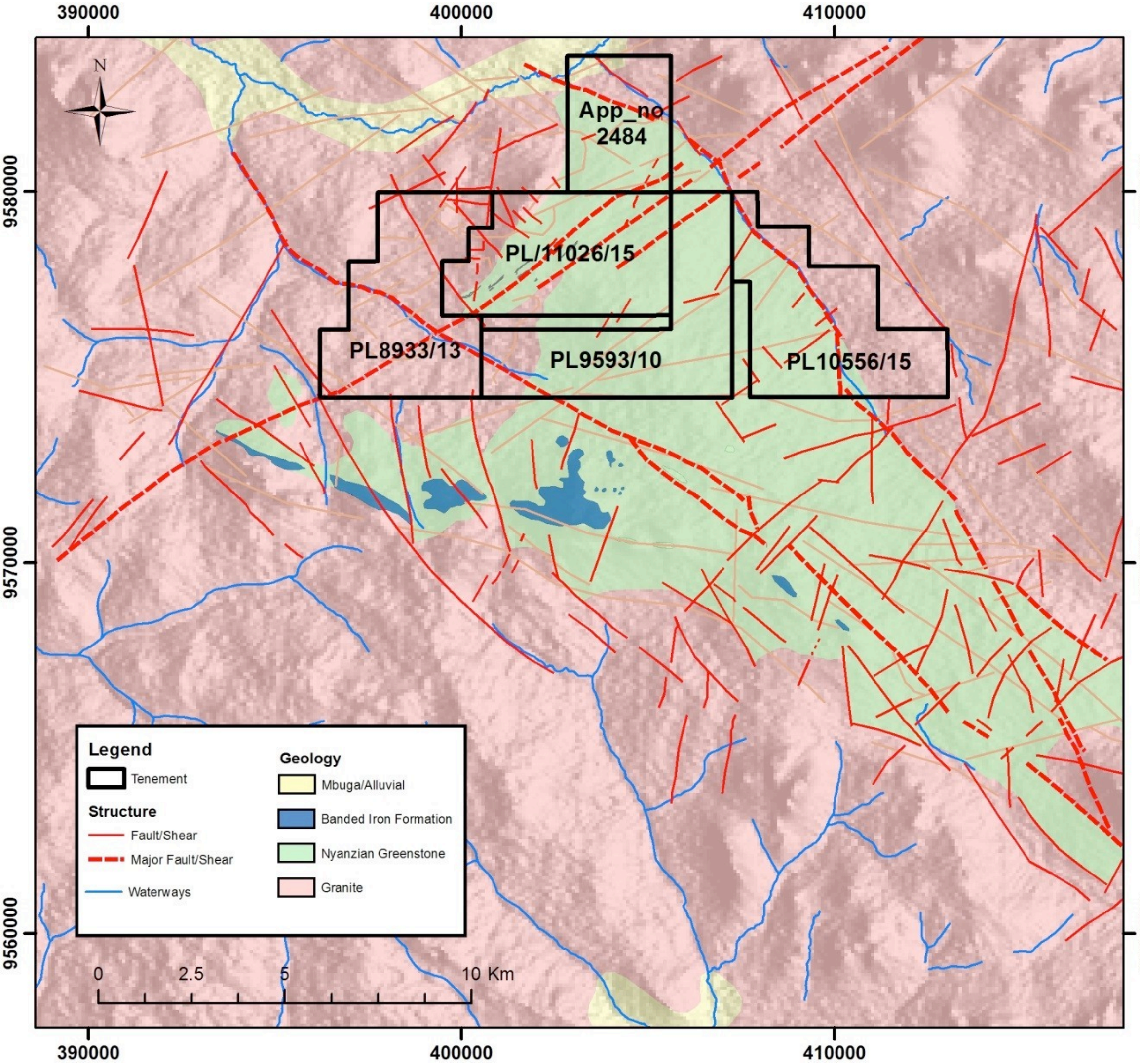

Figure 13 - Miyabi Gold Project Tenement Map

KITONGO PROJECT, TANZANIA (RIFT VALLEY 100%)

There was no exploration activity at Kitongo during the reporting period.

Corporate

In November 2016, the Company raised $800,000 through the issue of 40,000,000 shares at $0.02 per share. As part of the placement, the company also issued 20,000,000 unlisted options exercisable at $0.035 expiring 3 November 2018.
On 2 November 2016, the Company appointed Mr Stephen Dobson as Non-Executive Chairman.

Stephen's appointment is instrumental in assisting the Company in the future capital requirements and strategies necessary for the advancement and unlocking the value of the existing projects in Angola and Tanzania.

On the 30 November 2016, the Company held its Annual General Meeting for shareholders. At the meeting, 3,000,000 performance rights were approved to be issued to the Directors.

In April 2017 the Company completed a 1 for 7 Rights issue which raised $2.26m.

The Company had a number of parties interested in the Rights Issue Shortfall and accordingly, the Company decided to complete a private placement of 13,381,441 ordinary shares at 2.5 cents to raise a further $334,536 (before costs).

Significant Changes in the State of Affairs

Other than the above there was no significant change in the state of affairs of the Consolidated Entity during the financial year.

Subsequent Events

On 3 July 2017, 3 Bills were passed by the Tanzanian Parliament which will amend the legal framework governing the resources sector in Tanzania.

On 25 August 2017, Mr Mark Hohnen was appointed to the board as a Non-Executive Directors. Mr Geoff Gilmour resigned as Managing Director and from the Board. As a result of this, Mr Stephen Dobson moved to Executive Chairman.

Future Developments

The Directors intend to continue to explore and develop the Company's key existing projects.

Health and Safety Policy

The Company is committed to developing a culture which supports the health and safety of all employees, contractors, customers and communities associated with its business and operations.

Environmental Regulations

Tanzania

The Company's exploration and evaluation activities on its tenements are subject to Tanzanian laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. As with all exploration, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by Tanzanian laws and regulations.

Angola

The Company's exploration and evaluation activities on its tenements are subject to Angolan laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. As with all exploration, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by Angolan laws and regulations.

COMPETENT PERSON STATEMENT

We advise in accordance with Australian Stock Exchange Limited Listing Rules 5(6) that the exploration results contained within this report 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 report that relates the Exploration Results and Mineral Resources for the Kitongo and Miyabi gold deposits 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.

Dividends

No dividends have been paid or proposed since the start of the financial year, and the Directors do not recommend the payment of a dividend in respect of the financial year.

Shares under option or issued on exercise of options

At the date of this report there are 107,855,000 unissued shares or interests under option.

Indemnification of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and any related body corporate against a liability incurred by such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by an officer.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' Meetings

The following table sets out the number of Directors' meetings and committee meetings held during the financial year and the number of meetings attended by each Director while they were a Director:

	Board meetings	
Directors	Held	Attended
S Dobson	4	2
G Gilmour	4	4
G Cunnold	4	4
G Clatworthy	4	4
A Aziz	-	-

During the year, there were also 2 circular resolutions approved by directors.

Directors' Interests in the Company

The following table sets out each Director's relevant interest in fully paid ordinary shares and options in the Company at the date of this report.

Directors	Fully paid ordinary shares	Performance Rights	Options
S Dobson	12,603,244	10,000,000	12,500,000
G Gilmour	25,483,489	1,000,000	-
G Cunnold	13,184,000	1,000,000	-
A Aziz	14,266,173	-	-
M Hohnen	43,186,913	-	17,278,619

Remuneration Report (Audited)

The remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this report, key management personnel (KMPs) of the Group are identified as those persons having the authority and responsibility for planning, directing and controlling major activities of the Company and the Group, directly or indirectly. The prescribed details for each person covered by this remuneration report are detailed below under the following headings:

A.Key management personnel and relevant Group executives' details
B.Remuneration policy for key management personnel
C.Relationship between remuneration policy and Company performance
D.Remuneration of the key management personnel and relevant Group executives
E.Key terms of employment contracts

A. Key Management Personnel and Relevant Group Executives' Details
The following persons have been identified as acting as key management personnel and/or relevant Group executives of the Company and the Consolidated Entity during the financial year:

- S Dobson (Chairman) appointed 2 November 2016;
- G Gilmour (Managing Director) appointed 30 November 2009; resigned 25 August 2017;
- G Cunnold (Technical Director) appointed 10 February 2014;
- G Clatworthy (Non-executive Director) appointed 10 February 2014; resigned 15 February 2017;
- A Aziz (Non-executive Director) appointed 21 October 2015;
- S Mison (Company Secretary) appointed 27 September 2013;

B. Remuneration Policy for Key Management Personnel
The Board is responsible for determining and reviewing compensation arrangements for key management personnel. The Company may issue options or performance rights subject to shareholder approval, where required, as determined by the Board.
Executive Remuneration
To achieve its objectives of discovery of economic resources in a cost effective manner, the Company aims to attract and retain a senior management team focused upon contributing to that objective. The Board has established a principle of offering competitive remuneration packages. There are no guaranteed pay increases included in the senior executives' contracts and the executives are not entitled to any retirement benefits other than those provided under the superannuation guarantee legislation.

