



ASX/ RELEASE

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QUARTERLY ACTIVITIES REPORT

For the Period Ending 31 December 2015

HIGHLIGHTS

ANGOLA

- New license issued for 5 years
- Diamond drilling commenced at Cassenha Hill
- Metallurgical test work continued on the Longonjo Rare Earth project produces a concentrate containing 19.44% REO
- Concession wide stream sampling advanced

TANZANIA

- Planning for the first 2016 drilling campaign at Miyabi completed
- Geophysical work on Kitongo commenced

OZANGO CONCESSION, ANGOLA (RIFT VALLEY 70%)

New license issued for 5 years

On the 3rd of November 2015 the Angolan Ministry of Geology and Mines issued a new prospecting license to Ozango Minerais SA (**Ozango**), a 70% Rift Valley owned Angolan private company, in respect of the Ozango Project in the Huambo Province of Angola.

Highlights:

- **The licence is for 5 years with two 1 year extensions (Total 7 years)**
- **The licence entitles Ozango to prospect for Base Metals, Rare Earth Minerals, Rare Metal and Precious Metals**

Rift Valley, through the 2013 acquisition of Sable Minerals Pty Ltd, held a 70% interest in prospecting license 009/01/07T.P/ANG-MGMI/2011 via a Joint Venture Agreement with Angolan private company Discovery Grupo LDA.

A new license has been issued to Ozango, prospecting license N°013/03/09/T.P/ANG-MGM/2015, which now establishes Ozango as the registered legal holder of the prospecting title and allows for the termination of the Joint Venture.

Rift Valley, in consultation with the Angolan Governmental body Ferrangol E-P S.A (**Ferrangol**) and together with Rift Valley's Angolan legal counsel, has now completed the following administrative procedures:

- Angolan Private Company formed – Ozango (in which Rift Valley holds a 70% interest)
- Shareholder Agreement executed between the shareholders of Ozango.
- Mining and Investment contract (**MIC**) signed by Government body Ferrangol (30 October 2014).
- Ministry of Geology and Mines homologated (approved) the MIC (23 December 2014).
- Homologated MIC publicised in “Diario da Republica” - Angolan Official Gazette (6 May 2015).
- Surety Guarantee Bond paid.
- Prospecting taxes paid.
- Prospecting license issued to Ozango.

Cassenha Hill Copper Gold Prospect

Diamond drilling commenced at the Cassenha Hill prospect, within the Catabola area of its 70% owned Ozango Project - Angola

The diamond drilling program aimed to test the depth and strike extensions of the copper-gold mineralization delineated at surface with trenching and below surface from within exploration adits developed by the Portuguese last century (see figure 2). This program employed angled drilling to best intersect the sub vertical structures interpreted from previous work. The drilling will enhance the understanding of the geometry as well as finally reveal the nature of mineralization in the sulfide zone.

The initial drilling programme was for a nominal 6 diamond drill holes for an advance of 1000m, Drill core will be routinely cut and submitted to Geoangol for analysis.

