



**RIFT VALLEY  
RESOURCES LIMITED**

ACN: 121 985 395

# Half Year Financial Report 31 December 2014

# CORPORATE DIRECTORY

## DIRECTORS

Geoff Gilmour, Managing Director

Graeme Clatworthy, Non-Executive Director

Gregory Cunnold, Technical Director

## COMPANY SECRETARY

Scott Mison

## REGISTERED OFFICE

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## ASX CODE

RVY

## SOLICITORS

Johnson Winter & Slattery

Level 4, 167 St Georges Terrace, Perth WA 6000

## SHARE REGISTRY

BoardRoom Pty Ltd

Level 7, 207 Kent Street, Sydney, NSW 2000

## AUDITORS

Ernst and Young

11 Mounts Bay Rd, Perth WA 6000

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# DIRECTORS' REPORT

Your directors present their report on the consolidated entity for the half-year ended 31 December 2014.

## DIRECTORS

The names of directors who held office during or since the end of the half-year and up to the date of this report are:

Geoff Gilmour	Executive Director (appointed 30 November 2009)
Graeme Clatworthy	Non-Executive Director (appointed 10 February 2014)
Gregory Cunnold	Technical Director (appointed 10 February 2014)

## REVIEW OF OPERATIONS

The consolidated entity incurred an operating loss after income tax of \$434,903 (31 December 2013: \$730,165) for the half-year ended 31 December 2014.

### Kitongo Project, Tanzania (Rift Valley 100%)

During the half year, Rift conducted a RC drilling program and intersected strong zones of gold mineralisation at the Kitongo Gold Project in Tanzania. The fourteen hole program was the first drilling at the deposit since 2001 and was designed to confirm the existing resource and to test for depth and strike extensions to the Main Zone. Strong zones of mineralisation were intersected including:

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

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

### Initial Drilling Program

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

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

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

The holes drilled into the interpreted South Limb position have defined a strong zone of shallow mineralisation

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

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

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

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

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

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

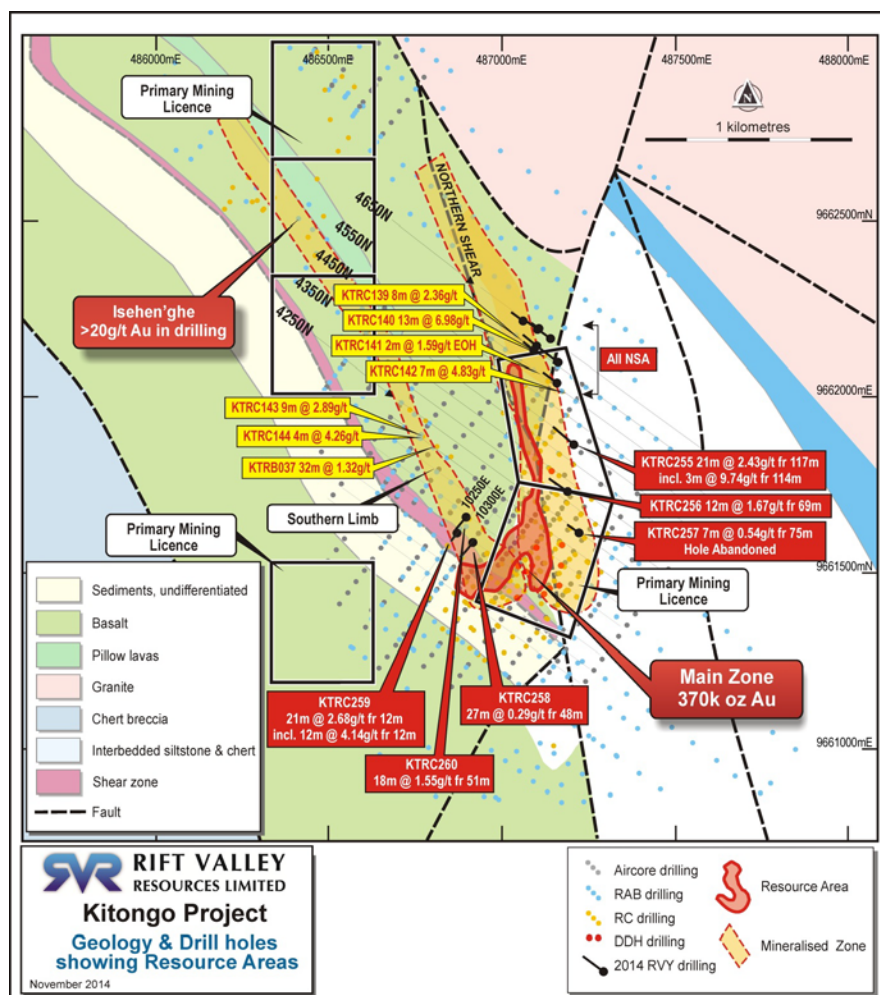


Figure 1: Kitongo Main Zone with Rift Valley drilling, geology and resource boundary