Non-Executive Directors
Non-Executive Directors' fees are reviewed on a regular basis against industry benchmarks. Other than compulsory payments made under the superannuation guarantee legislation or salary sacrifice agreements, there are no retirement benefits provided to Non-Executive Directors. Director's fees are currently set at $50,000 per annum plus superannuation. The approved aggregate limit of fees that may be paid to Non-Executive Directors is $400,000 per annum. During the 2017 year, the directors decreased their Fees to $40,000 per annum.

C.Relationship Between Remuneration Policy and Company Performance

The Key Management Personnel remuneration do not comprise of elements that are related to performance. The performance of the Company in the mining industry will be dependent upon the Company meeting the following corporate objectives:

- conducting successful exploration;
- seeking long term cash flow profitability through production or sale; and
- actively pursuing acquisition opportunities to enhance the Company's exploration discovery capacity.

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholders wealth for the five years to 30 June 2017:

Description	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Income	$3,117	$3,627	$14,142	$84,501	$185,897
Net loss before tax	$9,192,599	$1,348,853	$1,525,914	$1,129,479	$4,271,472
Net loss after tax	$9,192,599	$1,348,853	$1,525,914	$1,129,479	$4,271,472
Share price at start of year	2.8 cents	2.5 cents	1.8 cents	2.2 cents	10 cents
Share price at end of year	2.8 cents	2.8 cents	2.5 cents	1.8 cents	2.2 cents
Market capitalisation	$20.7m	$16.6m	$12.4m	$5.9m	$6.3m
Basic (loss) per share	(0.15) cents per share	(0.36) cents per share	(0.46) cents per share	(0.34) cents per share	(1.76) cents per share
Diluted (loss) per share	(0.15) cents per share	(0.36) cents per share	(0.46) cents per share	(0.34) cents per share	(1.76) cents per share

D.Remuneration of the Key Management Personnel and Relevant Group Executives
The following tables provide information about the remuneration of the Consolidated Entity's key management personnel for the current and previous financial year:

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment		% of remuneration performance related
	Salary & fees	Bonus	Non-monetary	Other (i)	Super-annuation		Options & rights	Total	
	$	$	$	$	$	$	$	$	%
2017									
Non-Executive Directors									
G Clatworthy	26,667	-	-	72,530	6,004	-	10,695	115,895	-
A Aziz	-	-	-	-	-	-	-	-	-
Executive Directors									
S Dobson	33,333	-	-	47,108	7,642		179,841	267,924	
G Gilmour	40,000	-	-	100,000	3,800	-	10,695	154,495	-
G Cunnold	40,000	-	-	97,200	13,034	-	10,695	160,929	-
Executives									
S Mison	96,000	-	-	-	-	-	-	96,000	-

(i) Other relates to fees for consulting services provided that are out of the scope of non-executive directors.

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment		% of remuneration performance related
	Salary & fees	Bonus	Non-monetary	Other (i)	Super-annuation		Options & rights	Total	
	$	$	$	$	$	$	$	$	%
2016									
Non-Executive Directors									
G Clatworthy	45,833	-	-	54,795	5,205	-	39,397	145,230	-
A Aziz	-	-	-	-	-	-	-	-	-
Executive Directors									
G Gilmour	45,833	-	-	180,000	4,354	-	8,055	238,242	-
G Cunnold	45,833	-	-	86,572	8,224	-	8,055	148,684	-
Executives									
S Mison	96,000	-	-	-	-	-	-	96,000	-

(i) Other relates to fees for consulting services provided that are out of the scope of non-executive directors. Mr Geoffrey Gilmour has earned $180,000 for consulting services. Of this, $60,000 remains accrued at 30 June 2016.

Share-based Payments

Performance Rights

2017

During the 2017 financial year, the following performance rights were issued to directors and key management personnel:

Director / KMP	Number of Rights	Vesting Conditions	Grant date	Expiry date	Vesting date
Stephen Dobson	5,000,000	VWAMP of $0.06 for 90 days	16 June 2017	16 June 2019	Upon vesting conditions being met
Stephen Dobson	3,000,000	Raising at least $5m	16 June 2017	16 December 2018	Upon vesting conditions being met
Stephen Dobson	2,000,000	12 months service	16 June 2017	16 June 2018	16 June 2018

The fair value of performance rights granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2017:

	Performance Rights		
	Director	Director	Director
Grant date	16 June 2017	16 June 2017	16 June 2017
Number of performance rights	2,000,000	5,000,000	3,000,000
Share price	2.4 cents	2.4 cents	2.4 cents
Exercise price	0 cents	0 cents	0 cents
Weighted average fair value	2.4 cents	0.009 cents	2.4 cents
Total amount	$48,000	$45,000	$72,000
Expensed to 30 June 2017	$1,841	$45,000	$48,000

The director performance rights were approved by the board to be issued on 2 November 2016, however they were subject to shareholder approval, which were approved on 16 June 2017.

2016

During the 2016 financial year, the following performance rights were issued to directors and key management personnel:

Director / KMP	Number of Rights	Vesting Conditions	Grant date	Expiry date	Vesting date
Graeme Clatworthy	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue
Geoff Gilmour	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue
Greg Cunnold	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue

The fair value of performance rights granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2016:

	Performance Rights Directors
Grant date	30 November 2016
Number of performance rights	3,000,000
Share price	2.8 cents
Exercise price	0 cents
Weighted average fair value	2.8 cents
Total amount	$84,000
Expensed to 30 June 2016	$24,164

The director performance rights were approved by the board to be issued on 24 March 2016, shareholders approved on 30 November 2016 .

Options
2017
During the 2017 financial year, the following options were issued to directors and key management personnel:

Name	Share options Number	Exercise Price	Grant date fair value	Grant date	Expiry date	Vesting date
Stephen Dobson	5,000,000	$0.04		2 November 2016	2 November 2019	Vested at date of grant
Stephen Dobson	5,000,000	$0.06		2 November 2016	2 November 2019	Vested at date of grant

The fair value of options granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2017:

	Unlisted Options	
	Director	**Director**
Grant date	2 November 2016	2 November 2016
Number of options	5,000,000	5,000,000
Share price	2.8 cents	2.8 cents
Exercise price	6 cents	4 cents
Weighted average fair value	0.7 cents	1.0 cents
Total amount	$35,000	$50,000
Expensed to 30 June 2017	$35,000	$50,000

2016

There were no options issued to Directors or KMP's.

Shareholdings of KMP
Fully paid ordinary shares of Rift Valley Resources Limited held directly or indirectly by KMP are as follows:

	Balance at 1 July No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.#	Balance at 30 June No.
2017					
S Dobson	-	-	-	12,603,244	12,603,244
G Gilmour	19,816,019	-	-	5,667,470	25,483,489
G Clatworthy	11,450,000	-	-	-	11,450,000*
G Cunnold	11,536,000	-	-	1,648,000	13,184,000
A Aziz	14,266,173	-	-	-	14,266,173
2016					
G Gilmour	15,101,537	-	-	4,714,482	19,816,019
G Clatworthy	8,700,000	2,000,000	-	750,000	11,450,000
G Cunnold	11,136,000	-	-	400,000	11,536,000
A Aziz	34,266,173	-	-	(20,000,000)	14,266,173

*G Clatworthy resigned on 15 February 2017. Shareholding at time of resignation.

All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Option holdings of KMP

Name	Balance at 1 July No.	Granted Compen-sation No.	Issued as part of Merger No.	Net other change No.	Bal at 30 June (beneficial interest) No.	Bal vested at 30 June No.	Vested but not exercis-esable No.	Vested and exercisabl e No.	Options vested during year No.
2017									
S Dobson	-	10,000,000	-	2,500,000	12,500,000	12,500,000	12,500,000	-	-
G Gilmour	-	-	-	-	-	-	-	-	-
G Clatworthy	-	-	-	-	-	-	-	-	-
G Cunnold	-	-	-	-	-	-	-	-	-
A Aziz	-	-	-	-	-	-	-	-	-
2016									
G Gilmour	-	-	-	-	-	-	-	-	-
G Clatworthy	-	-	-	-	-	-	-	-	-
G Cunnold	-	-	-	-	-	-	-	-	-
A Aziz									

During the 2016 financial year there were no options issued as share-based payments to directors and key management personnel.

E.Key Terms of Employment Contracts

Contracts for services of key management personnel and relevant executives

Remuneration and other terms of employment for the Directors and other key management personnel are formalised in service agreements. The contractual arrangements contain certain provisions typically found in contracts of this nature.
The termination provisions are as follows:

	Notice period	Payment in lieu of notice
Employer - initiated termination without reason	3 months	3 months
Termination for serious misconduct	None	None
Employee – initiated termination	3 months	3 months

Non-Executive Directors

The Company's Constitution provides that the Directors may be paid out of Company funds, as remuneration for their services, a sum determined from time to time by the Company's Shareholders in general meeting, with that sum to be divided amongst the Directors in such manner as they agree.

Directors' remuneration for their services as Directors is by a fixed sum and not a commission on a percentage of profits or operating revenue. The maximum sum of Directors' remuneration may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to shareholders. There is provision for Directors who devote special attention to the business of the Company or who perform services which are regarded as being outside the scope of their ordinary duties as directors, or who at the request of the Board engage in any journey on Company business, to be paid extra remuneration determined by the Board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any committee engaged in the Company's business.