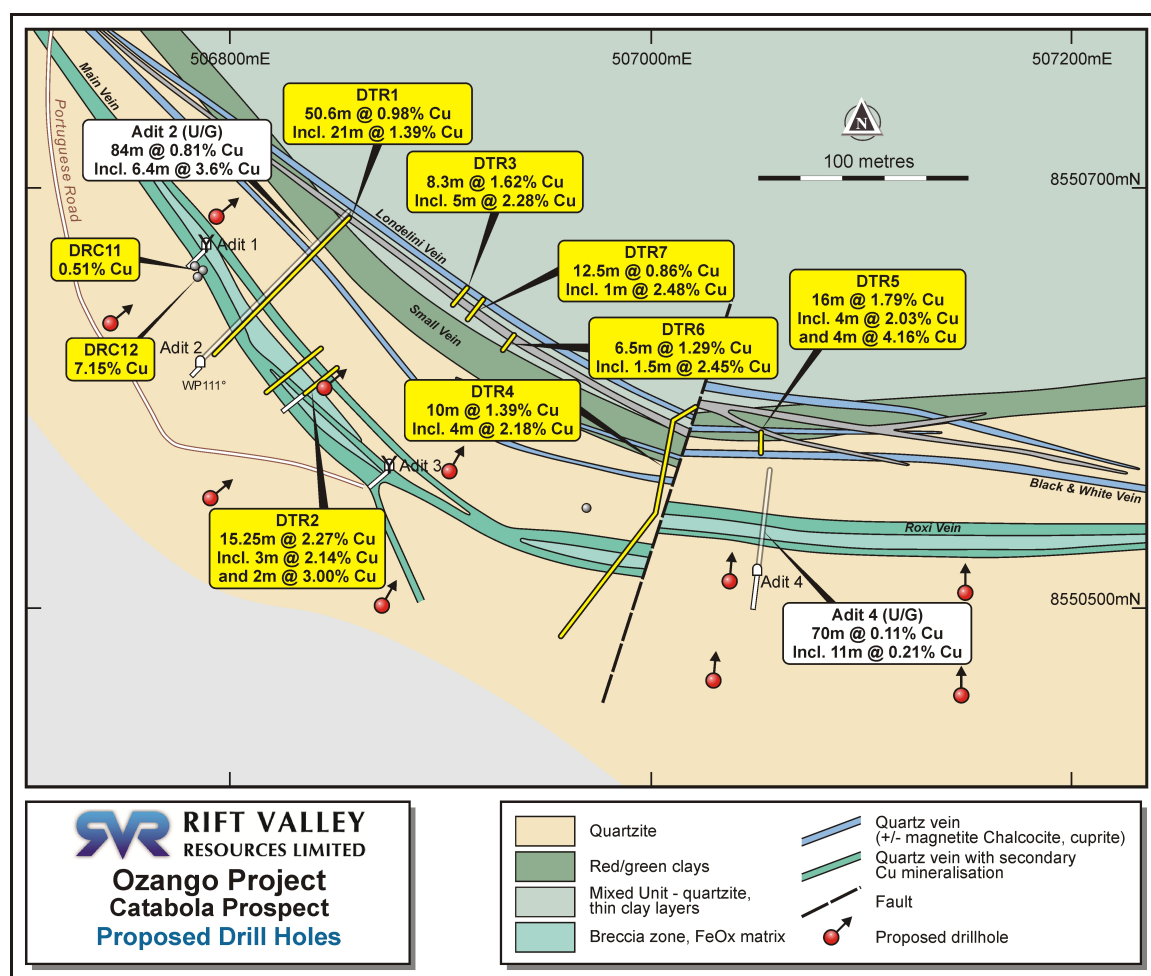


Figure 2

The Catabola copper-gold target comprises an area of approximately 180km² with two separately identified mineralized structures both trending northwest to southeast, approximately 5 kilometers apart.

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

Importantly, both mineralized zones appear to have Iron Oxide Copper Gold (IOCG) style affinities, a style of mineralization responsible for major deposits elsewhere in the World.

During the previous quarter the Company completed site works (drill pads and access) at Cassenha Hill. These included the rehabilitation of 12km's of gravel road from the town of

Catabola, the Company also made ready the Cassenha Hill camp and purchased consumables and equipment for the current drilling campaign.

Copper workings at Cassenha Hill in the 1940s and 1950s included 7 shafts and some 29 adits extending over a length of 1.6 kilometers. The copper mineralisation is hosted by siliceous metasediments and occurs in brecciated and gossanous quartz-magnetite-barite veins in a major, steeply dipping and strongly altered/weathered shear zone. The zone has been traced by surface mapping and prospecting over a strike length of some 5 kilometers but may well be considerably longer.

The separate Caluvi Hill and Cativa prospects located northwest and southeast of the Cassenha Hill zone respectively may well be one and the same giving an approximately 14 kilometer long potential strike length of prospective ground. The Cassenha Hill shear structure has been described by SRK Consulting (2010) as a broad zone up to 150 meters wide within which individual copper bearing veins, typically 10-30 meters wide and several hundred meters long, occur in an enechelon pattern. Previous exploration work conducted at the Cassenha Hill prospect includes regional rock chip sampling, soil and stream sediment sampling, surface trenching and underground adit channel sampling.