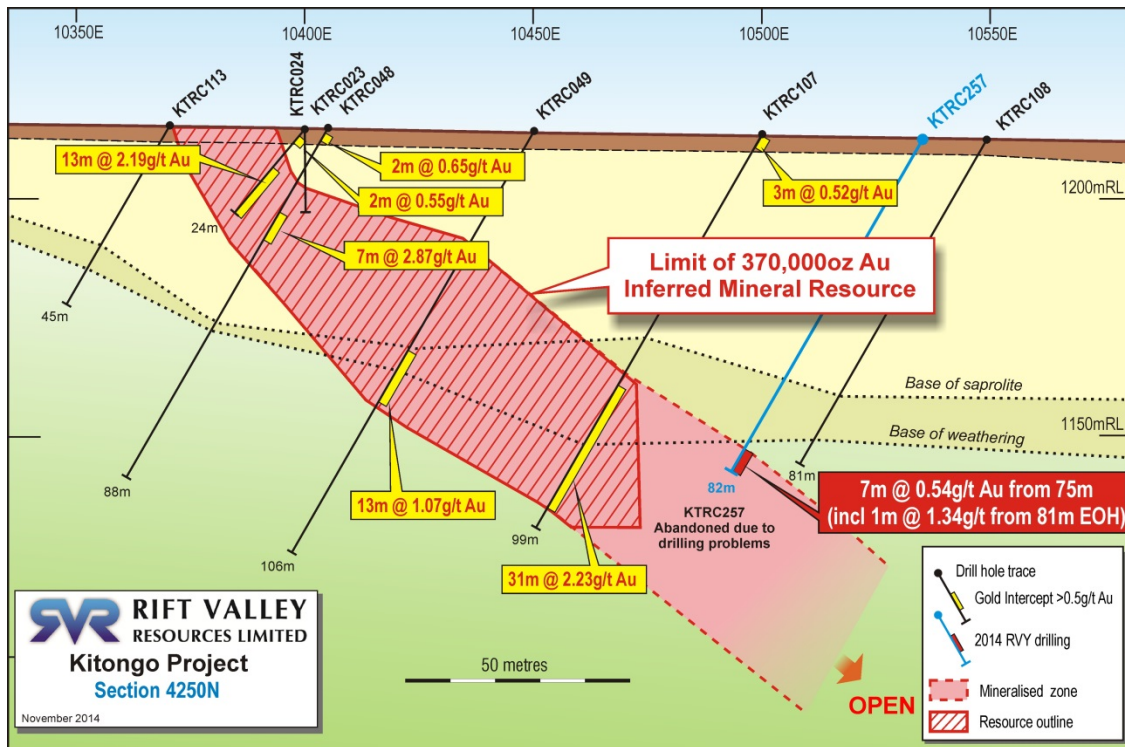


Figure 2: Cross Section 4250N

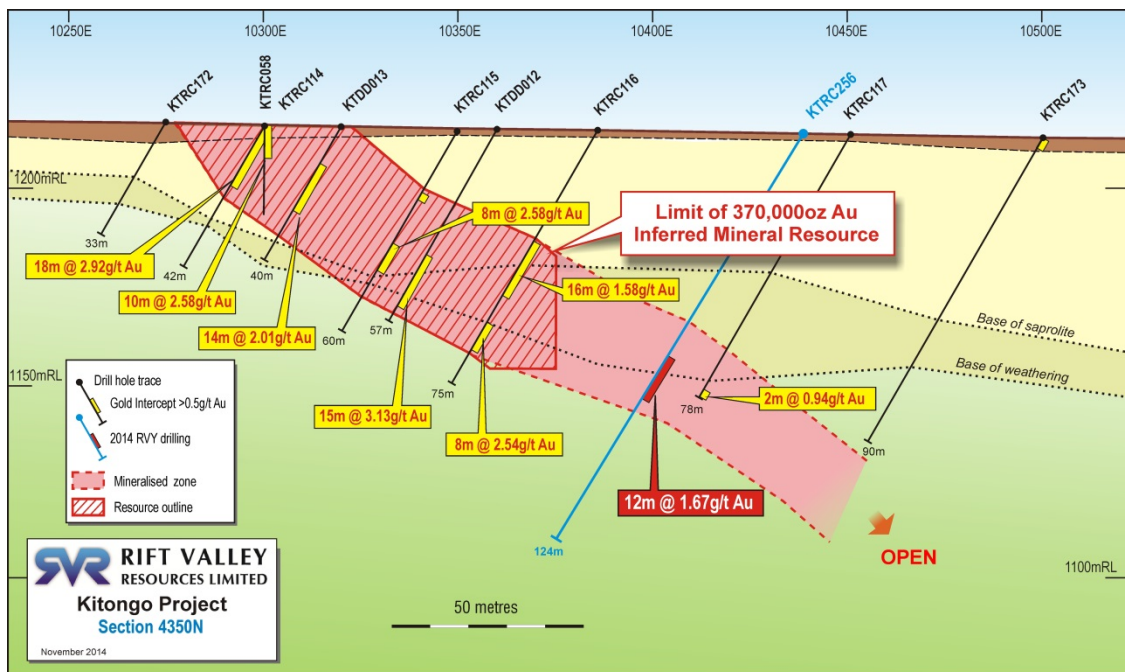


Figure 3: Cross Section 4350N

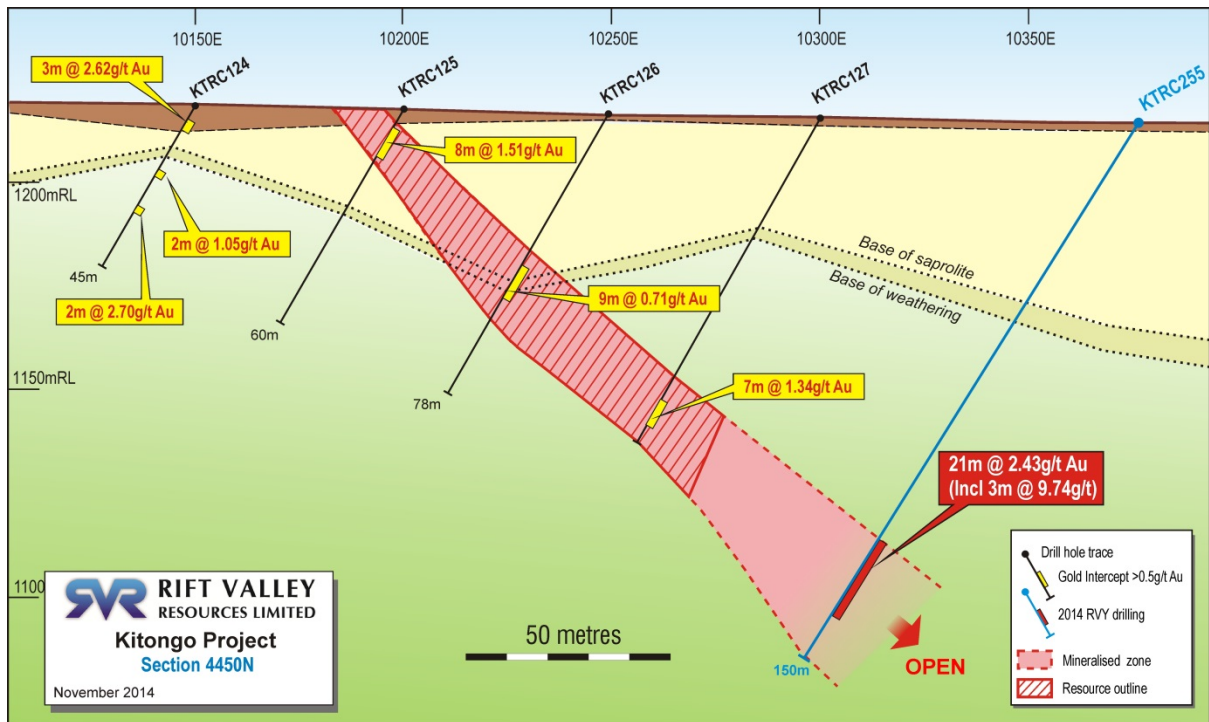


Figure 4: Cross Section 4450N

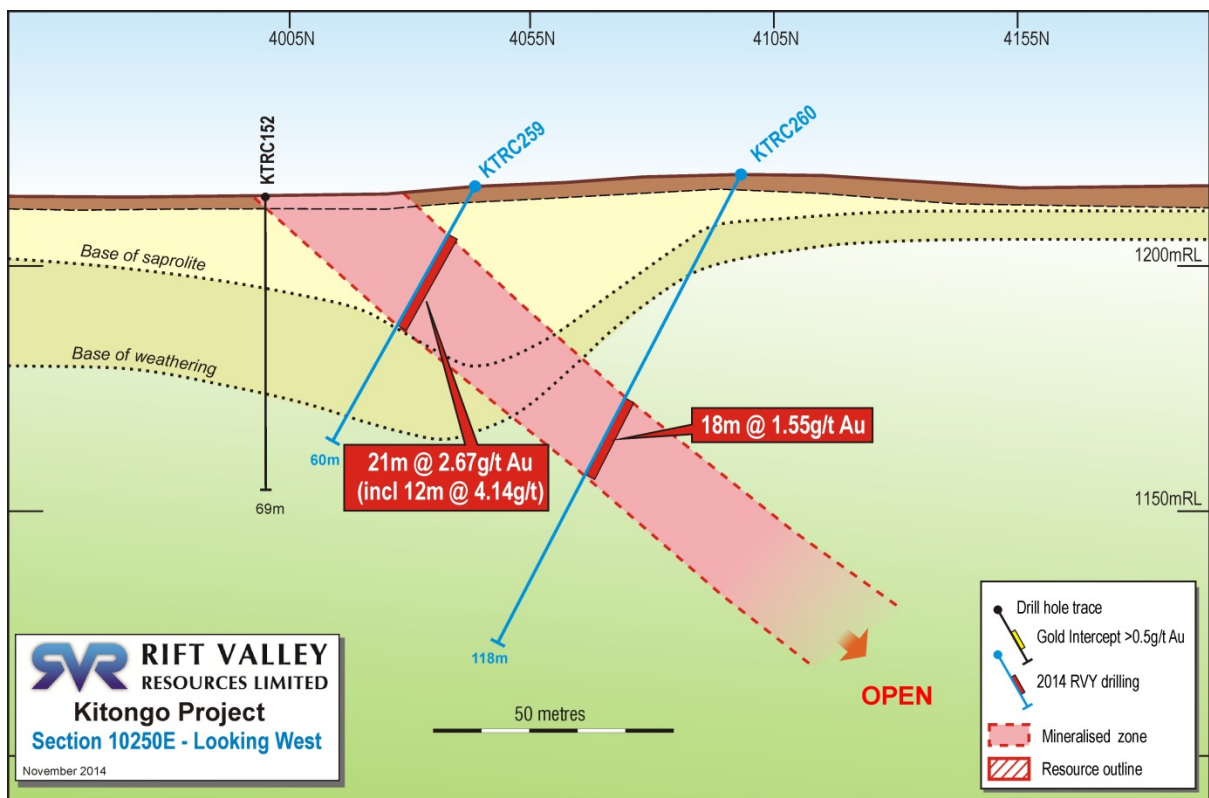


Figure 5: Cross Section 10250E

## Further Work Programs

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

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

**Table 1: Kitongo Drilling Results**

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

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

**Table 2: Kitongo Gold Project 2006 Inferred Mineral Resource**

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

\*Rounding errors may occur



## Ozango Project, Angola (Rift Valley 70%)

On 2 October 2014, Rift announced the appointment of Professor Colin Roberts as a consultant to the company.

He is an Authorised Emissary of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and currently serves the Pakistan Prime Minister's Secretariat as the Honorary Investment Consul for Australia. He is co-author of the International Bar Association (IBA) Rules on Investor-State Mediation and is director of Natural Resource Geo-Strategy where he advises governments on resources policy and foreign direct investment (FDI).

He also advises transnational corporations on political risk mitigation through Natural Resource Geo-Strategy (NRG) and is an international arbitrator and mediator at the Centre for International Dispute Resolution (CIDR) and Resource Dispute Resolution (RDR).