End of remuneration report

Non-audit services

During the year, no non-audit services were provided by the Company's auditor.

Corporate Governance Statement

This statement outlines the main corporate governance practices in place throughout the period ended 30 June 2015, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.
The Company is committed to implementing the best standards of corporate governance appropriate for the Company's size and scale. In determining what those standards should involve, the Company has turned to the ASX Corporate Governance Council's Principles and Recommendations. The ASX Corporate Governance Council ("the Council") issued the third edition of the Corporate Governance Principles and Recommendations in March 2014.

Introduction

Rift Valley Resources Limited has adopted systems of control and accountability as the basis for the administration of corporate governance.

Additional information about the Company's corporate governance policies and practices is set out on the Company's website at www.riftvalleyresources.com.au, including:

- Code of Conduct;
- Securities Trading Policy;
- Health, Safety and Environment Policy;
- Shareholder Communications and Continuous Disclosure Strategy;
- Risk Management Policy;
- Board Charter; and
- Diversity Policy.

ASX Corporate Governance Council Principles and Recommendations

In accordance with ASX Listing Rules, the Company hereby discloses the extent to which each of the ASX Corporate Council Governance Recommendations have been followed during the financial year. Where a departure from the recommendation has been identified, an explanation for this departure has been provided. Further details can be found on the Company's website at www.riftvalleyresources.com.au.

Principle 1: Lay solid foundations for management and oversight	**Recommendation 1.1** A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The Company complies with this recommendation. The board has set out the responsibilities of the Board in the Board Charter which can be accessed on the company website. Any functions not reserved for the Board and not expressly reserved by the Resources Act and ASX Listing Rules are reserved for senior executives.
	Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company complies with this recommendation.
	Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company complies with this recommendation.
	Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company complies with this recommendation. The company secretary is accountable directly to the board.

	Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Company partly complies with this recommendation. A diversity policy was adopted on 14 August 2012 and a copy of the Company's Diversity policy is available on the Company's website. The policy does not contain measurable objectives for achieving gender diversity as the Company is not of a sufficient size or scale to justify application of such objectives. The Company currently employs no women and there are no women on the board of Directors.
	Recommendation 1.6: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Company complies with this recommendation. The Chairman will undertake a periodic review in relation to the performance of each Director of the Company. The Board will also meet to discuss its performance as a whole. No review was undertaken during the year ended 30 June 2017.
	Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Company complies with this recommendation. Arrangements put in place by the Board to monitor the performance of the Group's executives include: • a review by the Board of the achievement of performance targets set based on the organisation's objectives in accordance with its strategy; • comparison of executive remuneration levels to industry benchmarks; and • annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company. No review was undertaken during the year ended 30 June 2017.
Principle 2: Structure the board to add value	**Recommendation 2.1** The board of a listed entity should: (a)have a nomination committee which: 1)has at least three members, a majority of whom are independent directors; and 2)is chaired by an independent director, and disclose: 3)the charter of the committee; 4)the members of the committee; and 5)as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b)if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Company complies with part b) of this recommendation. The board has not established a nomination committee. Given the composition of the Board and the size of the Company, it is felt that a nomination committee is not yet warranted. The full board will review such items.
	Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The company complies with this recommendation
	Recommendation 2.3 A listed entity should disclose: (a)the names of the directors considered by the board to be independent directors; (b)if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c)the length of service of each director.	The company complies with this recommendation. Currently no board members are independent.

	Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	The Company does not comply with this recommendation. The Board believes that it is able to exercise independence and judgement and possesses the necessary skills, expertise and experience required to effectively discharge their duties. The focus has been on the ability of the Board to add value by effectively exercising independence and discharging their duties, rather than on meeting the independence test in the guidelines.
	Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Company complies with this recommendation. In November 2016, Mr Stephen Dobson became Non-Executive Chairman. Mr Geoffrey Gilmour was Managing Director for the financial year 2017.
	Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	The Company complies with this recommendation.
Principle 3: Act ethically and responsibly	**Recommendation 3.1** A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	The Company complies with this recommendation. The Company has a Code of Conduct which can be accessed on the company website.
Principle 4: Safeguard integrity in corporate reporting	**Recommendation 4.1** The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Company complies with part b) of this recommendation. An audit committee has not been established. Given the composition of the Board and the size of the Company, it is felt that an audit committee is not yet warranted, however it is expected that as the Company's operations expand that an audit committee will be established. The current policy of the external auditor is to rotate the engagement partner every five years.
	Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Company complies with this recommendation. The Board receives assurance from the managing director and the chief financial officer in the form of a declaration, prior to approving the financial statements.
	Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company complies with this recommendation. The Company's external auditors attend the AGM each year.
Principle 5: Make timely and balanced disclosure	**Recommendation 5.1** A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company complies with this recommendation. The Company has adopted a Continuous Disclosure Policy which is available on its website.
Principle 6: Respect the rights of security holders	**Recommendation 6.1** A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation. Information regarding the Company, its activities and its corporate governance is available on its website.
	Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company complies with this recommendation. The Company has adopted a Shareholder Communication Policy which is available on its website.
	Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company complies with this recommendation. The Company has adopted a Shareholder Communication Policy which is available on its website.

	Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company complies with this recommendation. Shareholders are able to the option to receive communications from, and send communications to, the entity and its security registry electronically via email or by submitting queries via the Company's website.
Principle 7: Recognise and manage risk	**Recommendation 7.1** The board of a listed entity should: (a) have a committee or committees to oversee risk each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	The Company complies with part b) of this recommendation. The Company has a Risk Management Policy outlining the processes it employs for overseeing the entity's risk management framework and is available on the website.
	Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Company complies with this recommendation. A review was not completed in 2017.
	Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company complies with part b) of this recommendation. The Company does not have an internal audit function. Due to the size and scale of the Company, it was agreed that effectiveness of its risk management and internal control processes should be considered by the full Board.
	Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company complies with this recommendation. Refer to the Directors Report.
Principle 8: Remunerate fairly and responsibly	**Recommendation 8.1** The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Company complies with part b) of this Recommendation. Due to the size and scale of the Company, it was agreed that a separate committee would not increase efficiency or effectiveness and that remuneration matters are of such significance that they should be considered by the full Board.

	Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company complies with this recommendation. The board remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive. The Board believes that the best way to achieve this objective is to provide Executive Directors and Executives with a remuneration package that may consist of; (i)fixed components that reflect the person's responsibilities, duties and personal performance; and (ii)share based payments in the form of performance rights and/or options as an incentive for performance that achieves medium term or longer term goals. The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry. The aggregate amount payable to the Company's Non-Executive Directors in respect of non-executive director fees must not exceed the maximum annual amount approved by the Company's shareholders, which is currently set at $400,000 per annum.
	Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company complies with this Recommendation. The Company has established a Performance Rights Plan, which is available on the Company's website.

Auditor’s independence declaration

The auditor’s independence declaration is included on page 31 of the Annual Report.

Signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors,

Mr. Stephen Dobson
Executive Chairman
Perth, 29 September 2017

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's Independence Declaration to the Directors of Rift Valley Resources Limited

As lead auditor for the audit of Rift Valley Resources Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rift Valley Resources Limited and the entities it controlled during the financial year.

Ernst & Young

D A Hall
Partner
29 September 2017

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Independent Auditor's Report to the Members of Rift Valley Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Rift Valley Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment when facts and circumstances indicate that exploration and evaluation expenditure for an area of interest may exceed its recoverable amount. The determination as to whether there are any indicators to require capitalised exploration and evaluation expenditure for an area of interest to be assessed for impairment involves a number of judgments. This includes whether the Group will be able to maintain tenure, plans to undertake ongoing exploration and evaluation activities and if there is sufficient information for a decision to be made that the carrying amount of capitalised exploration and evaluation expenditure is unlikely to be recovered in full from successful development and exploitation or by sale. During the year the Group recognised an impairment charge of $7.797 million in relation to areas of interest where indicators of impairment were identified. Refer to Note 13 in the financial report for the capitalised mineral exploration and evaluation assets and related disclosures, including in respect of the impairment assessment.	We considered the Group's assessment as to whether there were indicators present that required the exploration and evaluation asset to be tested for impairment as at 30 June 2017 and for the areas of interest that were tested for impairment we assessed the resulting impairment write-down. In doing so we: ‣ considered the Group's right to explore which included obtaining and assessing supporting documentation such as licence agreements; ‣ considered the Group's intention to carry out significant exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's board approved cash-flow forecast and enquiring with senior management and Directors as to the intentions and strategy of the Group; ‣ understood whether the Group had made an assessment that technical and commercial viability of extracting mineral resources had been demonstrated in considering whether it was appropriate to continue to classify the capitalised exploration and evaluation expenditure as an exploration and evaluation asset; and ‣ our valuation specialists assessed whether the Group's estimated recoverable value of the exploration and evaluation assets which were tested for impairment and resulted in an impairment charge, was supported by calculated resource multiples of other comparable market transactions of exploration and evaluation projects. We also assessed the adequacy of the disclosures in Note 13 of the financial report.

