

13 May 2011

## **RIFT VALLEY RESOURCES LIMITED**

### **TENEMENT PURCHASE AGREEMENTS**

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Rift Valley Resources (Tanzania) Ltd (RVR Tanzania) has entered into sixteen (16) agreements to purchase Prospecting Licences or Prospecting Licences Applications (Tenements) in Tanzania from the licensees. RVR Tanzania is a wholly owned subsidiary of Rift Valley Resources Limited.

The agreements to acquire nine (9) granted Tenements and seven (7) Tenement applications are subject to payment conditions. In the case of applications any payment is subject to the Tenement firstly being granted.

For the nine (9) granted Tenements and six (6) of the Tenement applications the initial cost of acquisition represents the cost of reimbursing all costs incurred by the licensee with the Ministry of Energy and Minerals and the first instalment of the purchase price being USD4 000. The balance of the purchase price is payable in instalments over a period of 3 years consisting of a first annual payment of USD5 000, a second annual payment of USD6000, and a third annual payment of USD7 000. An additional contingent payment of USD100 000 is to be made if and when a decision to mine on the Tenement is made. A net smelter royalty of 1.5% (up to a maximum of USD500 000) will also apply should mining be undertaken. The Company considers the amounts of these payments to be non-material.

One (1) of the agreements to acquire a Tenement application is with a related party. The payment terms are as set out above, except that instead of receiving cash the related party will receive the equivalent value of shares. The number of shares will be calculated by converting the cash amount into \$A on the payment date and dividing the resulting figure by the weighted average price of the ordinary shares in Rift Valley Resources Limited over the previous seven (7) days. Any shares issued within two (2) years of the listing of Rift Valley Resources Limited will be subject to the restricted securities requirements in accordance with ASX Listing Rules and will be subject to shareholder approval in accordance with ASX listing rule 10.11.



Michael McKeivitt

Managing Director  
Rift Valley Resources Limited