A graduate of the Western Australian School of Mines - Curtin University, the Centre for Energy, Petroleum & Mineral Law & Policy (CEPMLP) - University of Dundee and Queen Mary College - University of London, he is a chartered petroleum engineer (CPetEng), chartered mining engineer (CEng), and chartered scientist (CSci); additionally qualified in resources law & policy, international investment law, international competition law (Churchill College – Cambridge) and international commercial and investment arbitration.

He has been associated with Africa for around 20 years, living in Ghana, Tanzania and Zambia and managing mining and drilling operations in over 30 African states. With particular reference to Angola and Tanzania, he has experience in nearly every mining project in Tanzania and in iron and manganese projects in Angola, at both a technical and sovereign-risk mitigation capacity.

For further details on Professional Colin Roberts, refer to the Company announcement made on 2 October 2014.

During the half year, Directors Geoff Gilmour and Graeme Clatworthy along with Professional Colin Roberts travelled to Angola to meet with Government officials.

The key discussions with government officials were in relation to the Mining Investment Contract, which has been renegotiated favourably to Rift Valley and is awaiting homologation from the Minister of Geology and Mines.

Once homologation is received the aim of the company is to start exploration after the wet season in late February / March 2015.

## Miyabi Project, Tanzania (Rift Valley 100%)

The Company has signed a non-binding term sheet with our current partner on the Miyabi Project to acquire their 50% of the Miyabi Project thereby giving Rift Valley 100%. On completion of the documentation all terms and conditions will be released.

- **Competent Person:** We advise in accordance with Australian Stock Exchange Limited Listing Rules 5(6) that the exploration results for the Ozango Project 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 and shareholder 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.*
- *All information relating to Mineral Resources was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated*

## Auditor Independence Declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 31 and forms part of the directors' report for the half year ended 31 December 2014.

This report is signed in accordance with a resolution of Board of Directors.



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**Geoffrey Gilmour**

Managing Director

Dated this 13 day of March 2015

# DIRECTOR'S DECLARATION

The Directors of the Company declare that:

- (a) the financial statements and notes set out on pages 10 to 20 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 31 December 2014 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



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**Geoffrey Gilmour**

Managing Director

Dated this 13 day of March 2015

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

	Half-year ended 31 Dec 2014 A\$	Half-year ended 31 Dec 2013 A\$
Interest revenue	9,702	52,750
Exploration expenses	-	(57,826)
Administration expenses	(79,822)	(204,731)
Corporate expenses	(377,828)	(483,025)
Marketing expenses	-	(101)
Net loss on non-current assets classified as held for sale	-	(21,000)
Foreign currency exchange gain/(loss)	13,045	(16,232)
<b>Loss before income tax</b>	<b>(434,903)</b>	<b>(730,165)</b>
Income tax benefit	-	-
<b>Total loss for the period</b>	<b>(434,903)</b>	<b>(730,165)</b>
<b>Other comprehensive income</b>		
<i>Items which may be subsequently reclassified to profit or loss</i>		
Foreign currency translation	773,720	397,185
<b>Other comprehensive income for the period</b>	<b>773,720</b>	<b>397,185</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>338,817</b>	<b>(332,980)</b>
<b>Net loss for the period is attributable to:</b>		
Owners of Rift Valley Resources Limited	<b>(434,903)</b>	<b>(730,165)</b>
<b>Total comprehensive income/(loss) is attributable to:</b>		
Owners of Rift Valley Resources Limited	<b>338,817</b>	<b>(332,980)</b>
<b>Loss per share attributable to owners of Rift Valley Resources Limited:</b>		
Basic (cents per share)	(0.13)	(0.25)
Diluted (cents per share)	(0.13)	(0.25)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		31 Dec 2014	30 Jun 2014
		A\$	A\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,215,281	2,141,626
Trade and other receivables		287,038	276,732
Prepayments		22,612	23,649
Available-for-sale financial assets		2,656	29,531
<b>TOTAL CURRENT ASSETS</b>		<b>1,527,587</b>	<b>2,471,538</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		64,150	85,058
Exploration and evaluation expenditure	6	11,219,562	9,771,422
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,283,712</b>	<b>9,856,480</b>
<b>TOTAL ASSETS</b>		<b>12,811,299</b>	<b>12,328,018</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		287,019	197,993
<b>TOTAL CURRENT LIABILITIES</b>		<b>287,019</b>	<b>197,993</b>
<b>TOTAL LIABILITIES</b>		<b>287,019</b>	<b>197,993</b>
<b>NET ASSETS</b>		<b>12,524,280</b>	<b>12,130,025</b>
<b>EQUITY</b>			
Issued capital	5	30,579,387	30,579,387
Reserves	7	3,602,533	2,773,375
Accumulated losses	8	(21,657,640)	(21,222,737)
<b>TOTAL EQUITY</b>		<b>12,524,280</b>	<b>12,130,025</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2014