The area around Cassenha Hill has been the main focus with numerous adits geologically mapped and channel sampled.

Adit Channel sampling (figure 2)

- Adit 2: 84m @ 0.81% Cu-including 6.4m @ 3.46% Cu and 5m @ 1.83% Cu
- Adit 3: 16m @ 0.75% Cu - including 4m @ 1.79% Cu)

Trench sampling results (figure2)

- Trench 1: 50.6m at 0.98% Cu - including 21m at 1.39% Cu
- Trench 2: 15.25m @ 2.27% Cu
- Trench 3: 8.3m @ 1.62% Cu
- Trench 4: 10m @ 1.39% Cu
- Trench 5 : 16m @ 1.79% Cu
- Trench 6: 6.5m @ 1.29% Cu
- Trench 7: 12.5m @ 0.86% Cu

Gold mineralisation

The Cassenha Hill copper mineralization is also associated with gold. Previous exploration achieved up to 2g/t Au in the soil samples and up to 6g/t Au in rock chips. Sampling of the adits has also demonstrated the potential for resource grade gold mineralization.

Trenching program

In addition to the drilling program, trenching work has commenced to test for copper/gold mineralization along the interpreted 3.5 kilometers of possible strike extension to the north west of Cassenha Hill (figure 3).

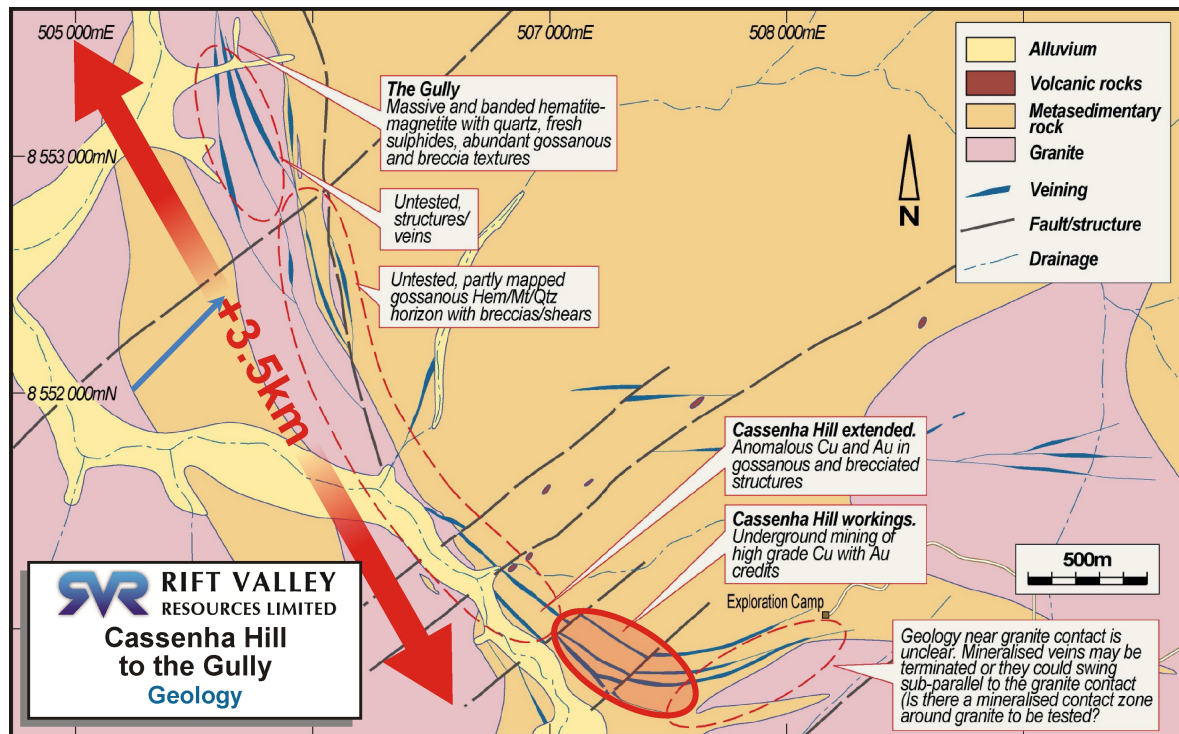


Figure 3



View of Cassenah Hill Copper Gold Prospect

Longonjo Rare Earth Project

Beneficiation test work was continued during the June quarter on an oxidised surface composite from the Longonjo Rare Earth Elements Target. The composite head sample contained 6.47% Rare Earth Oxides (REO). Mineralogical test work has confirmed REO's are primarily hosted within monazite and various other complex minerals which may include secondary cerianite. XRD has indicated that bastnasite may be present in trace amounts although discrete bastnasite grains were not detected. Based on the highly oxidised nature of this composite it has been assumed that any bastnasite present would have been leached during the weathering process.



Trenching at Longonjo Rare Earth Prospect