2. Share based payments

Why significant	How our audit addressed the key audit matter
In the current year the Group awarded share based payments, in the form of performance rights and share options, as detailed in Note 26. The awards vest subject to the achievement of various vesting conditions. Due to the complex and judgmental estimates used in determining the valuation of the share based payment awards, including share price volatility and probability factors that market vesting conditions will be achieved, we considered the Group's calculation of the share based payment expense to be a key audit matter.	For awards granted during the year, in performing our audit procedures we: ‣ assessed the Group's valuation of the performance rights and share options issued to directors during the year; and ‣ involved our valuation specialists to assess the assumptions used in the Group's calculation, in particular the share price of the underlying equity, volatility, dividend yield, time to maturity (expected life) and grant date. We also assessed the adequacy of the disclosure in Note 26.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Rift Valley Resources Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

D Hall
Partner
Perth
29 September 2017

Directors' declaration

In accordance with a resolution of the directors of Rift Valley Resources Ltd, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

ii. complying with Accounting Standards and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 3; and

(c) Subject to the matter set out in Note 3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

On behalf of the Directors,

Mr. Stephen Dobson
Executive Chairman
Perth, 29 September 2017

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2017

Consolidated Statement of Comprehensive Income for the year ended 30 June 2017

	Note	30 June 2017 A$	30 June 2016 A$
Interest revenue		3,117	3,627
Exploration expenses		-	-
Administration expenses		(336,911)	(512,008)
Corporate expenses		(1,074,729)	(779,505)
Impairment of exploration assets	13	(7,797,899)	-
Doubtful debt expense	9	-	(179,088)
Foreign currency exchange gain/ (loss)		13,823	118,121
Loss from operations before finance costs		**(9,192,599)**	**(1,348,853)**
Finance costs		-	-
Loss before income tax		**(9,192,599)**	**(1,348,853)**
Income tax benefit		-	-
Total loss for the period		**(9,192,599)**	**(1,348,853)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(331,676)	288,696
Total comprehensive income / (loss) for the period		(9,524,275)	(1,060,157)
Net income / (loss) for the period is attributable to:			
Owners of Rift Valley Resources Limited		(9,524,275)	(1,060,157)
Total comprehensive income / (loss) is attributable to:			
Owners of Rift Valley Resources Limited		(9,524,275)	(1,060,157)
Gain / (loss) per share attributable to owners of Rift Valley Resources Ltd:			
Basic (cents per share)	18	(1.52)	(0.36)
Diluted (cents per share)	18	(1.52)	(0.36)

Notes to the financial statements are included on pages 37 to 63.

Consolidated Statement of Financial Position as at 30 June 2017

	Note	30 June 2017 A$	30 June 2016 A$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,848,248	1,389,239
Trade and other receivables	9	9,372	74,753
Deposits		32,185	32,185
Prepayments		48,190	19,723
Available-for-sale financial assets	10	156	156
TOTAL CURRENT ASSETS		1,938,151	1,516,056
NON-CURRENT ASSETS			
Receivables	9	-	-
Property, plant and equipment	12	66,394	184,613
Exploration and evaluation expenditure	13	8,800,077	15,203,174
TOTAL NON-CURRENT ASSETS		8,866,471	15,387,787
TOTAL ASSETS		**10,804,622**	**16,903,843**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	341,901	461,291
TOTAL CURRENT LIABILITIES		341,901	461,291
TOTAL LIABILITIES		341,901	461,291
NET ASSETS		**10,462,721**	**16,442,552**
EQUITY			
Issued capital	15	39,734,149	36,444,284
Reserves	16	4,018,675	4,095,772
Accumulated losses	17	(33,290,103)	(24,097,504)
TOTAL EQUITY		**10,462,721**	**16,442,552**

Notes to the financial statements are included on pages 40 to 64.

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2017

	Fully paid ordinary shares	Accumulated Losses	Foreign Currency Reserve	Share Based Payments Reserve	Available for sale Reserve	Total
	A$	A$	A$	A$	A$	A$
Balance at 1 July 2015	**34,461,535**	**(22,748,651)**	**1,016,871**	**2,597,284**	**-**	**15,327,039**
Loss for the year	-	(1,348,853)	-	-	-	(1,348,853)
Other comprehensive income	-	-	288,696	-	-	288,696
Total comprehensive income for the year	-	(1,348,853)	288,696	-	-	(1,060,157)
Transactions with owners in their capacity as owners						
Issue of shares	25,000	-	-	-	-	25,000
Issue of shares – Mtemii acquisition	480,000	-	-	171,420	-	651,420
Share issue costs refund / (expense)	(10,000)	-	-	10,000	-	-
Shares issued on vesting of Performance Rights	100,000	-	-	(100,000)	-	-
Issue of shares	1,500,000	-	-	-	-	1,500,000
Cost of issue	(112,250)	-	-	-	-	(112,250)
Share based payments	-	-	-	111,501	-	111,501
Balance at 30 June 2016	**36,444,285**	**(24,097,504)**	**1,305,567**	**2,790,205**	**-**	**16,442,552**
Balance at 1 July 2016	**36,444,285**	**(24,097,504)**	**1,305,567**	**2,790,205**	**-**	**16,442,552**
Loss for the year	-	(9,192,599)	-	-	-	(9,192,599)
Other comprehensive income	-	-	(331,676)	-	-	(331,676)
Total comprehensive income for the year	-	(9,192,599)	(331,676)	-	-	(9,524,275)
Transactions with owners in their capacity as owners						
Issue of shares	3,398,743	-	-	-	-	3,398,743
Cost of issue	(108,879)	-	-	-	-	(108,879)
Share based payments	-	-	-	254,580	-	254,580
Balance at 30 June 2017	**39,734,149**	**(33,290,103)**	**973,891**	**3,044,785**	**-**	**10,462,721**

Notes to the financial statements are included on pages 40 to 64.

Consolidated Statement of Cash Flows for the financial year ended 30 June 2017

	Note	Year ended 30 June 2017 A$	Year ended 30 June 2016 A$
Cash flows from operating activities			
Payments to suppliers and employees	23	(1,074,150)	(1,131,636)
Net cash used in operating activities		(1,074,150)	(1,131,636)
Cash flows from investing activities			
Interest received		3,117	3,627
Payments for property, plant and equipment		-	-
Net cash inflows on acquisition of subsidiary		-	12,217
Payments for exploration expenditure		(1,760,442)	(2,306,529)
Net cash used in investing activities		**(1,757,325)**	**(2,290,685)**
Cash flows from financing activities			
Proceeds from issues of equity securities		3,398,743	1,500,000
Share issue costs		(108,879)	(92,250)
Net cash provided by financing activities		**3,289,864**	**1,407,750**
Net increase/(decrease) in cash and cash equivalents		**458,389**	**(2,014,571)**
Cash and cash equivalents at the beginning of the period		1,389,239	3,331,185
Effects of exchange rate changes on the balance of cash held in foreign currencies		620	72,624
Cash and cash equivalents at the end of the period	24	**1,848,248**	**1,389,239**

Notes to the financial statements are included on pages 40 to 64.

1. General information

Rift Valley Resources Limited (the Company) is a for profit public Company listed on the Australian Securities Exchange (trading under the code: RVY), incorporated in Australia and operating from Perth. The Company's registered office and principal place of business is at Ground Floor, 10 Outram Street, West Perth WA 6005.

Rift Valley Resources Ltd is a gold and mineral exploration company operating in Tanzania and Angola.

2. New accounting standards and interpretations

(a) Changes in accounting policies and disclosures

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

From 1 July 2016, the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on 1 July 2015. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group:

AASB 2013-9 - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

AASB 2015-3 - Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

AASB 2015-4 - Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

The application of these standards have not had a material impact on the financial statements.

(b) Accounting standards and interpretations issued but not yet effective:
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2017. These are outlined in the following table.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below.	1 January 2018	The Group is yet to undertake a detailed assessment of the impact of AASB 9. However, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.	1 July 2018

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9 (continued)	*Financial Instruments*	*Financial assets* a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. *Financial liabilities* Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** **The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.** Hedge accounting Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.	1 January 2018		1 July 2018

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 15	**Revenue from Contracts with Customers**	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b)Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d)Step 4: Allocate the transaction price to the performance obligations in the contract (e)Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.	1 January 2018	The Group is yet to undertake a detailed assessment of the impact of AASB 15 However, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.	1 July 2018

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 16	Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases—Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.	1 January 2019	The entity is yet to undertake a detailed assessment of the impact of AASB 16.	1 July 2019
AASB 2016-5	Classification and Measurement of Share-based Payment Transactions [Amendments to AASB 2]	This standard amends to AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	The group has not yet determined the financial impact of the change.	1 July 2018

3. Significant accounting policies and Going Concern

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the Directors on 30 September 2017.

Basis of preparation and Going Concern

The financial report has been prepared on an historical cost basis, except for available-for-sale financial assets that have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

The consolidated financial statements have been prepared on a going concern basis with the Directors of the opinion that the Group can meet its obligations as and when they fall due.

At 30 June 2017 the Group has a net working capital surplus of $1.596 million. The Group is reliant on being able to raise additional capital.