	Fully paid ordinary shares	Accumulated Losses	Foreign Currency Reserve	Share Option Reserve	Total
	A\$	A\$	A\$	A\$	A\$
<b>Balance at 1 July 2013</b>	29,729,387	(20,093,258)	(800,123)	2,456,797	11,292,803
Loss for the half-year	-	(730,165)	-	-	(730,165)
Other comprehensive income	-	-	397,185	-	397,185
Total comprehensive income for the half-year	-	(730,165)	397,185	-	(332,980)
Issue of shares	800,000	-	-	-	800,000
Share based payments	-	-	-	700,000	700,000
<b>Balance at 31 December 2013</b>	<b>30,529,387</b>	<b>(20,823,423)</b>	<b>(402,938)</b>	<b>3,156,797</b>	<b>12,459,823</b>
<b>Balance at 1 July 2014</b>	30,579,387	(21,222,737)	(408,963)	3,182,337	12,130,024
Loss for the half-year	-	(434,903)	-	-	(434,903)
Other comprehensive income	-	-	773,720	-	773,720
Total comprehensive income for the half-year	-	(434,903)	773,720	-	338,817
Share based payments	-	-	-	55,439	55,439
<b>Balance at 31 December 2014</b>	<b>30,579,387</b>	<b>(21,657,640)</b>	<b>364,757</b>	<b>3,237,776</b>	<b>12,524,280</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2014

	Half-year ended 31 Dec 2014 A\$	Half-year ended 31 Dec 2013 A\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(272,832)	(557,531)
<b>Net cash used in operating activities</b>	(272,832)	(557,531)
<b>Cash flows from investing activities</b>		
Interest received	17,453	52,750
Proceeds from a disposal of non-current assets held for sale	-	374,000
Payments for exploration expenditure	(676,186)	(445,506)
<b>Net cash used in investing activities</b>	(658,733)	(18,756)
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	(931,565)	(576,287)
Cash and cash equivalents at the beginning of the period	2,141,626	3,507,063
Effects of exchange rate changes on the balance of cash held in foreign currencies	5,220	16,232
<b>Cash and cash equivalents at the end of the period</b>	1,215,281	2,947,008

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) General information

Rift Valley Resources Limited (the Company) is a 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 its principal place of business is Ground Floor, 10 Outram Street, West Perth WA 6005.

Rift Valley Resources Limited is a gold and mineral exploration company operating in Tanzania and Australia.

The financial statements for Rift Valley Resources Limited and its subsidiaries (the Group) for the half year ended 31 December 2014 were approved and authorised for issue by the Board of Directors on 13 March 2015.

### (b) Statement of compliance

The half-year financial report is a general purpose condensed financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual report. It is also recommended that the half-year financial report be considered together with any public announcements made by the Group during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

### (c) Basis of preparation

The half-year financial report has been prepared on the basis of historical cost, except for available-for-sale financial assets that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

### (d) Going concern

The half-year financial statements have been prepared on the basis that the consolidated entity is a going concern, which considers the realisation of assets and the settlement of liabilities in the normal course of business activities. As at 31 December 2014 the consolidated entity has a net current asset position of \$1,240,568 (31 December 2013: \$3,065,906).

At 31 December 2014 the company has commitments of \$542,360 (31 December 2013: \$860,440) in respect of minimum expenditure required under exploration permits and mineral leases in order to keep the rights of tenure current.

On 10 March 2015, Rift also advised that it had successfully raised A\$4 million with institutional and sophisticated investors at 2.5 cents per share.

### (e) Summary of significant accounting policies

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2014, except for the adoption of all new and amended standards and interpretation effective 1 July 2014, including:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

- AASB 1031 Materiality

Accounting policies have been updated as a result of the new and amended standards; however the adoption of the above had no material impact on the financial position or performance of the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial report.