Initial beneficiation bench scale rougher kinetic flotation tests have resulted in a stage 1 rougher concentrate containing 19.44% REO which represents a >3 times upgrade. Beneficiation test work is continuing with the aim of improving both REO upgrades and recoveries. Upon the completion of beneficiation test work hydrometallurgical characterisation test work will be conducted on a beneficiated REO concentrate. The overall aim of this test work program is provide data which will enable an indicative financial model to be completed as input into a broad project evaluation.

Bongo Gold Prospect

A concession wide stream sediment program has continued over the Ozango project for the quarter. This first pass will collect over 600 samples to complete a geochemical screen over the 3,762km² concession on a nominal 5km² catchment area. An ultrafine (<63 µm) sample is being collected at site and submitted for multi element analysis, as received. Sampling has been prioritized to target structures and deformation zones, interpreted from satellite imagery, in the initial stages before completing the remainder of the project area. The Company expects to have a large enough sample population in the coming quarter to collate and interpret the geochemical responses and target areas for following up with tighter geochemical sampling and (or) mapping and rock chipping.

MIYABI PROJECT, TANZANIA (RIFT VALLEY 100%)

Following on from the drilling results released during the June quarter, A further drilling programme has been designed, a maiden resource estimate for the high grade Dalafuma deposit at Miyabi was prepared. The Mineral Resource is 167,000 oz. at a grade of 4.1g/t as summarised below:

Dalafuma 2015 Mineral Resource Estimate

Classification	Tonnes	Au g/t	Au Ounces
Indicated	540,000	5.4	94,000
Inferred	724,000	3.1	73,000
Total	1,265,000	4.1	167,000

The high grade zones at Dalafuma (figure 1) remain open in several areas and further drilling is planned to expand the defined resource.