The Directors are currently reviewing a range of financing options. While financing is expected to be finalised within the short term to allow the Group to perform further exploration during 2017 – 2018, there is no certainty that financing will be completed as anticipated.

The Directors are confident of being able to raise the required capital, but note that financing has not been secured at the date of this report. Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Principles of Consolidation

The consolidated financial information comprises the financial statements of Rift Valley Resources Ltd and its subsidiaries as at 30 June 2017.

Subsidiaries are all those entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A list of controlled entities is shown at note 22. Specifically, the Group controls an investee if and only if the Group has:

- -Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- -Exposure, or rights, to variable returns from its involvement with the investee, and
- -The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- -The contractual arrangement with the other vote holders of the investee
- -Rights arising from other contractual arrangements
- -The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity. All controlled entities have a June financial year-end.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased through an equity transaction.

b) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

c) Segment Information

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.
Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

d) Foreign Currency Translation

Functional and presentation currency
The functional currency of each of the Group's operations is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company and its Australian subsidiaries.
The functional currency of the non-Australian subsidiaries is US dollars and Euro.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. The gain and loss arising from translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (ie translation differences on items whose fair value gain or loss is recognised in Equity or profit and loss are also recognised in equity or profit and loss respectively).

The financial results and position of foreign subsidiaries whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, and bank overdrafts.

f) Investment and Other Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit and loss in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has a positive intention to hold these investments to maturity. Investments intended to be held for an undefined period are not included in this classification. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation cost using the effective interest rate method. This calculation includes all fees and points paid or other premiums or discounts. For investments carried at amortised cost, gains or losses are recognised when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets
Available-for-sale financial assets that are non-derivative that are designated available-for-sale or are not included in the above categories. After initial recognition available-for-sale investments are recognised at fair value, with gains or losses recognised in profit and loss being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

g) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure
Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past evaluation expenditure in respect of the area of interest is reclassified as capitalised costs of development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment
The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met. The recoverable amount of exploration and evaluation assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

Accumulated costs in respect of areas of interest are written off or a provision made in the statement of comprehensive income when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis. Provisions are made where farm-in partners are sought and there is a possibility that carried forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached or the Group undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Farm-in Arrangements
Expenditure incurred under a farm-in arrangement is accounted for in the same way as directly incurred exploration and evaluation expenditure.

h) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. The carrying value of the plant and equipment also includes costs eligible for capitalisation. Other costs relating to plant and equipment are expensed when incurred.

Land and buildings are measured at cost, less accumulated depreciation on buildings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Asset	**Depreciation Rate**
Motor Vehicles	25%
Plant and equipment	5% - 40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

i) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

j) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obligated to make future payments in respect of the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

k) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the balance date. Employee benefits expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows.

l) Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising fair value of the original debt less principal payments and amortisation. The fair value of original debt is measured by discounting the balance due at the Company's estimated weighted average cost of capital.

m) Share Based Payment Transactions

Equity Settled Transactions

The Company provides benefits to certain key management personnel in the form of share-based payments and/or options. The Group currently has an Performance Rights Plan (PRP), which may be used to provide benefits to directors and senior executives.

The cost of such equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to relevant market rates for the time, commitment and responsibilities for the work performed. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, at the date of the granting of the shares and options.

n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o) Revenue Recognition

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the asset.

p) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

q) Goods & Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the Australian Taxation Office or other Government authorities. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

GST or VAT receivable from or payable to, either the Australian Taxation Office or other Government authorities has been accounted for and included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis except for the GST or VAT component of investing activities, which are disclosed as operating cash flow.

r) Loss per Share (EPS)

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group, excluding any costs of servicing equity other than shares, by the weighted average number of shares outstanding during the financial year, adjusted for any bonus elements in shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential shares.

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of benefits will be required to settle the obligation and the provision can be measured reliably. The estimated future obligations include the costs of restoring the affected exploration and evaluation areas contained in the Group's tenements.

The provision for future restoration is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs will be reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date. The initial estimate of restoration and rehabilitation relating to exploration and evaluation assets is capitalised into the cost of the related asset and is amortised on the same basis as the related asset. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same way, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i)Significant accounting judgments

Impairment of assets and exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related mineral title itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, proven and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices, ability to finance, renewal of the exclusive prospecting licence and the issue of a mining licence. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Recoverability of Deferred Tax Assets

Deferred tax assets are not recognised for deductible temporary differences as Directors consider that it is not probable that future taxable profits will be available to utilise those temporary differences.

(ii) Significant accounting estimates and assumptions

Contingent Liabilities and Contingent Assets

The Company assesses contingent liabilities and contingent assets at each reporting date and will account for them only if:

a) they can be reliably measured;
b) the probability that an asset or liability will eventually be recognised is greater than remote; and
c) the items are considered material.

Estimate of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition the condition of the assets is assessed at least once per year and considered against the remaining useful life.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with directors and others by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Binomial model.

Functional Currency

The functional currency for the parent entity, each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

5. Operating Segments

Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The executive management team reviews exploration expenditure in each segment to assess its performance and make operating decisions. All other expense and revenue items are not allocated to operating segments as they are not considered part of the core operations of the segment. The Group operates in mineral exploration in Tanzania and Angola. The accounting policies used by the Group in reporting segments internally are the same as those contained in note 3.

Segment information provided to the Board – continuing operations

	Tanzania		Angola		Total	
	2017 **$**	**2016** **$**	**2017** **$**	**2016** **$**	**2017** **$**	**2016** **$**
Total segment revenue	-	-	-	-	-	-
Segment expenses	(7,797,899)	(320,235)	(15,115)	-	(7,813,014)	(320,235)
Impairment expense	-	-	-	-	-	-
Total segment profit / (loss)	-	(320,235)	(15,115)	-	(15,115)	(320,235)
Total segment assets	5,284,440	12,169,804	3,515,637	3,033,369	8,800,077	15,203,173
Total segment liabilities	(55,821)	(59,173)	-	-	(55,821)	(59,173)

	2017 **$**	**2016** **$**
Other Segment Information		
Segment expense	(15,115)	(320,235)
Impairment expense	(7,797,899)	-
Administration expenses	(321,796)	(191,773)
Corporate expenses	(1,074,729)	(779,505)
Doubtful debts expense	-	(179,088)
Loss on disposal of assets	-	-
Foreign currency exchange gain/(loss)	13,823	118,121
Total expenses	(9,195,716)	(1,352,480)
Segment assets reconcile to total assets as follows:		
Segment assets	8,800,077	15,203,174
Current assets	1,937,995	1,515,900
Property, plant and equipment	66,394	184,613
Corporate Assets	156	156
Total assets	10,804,622	16,903,843

	2017 **$**	**2016** **$**
Segment liabilities reconcile to total liabilities as follows:		
Segment liabilities	(55,821)	(59,173)
Current liabilities	(286,080)	(402,118)
Total liabilities	(341,901)	(461,291)
Segment loss reconcile to loss before tax as follows:		
Segment loss	(15,115)	(320,235)
Interest revenue	3,117	3,627
Administration expenses	(321,796)	(191,773)
Corporate expenses	(1,074,729)	(779,505)
Impairment of exploration assets	(7,797,899)	-
Doubtful debts expense	-	(179,088)
Foreign currency exchange	13,823	118,121
Loss before income tax	(9,192,599)	(1,348,853)

6. Other Expenses
Loss for the year includes the following expenses:

Operating lease rental expenses:		
Lease payments	68,411	22,643
Depreciation on non-current assets:		
Property, plant and equipment	122,969	321,185
Employee Benefits		
Charged to statement of comprehensive income		
Performance rights and options granted to directors, officers and employees	230,580	111,501
Directors fees, superannuation and salaries & wages	363,117	393,786
	593,697	505,287
Capitalised to exploration and evaluation costs		
Salaries & wages and superannuation	97,200	86,572

Key management personnel remuneration disclosed in note 25 includes amounts in "Employee benefits" disclosed above.

7. Income Taxes

	2017 $	2016 $
Tax expense/(benefit) comprises:		
Current tax expense/(benefit)	-	-
Total tax expense/(benefit)	-	-

The tax rate used in the reconciliation below is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Loss from continuing operations	(9,192,599)	(1,348,853)
Income tax benefit calculated at 30%	(2,757,780)	(404,656)
Tax effects of amounts which are not deductible in calculating taxable income	69,174	27,451
Tax assets not brought to account	2,688,606	377,205
Total tax expense/(benefit)	-	-

The following deferred tax assets have not been brought to account:		
Share issue costs	68,982	67,535
Unused tax losses (a)	6,803,237	5,050,313
Accruals	54,702	68,665
Exploration and evaluation expenditure	(528,133)	(600,610)

(a) Tax loss information is an estimate of available losses.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(i)assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
(ii)conditions for deductibility imposed by the law are complied with; and
(iii)no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

No deferred tax asset has been recognised as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future. Unrecognised tax losses as at 30 June 2017 aggregate $22,677,456 (2016: $17,013,465).