## **(f) Principles of consolidation**

The consolidated financial statements of Rift Valley Resources Limited comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. 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. 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

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. The financial information of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies.

## **2. OPERATING 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 operating segments are identified by management based on the manner in which exploration activities are monitored. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

### **Description of segments**

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Group operates in mineral exploration in Tanzania and Australia.

### **Adjustments and eliminations**

Finance income and expenses, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Inter-segment revenues are eliminated on consolidation.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

## Segment information provided to the Board

<b>31 Dec 2014</b>	<b>Australia</b>	<b>Tanzania</b>	<b>Angola</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	-	-	-	-
Total segment result	-	-	-	-
Total segment assets	-	8,656,259	2,563,303	11,219,562
Total segment liabilities	-	-	-	-
<b>31 Dec 2013</b>	<b>Australia</b>	<b>Tanzania</b>	<b>Angola</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	-	-	-	-
Total segment result	(78,826)	-	-	(78,826)
Total segment assets	-	7,106,341	2,120,456	9,226,797
Total segment liabilities	-	-	-	-
<b>30 Jun 2014</b>	<b>Australia</b>	<b>Tanzania</b>	<b>Angola</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment assets	-	7,577,287	2,194,135	9,771,422
Total segment liabilities	-	(46,507)	-	(46,507)

	<b>31 Dec 14</b>	<b>31 Dec 13</b>
	<b>\$</b>	<b>\$</b>
<b>Segment result reconciled to loss before tax as follows:</b>		
Segment result	-	(78,826)
Interest revenue	9,702	52,750
Administration expenses	(79,822)	(204,731)
Corporate expenses	(377,828)	(483,025)
Marketing expenses	-	(101)
Foreign currency exchange gain/(loss)	13,045	(16,232)
<b>Loss before income tax</b>	<b>(434,903)</b>	<b>(730,165)</b>

	<b>31 Dec 14</b>	<b>30 June 14</b>
	<b>\$</b>	<b>\$</b>
<b>Segment assets reconciles to total assets as follows:</b>		
Segment assets	11,219,562	9,771,421
Current assets	1,524,931	2,442,008
Property, plant and equipment	64,150	85,058
Corporate assets	2,656	29,531
<b>Total assets</b>	<b>12,811,299</b>	<b>12,328,018</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

## Segment liabilities reconciles to total liabilities as follows:

Segment liabilities	-	(46,507)
Current liabilities	(287,019)	(151,484)
<b>Total liabilities</b>	<b>(287,019)</b>	<b>(197,993)</b>

## 3. DIVIDENDS

There were no dividends paid or proposed during the half-year.

## 4. LOSS FROM OPERATIONS

	31 Dec 14	31 Dec 13
	\$	\$
Loss from continuing operations before income tax includes the following items of expense:		
Employee benefits expense	140,198	360,781
Depreciation and amortisation expense	33,245	86,220

## 5. ISSUED CAPITAL

	31 Dec 14 No. Shares	31 Dec 14 \$	30 June 14 No. Shares	30 June 14 \$
Balance at the beginning of the period	329,580,110	30,579,387	287,080,110	29,729,387
Shares Issued for Acquisition of Sable Minerals Pty Ltd	-	-	2,500,000	50,000
Shares issued as consideration in the acquisition of Sable Minerals Pty Ltd (Escrowed to 16 January 2015)	-	-	40,000,000	800,000
Shares issued on conversion of performance rights	3,750,000	-	-	-
Balance at the end of the period	329,580,110	30,579,387	329,580,110	30,579,387

## 6. EXPLORATION AND EVALUATION EXPENDITURE

	\$
Balance at 1 July 2013	6,822,379
Additions	2,145,506
Impairment expense	-
Foreign exchange movement	258,912
Balance at 31 December 2013	9,226,797

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

Balance at 1 July 2014	9,771,422
Additions	719,413
Foreign exchange movement	728,727
Balance at 31 December 2014	<u>11,219,562</u>

## 7. RESERVES

### Share Option Reserve

Balance at 1 July 2013	2,456,797
Share based payments expense	700,000
Balance at 31 December 2013	<u>3,156,797</u>

Balance at 1 July 2014	3,182,337
Share based payments expense	55,439
Balance at 31 December 2014	<u>3,237,776</u>

- (i) The Share Option Reserve arises on the grant of share options and performance rights to executives and senior employees.