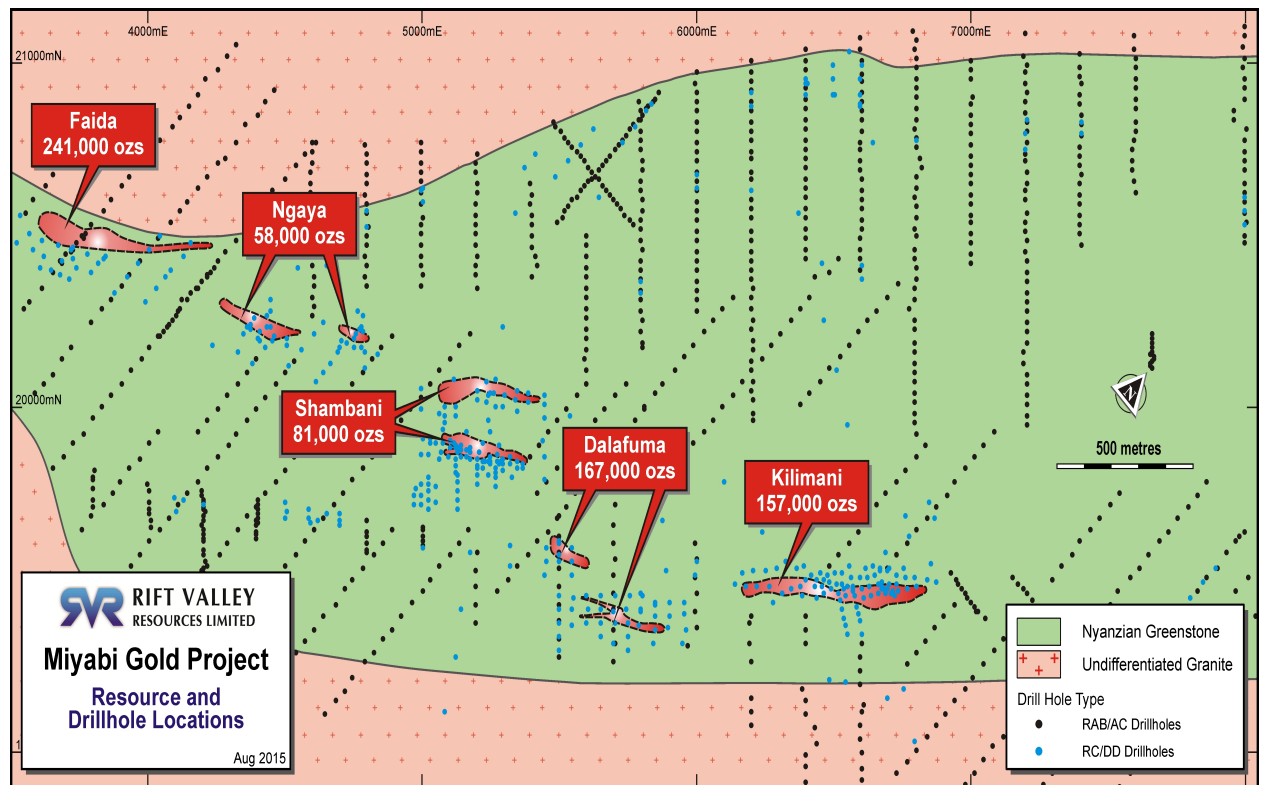


Figure 1: Miyabi Mineral Resources

The previously defined deposits at the project were also re-estimated to allow reporting under JORC 2012 guidelines.

The Miyabi project (figure 2) now comprises over 700,000oz as summarised below:

- Total Mineral Resource 14.3Mt at 1.5g/t Au for 704,000oz
- Indicated Mineral Resources of 7.1Mt at 1.7g/t for 387,000oz
- Inferred Mineral Resources of 7.3Mt at 1.4g/t for 317,000oz
- Includes five deposits within a 3.5km strike extent

All deposits extend close to surface and have excellent potential for open pit mining.

Substantial areas remain open with good potential for extensions to the defined Mineral Resources.

The geological understanding gained from the Dalafuma discovery has allowed company geologists to re-evaluate previous work carried out throughout the entire project area and a number of high priority targets have been identified for further drilling. These include extensions to existing resources as well as strong gold anomalies within previous geochemical sampling programs. The significance of up to 10m of barren transported ferricrete over these target areas was not previously understood and many prospective parts of the project have been tested with either soil sampling or 9-11m deep RAB drill holes, neither of which would have been effective.

The company is continuing assessment of available geophysical and geological data to allow a more regional exploration plan to be developed. This will lead to additional drilling at the project, planned for the coming quarter.