8. Cash and Cash Equivalents

Cash at bank and on hand	1,848,248	1,389,239
	1,848,248	1,389,239

9. Trade and Other Receivables

Current		
Other debtors	480,780	546,161
Less provision for doubtful debt	(471,408)	(471,408)
	9,372	74,753

Due to uncertainties in recovering the Tanzanian VAT balance, the amount has been fully provided for in full.

10. Available for sale assets

(a) Available for sale financial assets

During the 2013 financial year, the Company divested its shareholding in Tasman Goldfields NSW Pty Ltd, which held Mt Adrah tenement assets in New South Wales. The transaction resulted in the Company receiving $62,500 cash and 625,000 fully paid ordinary shares in ASX-listed Sovereign Gold Company Ltd ("Sovereign").

	2017 $	2016 $
Opening balance	156	156
Impairment of asset	-	-
Listed shares classified as available for sale	156	156

11. Parent Entity Disclosure

The following details information related to the parent entity, Rift Valley Resources Ltd as at 30 June 2017. The information presented has been prepared using consistent accounting policies as presented in Note 3.

	2017 $	2016 $
Current assets	1,834,857	1,405,033
Non-current assets	-	21,876,458
Total assets	1,834,857	23,281,491
Current liabilities	286,080	402,118
Non-current liabilities – intercompany loan	6,207,253	6,207,253
Total liabilities	6,493,333	6,609,371
Contributed equity	39,734,149	36,444,285
Accumulated losses	(47,437,410)	(22,290,651)
Reserves	3,044,785	2,518,486
Total equity	4,658,476	16,672,120
Loss for the year	(25,146,759)	(912,971)
Total comprehensive gain / (loss) for the year	(25,146,759)	(912,971)

No guarantees have been entered into by the parent entity on behalf of subsidiaries during the period.

12. Property, Plant and Equipment

	Motor Vehicles $	Plant and equipment at cost $	Total $
Balance at 1 July 2016	325,196	483,432	808,628
Additions	-	9,090	9,090
Disposals	-	-	-
Exchange differences	-	-	-
Balance at 30 June 2017	325,196	492,522	817,718
Accumulated depreciation			
Balance at 1 July 2016	(305,739)	(318,276)	(624,015)
Transfers	-	-	-
Disposals	-	-	-
Depreciation expense	(19,457)	(103,512)	(122,969)
Exchange differences	-	(4,340)	(4,340)
Balance at 30 June 2017	(325,196)	(426,128)	(751,324)
Net book value as at 30 June 2017	**-**	**66,394**	**66,394**

	Motor Vehicles $	Plant and equipment at cost $	Total $
Balance at 1 July 2015	206,571	133,213	339,784
Additions	118,625	350,219	468,844
Disposals	-	-	-
Exchange differences	-	-	-
Balance at 30 June 2016	325,196	483,432	808,628
Accumulated depreciation			
Balance at 1 July 2015	(180,159)	(123,347)	(303,506)
Transfers	-	-	-
Disposals	-	-	-
Depreciation expense	(124,863)	(196,322)	(321,185)
Exchange differences	(717)	1,393	676
Balance at 30 June 2016	(305,739)	(318,276)	(624,015)
Net book value as at 30 June 2016	**19,457**	**165,156**	**184,613**

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2017 $	2016 $
Computer Equipment	-	-
Furniture & Fittings	103,512	193,254
Plant and equipment	-	3,068
Motor vehicles	19,457	124,863
Total depreciation	122,969	321,185

13. Exploration and Evaluation Expenditure

	2017 $	2016 $
Gross carrying value:		
Balance at beginning of period	15,203,174	12,597,762
Additions	1,760,442	2,362,306
Impairment	(7,797,899)	-
Acquisition of Mtemi Resources	-	7,843
Foreign exchange	(365,640)	235,263
Balance at end of financial year	8,800,077	15,203,174
Accumulated depreciation/amortisation and impairment		
Balance at beginning of period	-	-
Impairment expense	(7,797,899)	-
Balance at end of financial year	(7,797,899)	-
At the end of the financial year book value net of accumulated amortisation and impairment (ii)	8,800,077	15,203,174

(i) During the financial year, the Consolidated Group made an assessment of the carrying value of its exploration assets. Impairment of capitalised mineral exploration and evaluation expenditure relates to assets for which the expenditure are not expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

The fair value of the Group's capitalised Tanzanian mineral exploration and evaluation assets at 30 June 2017 has been determined based on comparable market transactions. The fair value methodology adopted at 30 June 2017 is categorised as Level 3 in the fair value hierarchy. In determining the fair value less cost to dispose (FVLCD), estimates are made in relation to the underlying resources and the valuation multiple, which are significant inputs to the valuation. Any changes in these estimates could impact the FVLCD of the underlying asset.

As a result of the change in legislation which will amend the legal framework governing the resources sector in Tanzania, the Board considers the impairment and cost carried forward of the Group's exploration and evaluation assets fairly reflects the situation.

(ii) The above amounts represent capitalised costs of exploration carried forward as an asset in accordance with the accounting policy set out in note 3 (g). The ultimate recoupment of the exploration and evaluation expenditure in respect to the areas of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively the sale of the underlying areas of interest for at least their carrying value.

14. Trade and Other Payables

	2017 $	2016 $
Trade, other payables and accrued expenses (i)	341,901	461,291
	341,901	461,291

(i) There has been no interest charged on the trade payables.

15. Issued Capital

Company/Consolidated	2017 No.	2017 $	2016 No.	2016 $
Fully paid ordinary shares				
Balance at beginning of the period	592,978,280	36,444,284	497,478,280	34,461,535
Shares issued on vesting of Performance Rights	-	-	2,500,000	100,000
Issue of shares – Mtemi acquisition	-	-	32,000,000	480,000
Issue as consideration for placement	-	-	1,000,000	25,000
Share placement	-	-	60,000,000	1,500,000
Share issue costs	-	-	-	(122,251)
Share Placement	40,000,000	800,000	-	-
Rights Issue	90,568,325	2,264,308	-	-
Shares issued on vesting of performance rights	1,850,000	-		
Share Placement	13,381,441	334,436	-	-
Share issue costs	-	(108,879)	-	-
Balance at end of financial year	738,778,046	39,734,149	592,978,280	36,444,284

Ordinary shares participate in dividends and proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands. Management controls the capital of the Group in order to fund its operations and continue as a going concern. The Consolidated Entity does not have any externally imposed capital requirements.

	Consolidated 2017 $	Consolidated 2016 $
738,778,046 fully paid ordinary shares (2016: 592,978,280)	39,734,149	36,444,284
	39,734,149	36,444,284

Share options on issue

The following options are on issue as at year end:
- 45,355,000 unlisted options exercisable at 6 cents and expiring 27 July 2018
- 32,500,000 unlisted options exercisable at 3.5 cents and expiring 5 May 2018
- 5,000,000 unlisted options exercisable at 4.0 cents and expiring 2 November 2019
- 5,000,000 unlisted options exercisable at 6.0 cents and expiring 2 November 2019
- 20,000,000 unlisted options exercisable at 3.5 cents and expiring 18 November 2018
- 2,000,000 unlisted options exercisable at 5.0 cents and expiring 6 April 2020

16. Reserves

	Consolidated 2017 $	Consolidated 2016 $
Share Option Reserve	3,044,785	2,790,207
Foreign Currency Translation Reserve	973,891	1,305,567
	4,018,676	4,095,774
Foreign Currency Translation Reserve		
Balance at beginning of financial year	1,305,567	1,016,871
Movements:		
Translation adjustments (i)	(331,676)	288,696
Balance at end of financial year	973,891	1,305,567
Share Option Reserve		
Balance at beginning of financial year	2,790,205	2,597,284
Movements:		
Issue of options – Mtemi acquisition	-	171,420
Issue of performance rights and options(ii)	254,580	111,501
Shares issue costs refund / (expense)	-	10,000
Vested performance rights	-	(100,000)
Balance at end of financial year	3,044,785	2,790,205

(i)Represents foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(ii) The Share option reserve includes the grant of share options and performance rights to executives, senior employees and consultants. Amounts are transferred out of the reserve and into issued capital when the options or performance rights are converted to equity. Further information about share-based payments can be found in note 26 to the financial statements.

17. Accumulated Losses

	Consolidated	
	2017 $	2016 $
Balance at beginning of financial year	(24,097,504)	(22,748,651)
Net loss for the year	(9,192,599)	(1,348,853)
Balance at end of financial year	(33,290,103)	(24,097,504)

18. Loss per Share

	2017 cents per share	2016 cents per share
Basic loss per share		
From continuing operations	1.52	0.36
Total basic loss per share	1.52	0.36
Diluted loss per share		
From continuing operations	1.52	0.36
Total diluted loss per share	1.52	0.36

Basic loss per share

The net loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2017 $	2016 $
Net loss	(9,192,599)	(1,348,853)
Losses used in the calculation of basic loss per share from continuing operations	(9,192,599)	(1,348,853)
Losses used in the calculation of diluted loss per share attributable to ordinary shareholders	(9,192,599)	(1,348,853)

	2017 No.	2016 No.
Weighted average number of ordinary shares for the purposes of calculating basic loss per share and diluted loss per share	604,461,858	374,839,477
Options	107,855,000	75,355,000
Performance Rights	10,000,000	-

The above options and performance rights have not been included in the diluted earnings per share as they are anti dilutive in the current period, however they could potentially dilute basic earnings per share in the future

19. Dividends

No dividends were paid or proposed during the current or previous financial year.