	31 Dec 14	31 Dec 13
	\$	\$
<b>Foreign Currency Translation Reserve</b>		
Balance at the beginning of the period	(408,963)	(800,123)
Effect of foreign currency exchange differences	773,720	397,185
Balance at the end of the period	<u>(364,757)</u>	<u>(402,938)</u>

## 8. ACCUMULATED LOSSES

Balance at 1 July 2013	(20,093,258)
Net loss for the period	(730,165)
Balance at 31 December 2013	<u>(20,823,423)</u>
Balance at 1 July 2014	(21,222,737)
Net loss for the period	(434,903)
Balance at 31 December 2014	<u>(21,657,640)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

## 9. 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 the 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.

The fair value of the available for sale asset is derived from quoted market prices in an active market, and as such is classified as Level 1 in the fair value hierarchy. There were no Level 2 or Level 3 instruments at 31 December 2014, nor were there any transfers between levels during the period.

## 10. INTERESTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Ownership interest	
		31 December 2014 %	30 June 2014 %
<b>Parent entity:</b>			
Rift Valley Resources Limited	Australia		
<b>Controlled entities:</b>			
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	-
Ozango Minerais S.A.	Angola	70	70

\* Sable Minerals GmbH was established during the half-year.

## 11. SUBSEQUENT EVENTS

Subsequent to the half year ended 31 December 2014, Rift announced the following:

- Subsequent to the renegotiation of the Mining and Investment Contract (MIC) in October 2014, the Honourable Minister for Geology and Mines, Mr Francisco Manuel Monteiro De Queiroz has Homologated (Approved) the MIC over the Ozango Project. Rift via its 70% owned Angolan subsidiary "Ozango Minerais S.A. (Ozango) now has the right to explore for Non-Ferrous metals, Rare Earth Elements, Rare Metals and Precious Metals. The Initial period is for 5 Years and two 1 year extensions. Post exploration, Ozango also has the right to apply for a Mining Licence for a period of up to 35 years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

- Rift Valley Resources signed a term sheet with the Mtemi Resources Group of Companies, which hold assets in Tanzania. On 10 March 2015, Rift announced that it has signed a sale and purchase agreement to acquire 100% of the Mtemi Resources Group of Companies. The consideration for the acquisition of Mtemi will be satisfied by the issue of 32,000,000 Rift ordinary fully paid shares (subject to 12 months escrow) and 42,855,000 unlisted Rift options with a term of 3 years, exercisable at 6c.
- Mtemi will be invited to appoint a nominee to the board of Rift as a non-executive director for a term of 3 years. It is intended that Mr Akram Aziz will represent the Mtemi Interests.
- Completion of the Acquisition is subject to Rift shareholder approval.
- In conjunction with the Acquisition, Rift also advised that it had successfully raised A\$4 million with institutional and sophisticated investors at 2.5 cents per share.

Other than the events above, the directors are not aware of any other matters or circumstances not otherwise dealt with in the report or financial statements that have significantly, or may significantly affect the operations of the Group, the results of the operations of the Group, or the state of affairs of the Group in subsequent financial years.

## 12. COMMITMENTS FOR EXPENDITURE

The consolidated entity has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements. Any substantial claim may have an effect on the value of the tenement affected by the claim. No provision has been made in the accounts for the possibility of a native title claim application.

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.

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	31 Dec 14	31 Dec 13
	\$	\$
No longer than 1 year	380,387	426,188
Longer than 1 year and not longer than 5 years	161,973	434,252
Longer than 5 years	-	-
Total	542,360	860,440

In addition to the commitments above, 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.

To the members of Rift Valley Resources Limited

## Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Rift Valley Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

## Directors' responsibility for the half-year financial report

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

## Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rift Valley Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

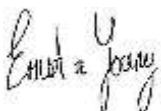
## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rift Valley Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



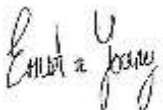
R J Curtin  
Partner  
Perth

13 March 2015

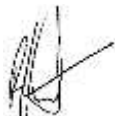


## Auditor's Independence Declaration to the Directors of Rift Valley Resources Limited

In relation to our review of the financial report of Rift Valley Resources Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



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R J Curtin  
Partner  
Perth  
13 March 2015