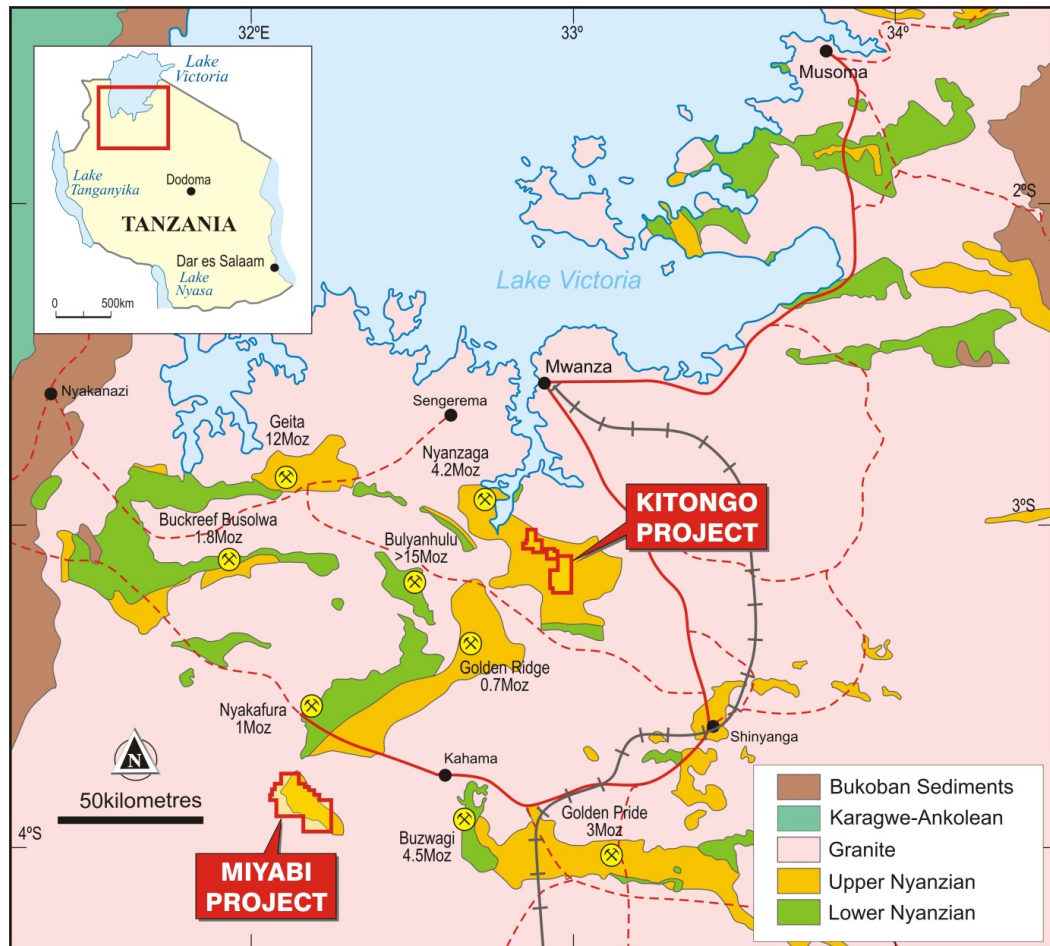


Figure 2: Rift Valley project location plan

KITONGO PROJECT, TANZANIA (RIFT VALLEY 100%)

Further geophysical work to follow up drilling program carried in the previous quarter at the Kitongo project (fig 1) which had intersected additional gold mineralisation. The six hole program was designed to follow up the strong Southern Limb mineralisation intersected in the previous Rift Valley drilling. Better intersections from the new drilling include:

- 12m at 2.22g/t from 66m in KTRC263
- 9m at 1.54g/t from 60m in KTRC266

The results are along strike to the north of previously announced intersections from the 2014 program which included:

- 21m at 2.68g/t from 12m in KTRC259
- 18m at 1.55g/t from 51m in KTRC260

The new drilling was carried out on 100m spaced sections along strike to the north of the previous Rift Valley drilling. The results confirm that the Southern Limb gold mineralised zone does continue to the north with two of the three sections intersecting resource grade mineralisation.

A further 1000m of strike potential exists to the north with anomalous mineralisation in shallow RAB holes suggesting that the zone continues until it joins the Isenghenge prospect illustrated below (figure 3).