20. Commitments for Expenditure

The Consolidated Entity has certain obligations to perform exploration work and expend minimum amounts of money on mineral exploration tenements.

No provision has been made in the accounts for the possibility of a native title claim application. Any substantial claim may have an effect on the value of the relevant tenement. These obligations will vary from time to time, subject to statutory approval.

The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the Consolidated Entity.

No provision has been made in the accounts for minimum expenditure requirements in respect of tenements.

(i) Operating leases

The Group has entered into commercial property and equipment leases. These leases have an average life of between 5 and 12 months.
There are no restrictions placed upon the lessee by entering into these leases.

	Consolidated	
	2017 $	2016 $
Operating lease expenditure		
Not longer than 1 year	33,020	67,920
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	33,020	67,920

(ii)Exploration Commitments

Commitments for payments under exploration permits and mineral leases in existence at the reporting date but not recognised as liabilities payable are as follows:

	Consolidated	
	2017 $	2016 $
Exploration and evaluation expenditure		
Not longer than 1 year	66,592	7,432
Longer than 1 year and not longer than 5 years	51,844	148,356
Longer than 5 years	-	-
	118,436	155,788

21. Contingent Liabilities and Contingent Assets

Pursuant to the agreement for the acquisition of the Kitongo Gold Project the Company will be required to pay an amount of $750,000 to the vendor on the commencement of production.

The Directors are not aware of any other contingent liabilities or contingent assets that are likely to have a material effect on the results of the Group as disclosed in these financial statements

22. Interests in Controlled Entities

		Ownership interest	
Name of entity	Country of incorporation	2017 %	2016 %
Parent entity:			
Rift Valley Resources Limited (i)	Australia		
Controlled entities:			
Carlton Resources Pty Ltd	Australia	100	100
Carlton Miyabi Tanzania Limited	Tanzania	100	100
Carlton Kitongo Tanzania Limited	Tanzania	100	100
Bright Star Tanzania Limited	Tanzania	100	100
Rift Valley Resources (Africa) Pty Ltd	Australia	100	100
Rift Valley Resources Tanzania Limited	Tanzania	100	100
Tasman Goldfields Australia Operations Pty Ltd	Australia	100	100
Sable Minerals Pty Ltd	Australia	100	100
Sable Minerals GmbH	Germany	100	100
Ozango Minerais S.A.	Angola	70	70
Mtemi Resources Pte Ltd	Singapore	100	100
Mtemi G Pte Ltd	Singapore	100	100
Mtemi O Pte Ltd	Singapore	100	100
Mtemi U Pte Ltd	Singapore	100	100
Mtemi G (Tanzania) Ltd	Tanzania	100	100
Mtemi O (Tanzania) Ltd	Tanzania	100	100
Mtemi U (Tanzania) Ltd	Tanzania	100	100

(i)Rift Valley Resources Ltd is the ultimate holding Company.

The parent entity and its controlled entities are not within a tax-consolidated Group.

23. Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2017 $	2016 $
Cash and cash equivalents	1,848,248	1,389,239

(b) Reconciliation of profit / (loss) for the period to net cash flows from operating activities

	Consolidated	
	2017 $	2016 $
Net loss	(9,192,599)	(1,348,853)
Add/less non cash items		
Interest income	(3,117)	(3,627)
Doubtful debt expense	-	179,088
Depreciation	155,873	321,185
Share based payments	254,580	91,503
Unrealised FX (gain)/loss	159,102	(118,122)
Impairment of exploration assets	7,797,899	-
(Increase)/decrease in assets:		
Trade and other receivables	36,759	35,954
Prepayments	19,083	(2,526)
Increase/(decrease) in liabilities:		
Trade and other payables	(301,730)	(286,238)
Net cash used in operating activities	(1,074,150)	(1,131,636)

24. Financial Instruments

(a) Financial risk management objectives

The senior management and Board monitor and manage the financial risk relating to the operations of the Group. The Group's activities include exposure to market price risk, foreign exchange risk, credit risk, liquidity risk and cash flow interest rate risk. The overall risk management program focuses on managing these risks and implementing and monitoring controls over the cash management function. Owing to the unpredictability of finance markets, the senior management and Board seek to minimise potential adverse effects on financial performance. There has been no substantive changes in the Group's exposure to financial instrument risks, its objectives, polices and processes for managing these risks or the methods to measure them.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 3 and 4 to the financial statements.

(c) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Group includes cash and cash equivalents, equity attributable to equity holders of the parent, comprising of issued capital, reserves and accumulated losses as disclosed in notes 16, 17 and 18 respectively. The Group undertakes its exploration and evaluation activities through its wholly owned subsidiaries. None of the Group's entities are subject to externally imposed capital requirements. The Group intends to use a variety of capital market issues to meet anticipated funding requirements. The Group currently has no short-term or long-term borrowings.

(d) Market price risk

The Group is involved in the exploration and development of mining tenements for base metals including gold and copper. Revenue from any future mining associated with metal sales, the acquisition and disposal consideration for mining tenements and the ability to raise funds through equity and debt will be largely dependent upon the commodity price for resources at the time of the transaction.

(e) Interest rate risk

The Group's cash-flow interest rate risk for assets primarily arises from cash at bank and deposits which are subject to market bank rates. There is no interest receivable or payable on the Group's trade and other receivables or payables. Details of the interest rates and maturities are located in this note. The Group will be exposed to further interest rate risk if it intends to borrow funds in the future for acquisition and development.

(f) Credit risk management

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the Group. The Group internal policy requires deposits to be held with financial institutions holding a benchmark credit rating. At balance date cash and deposits were held with the National Australia Bank.

(g) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

(i) the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

(ii) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

(iii)the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

(h) Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services and the holding of assets and liabilities in currencies other than the Group's measurement currency.
At balance date, the Group had the following exposure to United States Dollars (USD) foreign currency that is not designated in cash flow hedges:

	Consolidated	
	2017 $	2016 $
Financial Assets		
Cash and cash equivalents		
United States Dollars	35,777	349,185
	35,777	349,185
Net exposure	35,777	349,185

A 5% change in the United States Dollar will increase or decrease net loss and accumulated losses by $1,788 (2016: $17,459)

Maturity profile of financial instruments

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The table has been drawn up based on undiscounted cash flows and details the Group's exposure to interest rate risk as at 30 June 2017 and as at 30 June 2016:

2017	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	5 + years $	Total
Financial assets							
Non-interest bearing		-	-	-	-	-	-
Variable interest rate instrument		1,848,248	-	-	-	-	1,848,248
Fixed interest rate instruments		-	32,815	-	-	-	32,815
		1,848,248	32,815	-	-	-	1,881,063
Financial liabilities							
Non-interest bearing		341,901	-	-	-	-	341,901
		341,901	-	-	-	-	341,901

2016	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	5 + years $	Total
Financial assets							
Non-interest bearing		-	-	-	-	-	-
Variable interest rate instrument		1,389,239	-	-	-	-	1,389,239
Fixed interest rate instruments		-	32,815	-	-	-	32,815
		1,389,239	32,815	-	-	-	1,422,054
Financial liabilities							
Non-interest bearing		461,291	-	-	-	-	461,291
		461,291	-	-	-	-	461,291

A 1% change in interest rates on interest bearing assets will increase or decrease net loss and accumulated losses by $18,811 (2016: $13,892).

25. Key Management Personnel Compensation

	2017 $	2016 $
Short-term employee benefits	552,838	554,866
Post-employment benefits	30,480	17,783
Termination benefits	-	-
Share-based payment	211,926	55,507
	795,244	628,156

Further details of the key management personnel compensation can be found in the Remuneration Report section of the Directors' Report.

26. Share-based Payments

During the 2017 financial year the following performance rights were issued.

Director / KMP	Number of Rights	Vesting Conditions	Grant date	Expiry date	Vesting date
Stephen Dobson	5,000,000	VWAMP of $0.06 for 90 days	16 June 2017	16 June 2019	Upon vesting conditions being met
Stephen Dobson	3,000,000	Raising at least $5m	16 June 2017	16 December 2018	Upon vesting conditions being met
Stephen Dobson	2,000,000	12 months service	16 June 2017	16 June 2018	16 June 2018

The fair value of performance rights granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2017:

		Performance Rights	
	Director	Director	Director
Grant date	16 June 2017	16 June 2017	16 June 2017
Number of performance rights	2,000,000	5,000,000	3,000,000
Share price	2.4 cents	2.4 cents	2.4 cents
Exercise price	0 cents	6 cents	0 cents
Weighted average fair value	2.4cents	0.009 cents	2.4 cents
Total amount	$48,000	$45,000	$72,000
Expensed to 30 June 2017	$1,841	$45,000	$48,000

The director performance rights were approved by the board to be issued on 2 November 2016, however they were subject to shareholder approval, which were approved on 16 June 2017.