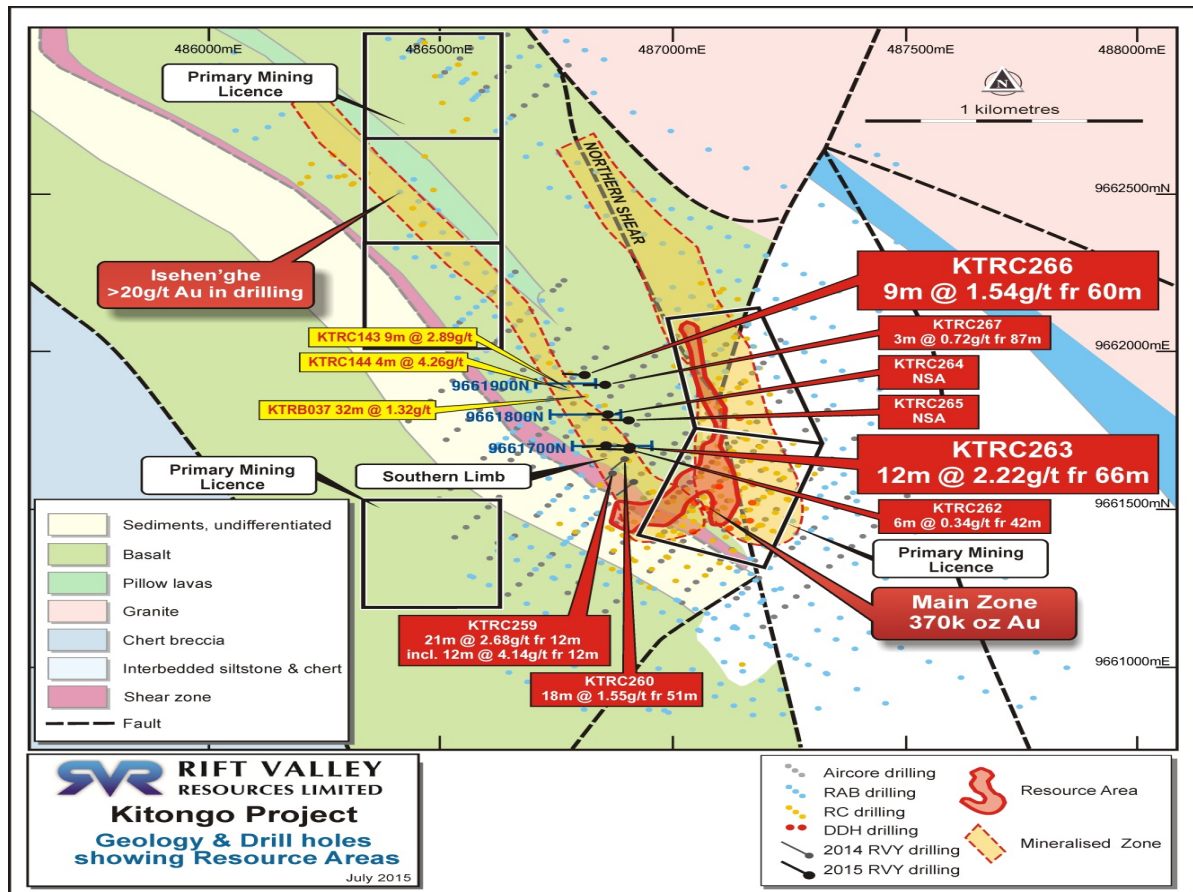


Figure 3: Kitongo Prospect area with drilling, geology and resource boundary

Importantly, the mineralisation remains open further to the north where previous, shallow geochemical drilling has defined anomalous mineralisation for at least a further 1000m to the north to the Isenghenge prospect. Further drilling is required to properly test the potential of the zone. Significant intersections are tabulated below (table 1).

Table 1: Kitongo Drilling Results – July 2015

Collar Location and Orientation								Intersection > 0.5ppm Au			
Hole ID	Type	East	North	RL	Depth	Dip	Az	From (m)	To (m)	Length (m)	Au ppm
KTRC261	RC	486,903	9,661,698	1,220	46	-60	270	Abandoned			
KTRC262	RC	486,857	9,661,701	1,220	82	-60	270	NSA			
KTRC263	RC	486,902	9,661,691	1,220	118	-60	270	66	78	12	2.22
KTRC264	RC	486,860	9,661,800	1,220	82	-60	270	NSA			
KTRC265	RC	486,905	9,661,782	1,220	112	-60	270	NSA			
KTRC266	RC	486,810	9,661,924	1,220	91	-60	270	48	54	6	0.83
					And			60	69	9	1.54
					And			36	39	3	1.24
KTRC267	RC	486,857	9,661,895	1,220	100	-60	270	87	90	3	0.72
					And			45	48	3	0.62
					And			57	60	3	0.61
					And			75	78	3	0.82

Down hole widths are interpreted to be approximately equal true width.



Figure 4 - drill rig at Kitongo

ENDS

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Tenement Information as at 31 December 2015

Country	Project Name	License Name	License no.	% Held at 30 Sept 2015	Change	% Held at 31 Dec 2015
Tanzania	Kitongo	Ugambilo East	PL8441/2012	100%	-	100%
	Kitongo	Butonyongo Hill West	PL8699/2012	100%	-	100%
	Kitongo	Mwasato Hill West	PL9740/2014	100%	-	100%
	Kitongo	Busongo Court	PL9741/2014	100%	-	100%
	Kitongo	Kitongo West	PL10655/2015	100%	-	100%
	Kitongo	Ugambilo North	PL6385/2010	100%	-	100%
	Kitongo	Mwagimagi	PL6499/2010	100%	-	100%
	Kitongo	Mwamazengo SE (2)	PL6543/2010	100%	-	100%
	Kitongo	Mwamazengo South (2)	PL6631/2010	100%	-	100%
	Kitongo	Ugambilo	PL10067/2014	100%	-	100%
	Kitongo	Kitongo	PL10068/2014	100%	-	100%
	Kitongo	Mwamazengo	PL10069/2014	100%	-	100%
	Kitongo	Isengwa Hills North	PL10060/2014	100%	-	100%
	Kitongo	Maji Moto	PL7394/2011	100%	-	100%
	Busongo	Busongo Northeast	PL10065/2014	100%	-	100%
	Miyabi	Gulumungu	PL10656/2015	100%	-	100%
	Miyabi	Ntalebujika	PL10660.2015	100%	-	100%
	Miyabi	Miyabi Dyke	PL8933/2013	100%	-	100%
	Miyabi	Miyabi Northwest West	PL9696/2014	100%	-	100%
	Miyabi	Miyabi North	PL4536/2007	100%	-	100%
	Miyabi	Miyabi Airport New	PL10556/2015	100%	-	100%
	Miyabi	Miyabi Northwest	PL5115/2008	100%	-	100%
	Miyabi	Miyabi South 2 East	PL6369/2010	100%	-	100%
	Miyabi	Miyabi South 2 West	PL9782/2014	100%	-	100%
	Miyabi	Miyabi South	PL6382/2010	100%	-	100%
	Miyabi	Miyabi South New	PL10149/2014	100%	-	100%
	Miyabi	Miyabi Airport	PL6593/2010	100%	-	100%
	Miyabi	Miyabi Twigg	PL7864/2012	100%	-	100%
	Nyang'ombe	Nyang'ombe BEAL	PL6502/2010	100%	-	100%
	Mtemi	Buziba, Geita	8391/2012	100%	-	100%
	Mtemi	Mwamazengo, Misungwi	8148/2013	100%	-	100%
	Mtemi	Mwamazengo, Misungwi	6630/10	100%	-	100%
	Mtemi	Mwamazengo, Misungwi	6542/2010	100%	-	100%
	Mtemi	Mpanda, Mpanda	5760/2009	100%	-	100%
	Mtemi	Mpanda, Mpanda	8942/2013	100%	-	100%
	Mtemi	Ileje, Ileje	8550/2012	100%	-	100%
	Mtemi	Mbinga, Mbinga	7552/2012	100%	-	100%
	Mtemi	Madaba, Liwale	8552/2012	100%	-	100%
	Mtemi	Mpanda, Mpanda	9051/2013	100%	-	100%
	Mtemi	Mpanda, Mpanda	9052/2013	100%	-	100%
	Mtemi	Mpanda, Mpanda	9053/2013	100%	-	100%
	Mtemi	Mpanda, Mpanda	9054/2013	100%	-	100%
	Mtemi	Mpanda, Mpanda	9395/2013	100%	-	100%
	Mtemi	Mpanda, Mpanda	9764/2014	100%	-	100%
	Mtemi	Chunya	9899/2014	100%	-	100%
	Mtemi	Chunya	9780/2014	100%	-	100%
	Mtemi	Mkalama, Singida	10027/2014	100%	-	100%
	Mtemi	Makongolosi, Chunya	10020/2014	100%	-	100%
	Mtemi	Mpanda, Mpanda	10034/2014	100%	-	100%
Angola	Ozango	Ozango Minerais SA	Nº013/03/09/T.P/A NG-MGM/2015	70%	-	70%