2016

Name	Number of Rights	Vesting Conditions	Grant date	Expiry date	Vesting date
Graeme Clatworthy	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue
Geoff Gilmour	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue
Greg Cunnold	1,000,000	12 months service	30 November 2016	12 months from issue	12 months from issue
Consultants	850,000	12 months service	24 March 2016	24 March 2017	24 March 2017

The fair value of performance rights granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2016:

	Performance Rights	
	Consultants	Directors
Grant date	24 March 2016	30 November 2016
Number of performance rights	850,000	3,000,000
Share price	3.0 cents	2.8 cents
Exercise price	0 cents	0 cents
Weighted average fair value	3.0 cents	2.8 cents
Total amount	$25,500	$84,000
Expensed to 30 June 2016	$6,847	$24,164

The Fair value of the performance rights granted to consultants is deemed to be the fair value of the services rendered by the consultants.

26. Share-based Payments (continued)

Options
2017

Name	Share options Number	Exercise Price	Grant date fair value	Grant date	Expiry date	Vesting date
Stephen Dobson	5,000,000	$0.04	$0.01	2 November 2016	2 November 2019	Vested at date of grant
Stephen Dobson	5,000,000	$0.06	$0.007	2 November 2016	2 November 2019	Vested at date of grant
Corporate Advisors	2,000,000	$0.05	$0.012	27 June 2017	6 April 2020	Vested at date of grant

The fair value of options granted to directors and KMP is estimated as at the grant date using the share price on the date of granting.

The following table lists the inputs to the models for the year ended 30 June 2017:

	Unlisted Options	
	Director	**Director**
Grant date	2 November 2016	2 November 2016
Number of options	5,000,000	5,000,000
Share price	2.8 cents	2.8 cents
Exercise price	6 cents	4 cents
Weighted average fair value	0.7 cents	1.0 cents
Total amount	$35,000	$50,000
Expensed to 30 June 2017	$35,000	$50,000

Reconciliation of options outstanding

The following reconciles outstanding share options provided as share-based payments at the beginning and end of the financial year:

	2017		2016	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance at beginning of the financial year	-	-	3,000,000	$0.0
Issued or to be issued during the financial year	12,000,000	$0.05	-	$0.0
Vested during the financial year	12,000,000	$0.05	-	-
Expired during the financial year	-	-	(3,000,000)	$0.17
Balance at end of the financial year	12,000,000	$0.05	-	$0.0
Exercisable at end of the financial year	12,000,000	$0.05	-	-

27. Related party transactions

Parent entity

The parent entity in the Group is Rift Valley Resources Ltd which was incorporated in Victoria Australia on 29 September 2006.

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 22 to the financial statements.

(b) Transactions with key management personnel and related parties

The aggregate compensation made to KMPs are disclosed in note 25 of the financial statements and details of the compensation has been provided in the remuneration report which forms part of the Directors' Report.

(c) Other Transactions with Key Management Personnel and Related Parties

The following amounts have been disclosed as remuneration in note 26:

- The Company paid Willowood Corporate Pty Ltd, a Company associated with Mr. G Gilmour, consultancy fees of $100,000 during the current financial year (2016: $180,000).

28. Remuneration of auditors

	Consolidated	
	2017 **$**	**2016** **$**
Remuneration of Ernst & Young as the auditor of the parent entity		
Audit or review of the financial report	52,000	52,000
Related practice of the parent entity auditor		
Other non-audit services – taxation services	-	-
Remuneration of Ernst & Young as the auditor of the foreign subsidiaries		
An audit or review of the financial report of the entity and any other entity in the Consolidated Entity	5,000	-

29. Subsequent events

On 3 July 2017, 3 Bills were passed by the Tanzanian Parliament which will amend the legal framework governing the resources sector in Tanzania.

On 25 August 2017, Mr Mark Hohnen was appointed to the board as a Non-Executive Directors. Mr Geoff Gilmour resigned as Managing Director and from the Board. As a result of this, Mr Stephen Dobson moved to Executive Chairman.

No other matters or circumstances have arisen since 30 June 2017 that have significantly affected, or may significantly affect:

- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

ASX ADDITIONAL INFORMATION

DISTRIBUTION OF EQUITY SECURITIES

The distribution of members and their holdings of fully paid ordinary shares and listed options as at 19 September 2017 were as follows:

Shares held	No. of Shareholders
1-1,000	67
1,001-5,000	44
5,001-10,000	112
10,001-100,000	566
100,001 and over	506
Totals	1,295

Less than Marketable Parcel	Min Parcel size	Holders	Units
Shares	20,000	332	2,588,643

RESTRICTED SECURITIES

There are no restricted securities.

TWENTY LARGEST SHARE SECURITY HOLDERS

The names of the 20 largest holders of fully paid ordinary shares as at 29 September 2017 are listed below:

Name	Number of Shares	Percentage
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	110,417,371	14.95%
J P MORGAN NOMINEES AUSTRALIA LIMITED	31,366,556	4.25%
EAST AFRICA INTERNATIONAL LIMITED	20,000,000	2.71%
MR WARREN GILMOUR & MRS CATHERINE GILMOUR <W & C GILMOUR SUPER FUND A/C>	17,020,408	2.30%
PERSHING AUSTRALIA NOMINEES PTY LTD <PATERSONS SECURITIES A/C>	16,200,000	2.19%
EAST AFRICA INTERNATIONAL LIMITED	14,266,173	1.93%
MR GREGORY ROLLAND CUNNOLD & MS LARA CHERYL GROVES <STRATFORD A/C>	13,184,000	1.78%
MR STEPHEN JOHN DOBSON	12,771,428	1.73%
VYNBEN PTY LTD	11,758,342	1.59%
VYNBEN PTY LTD <MARK HOHNEN SUPER FUND A/C>	11,428,571	1.55%
WILLOWOOD CORPORATE PTY LTD	11,348,414	1.54%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,751,241	1.46%
MRS DANIELLE MARIE GILMOUR	10,424,228	1.41%
ARREDO PTY LTD	10,000,000	1.35%
STARFIN PTY LTD <MICHAEL SALMON SUPER A/C>	10,000,000	1.35%
DENOBIS ASSOCIATES LIMITED	9,541,936	1.29%
DR LEON EUGENE PRETORIUS	9,192,000	1.24%
MR GREGORY CAMPBELL HINCHLIFFE	8,882,373	1.20%
MR GEOFFREY MARK GILMOUR	8,792,219	1.19%
TWOKIND PTY LTD <BAYLY FAMILY A/C>	8,624,858	1.17%
	355,970,118	**48.18%**

HOLDERS OF MORE THAN 20% OF A CLASS OF UNQUOTED OPTIONS (NOT ELSEWHERE DISCLOSED)
The names of any holder of unlisted options holding 20% or more of a class of unlisted options, as at 19 September 2017 are listed below:

Name	Option Series	Number of Options	Percentage of the Option Series
EAST AFRICA INTERNATIONAL LIMITED	Exercisable at 6 cents on or before 27 July 2018	19,105,527	42.12
VYNBEN PTY LTD	Exercisable at 6 cents on or before 27 July 2018	13,778,619	30.38

SUBSTANTIAL SHAREHOLDERS
The Company's Register of Substantial Shareholders, prepared in accordance with Chapter 6C of the Corporations Act 2001, showed the following substantial shareholders as at 19 September 2017:

Name	Number of Shares	Percentage
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	100,000,028	13.54%

VOTING RIGHTS
Under the Company's constitution, all ordinary shares carry one vote per share without restriction. Options over ordinary shares do not carry any voting rights.

TENEMENT SCHEDULE

Country	Project Name	License Name	License no.	% Held
Tanzania	Kitongo	Ugambilo East	PL11175/2017	100%
	Kitongo	Kitongo West	PL10655/2015	100%
	Kitongo	Ugambilo North	PL6385/2010	100%
	Kitongo	Mwagimagi	PL6499/2010	100%
	Kitongo	Mwamazengo SE (2)	PL6543/2010	100%
	Kitongo	Mwamazengo South (2)	PL6631/2010	100%
	Kitongo	Ugambilo	PL10067/2014	100%
	Kitongo	Kitongo	PL10068/2014	100%
	Kitongo	Mwamazengo	PL10069/2014	100%
	Kitongo	Isengwa Hills North	PL10060/2014	100%
	kitongo	Busongo Northeast	PL10065/2014	100%
	Kitongo	Gulumungu	PL10656/2015	100%
	Kitongo	Ntalebujika	PL10660.2015	100%
	Miyabi	Miyabi Dyke	PL8933/2013	100%
	Miyabi	Miyabi South New	PL10149/2014	100%
	Miyabi	Miyabi South 2 West	PL9782/2014	100%
	Miyabi	Miyabi North	PL10908/2016	100%
	Miyabi	Miyabi Airport New	PL10556/2015	100%
	Miyabi	Mwabombo	PL10836/2016	100%
	Miyabi	Miyabi Airport	PL6593/2010	100%
	Mtemi	Chunya	PL9780/2014	100%
	Mtemi	Chunya	PL9899/2014	100%
Angola	Ozango	Ozango Minerais SA	Nº013/03/09/T.P/A NG-MGM/2015	70%