



**RIFT VALLEY
RESOURCES LIMITED**

ACN: 121 985 395

Half Year Financial Report
31 December 2015

CORPORATE DIRECTORY

DIRECTORS

Geoff Gilmour, Managing Director
Graeme Clatworthy, Non-Executive Director
Gregory Cunnold, Technical Director
Akram Aziz , Non-Executive Director

COMPANY SECRETARY

Scott Mison

REGISTERED OFFICE

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ASX CODE

RVY

SOLICITORS

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Level 4, 167 St Georges Terrace, Perth WA 6000

SHARE REGISTRY

BoardRoom Pty Ltd
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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 2015.

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)
Akram Aziz	Non-Executive Director (appointed 21 October 2015)

REVIEW OF OPERATIONS

The consolidated entity incurred an operating loss after income tax of \$393,289 (31 December 2014: \$434,903) for the half-year ended 31 December 2015.

OZANGO PROJECT, 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.

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 1). The program employed angled drilling to

intersect the sub vertical structures interpreted from previous work. The drilling will enhance the understanding of the geometry as well as finally revealing 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.

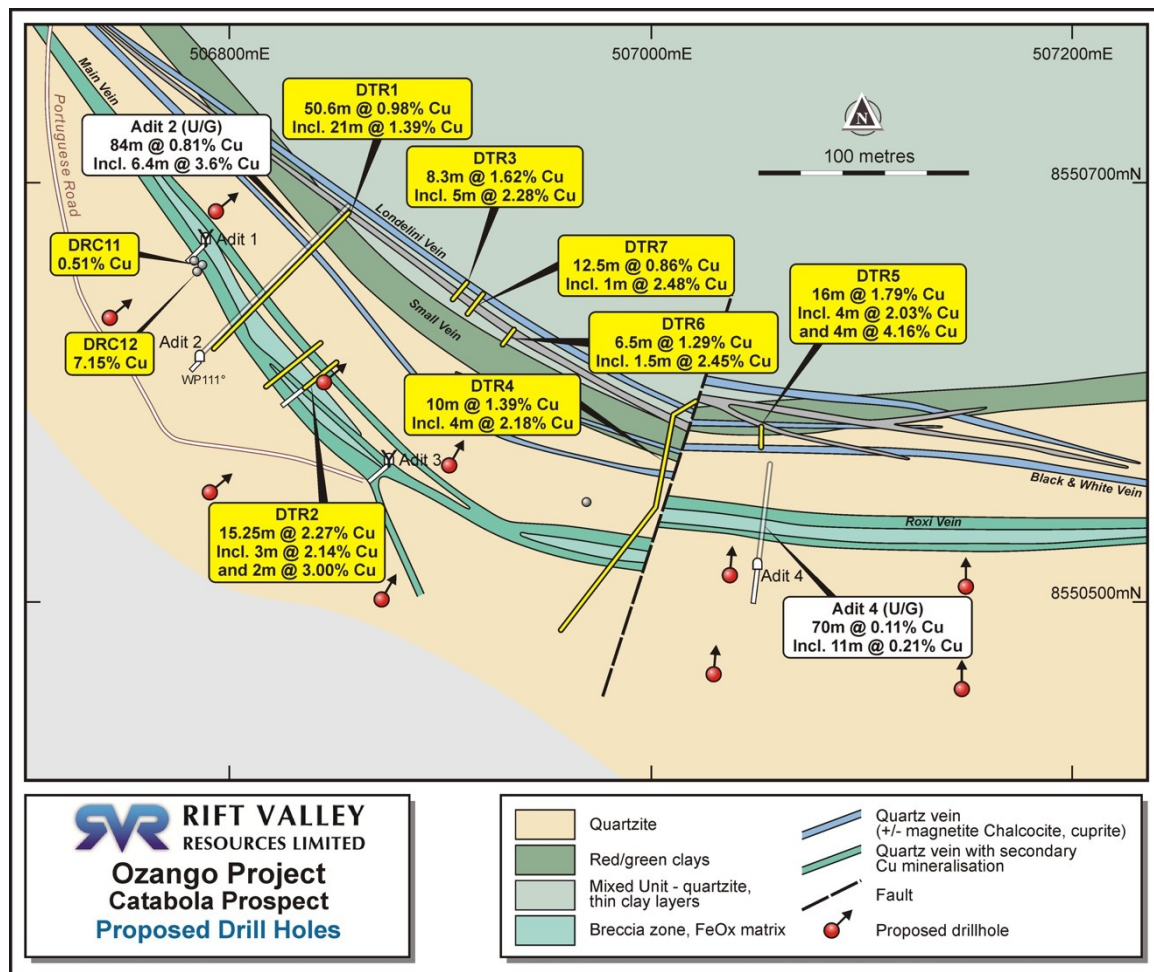


Figure 1

The Catabola copper-gold prospect 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 half year 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 2).

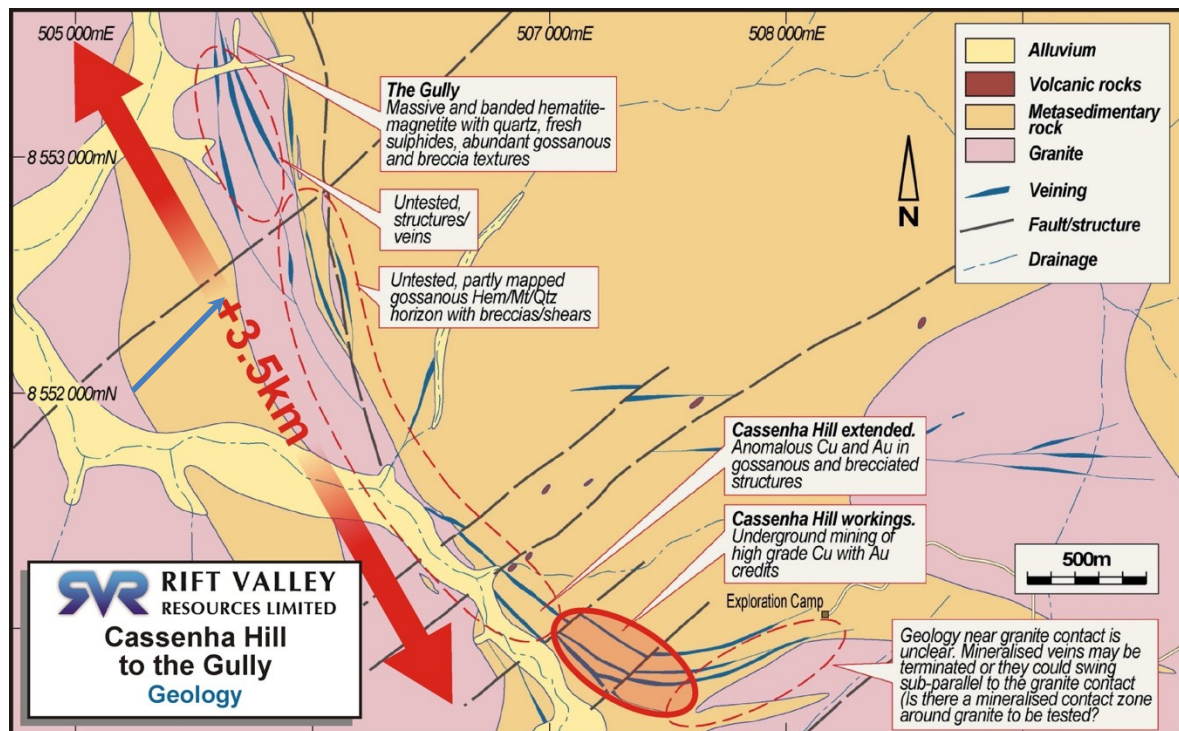


Figure 2



View of Cassenhya Hill Copper Gold Prospect

Longonjo Rare Earth Project

Beneficiation test work was continued 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 half year. 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 the high grade drilling results released in July 2015, 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 3) remain open in several areas and further drilling is planned to expand the defined resource.

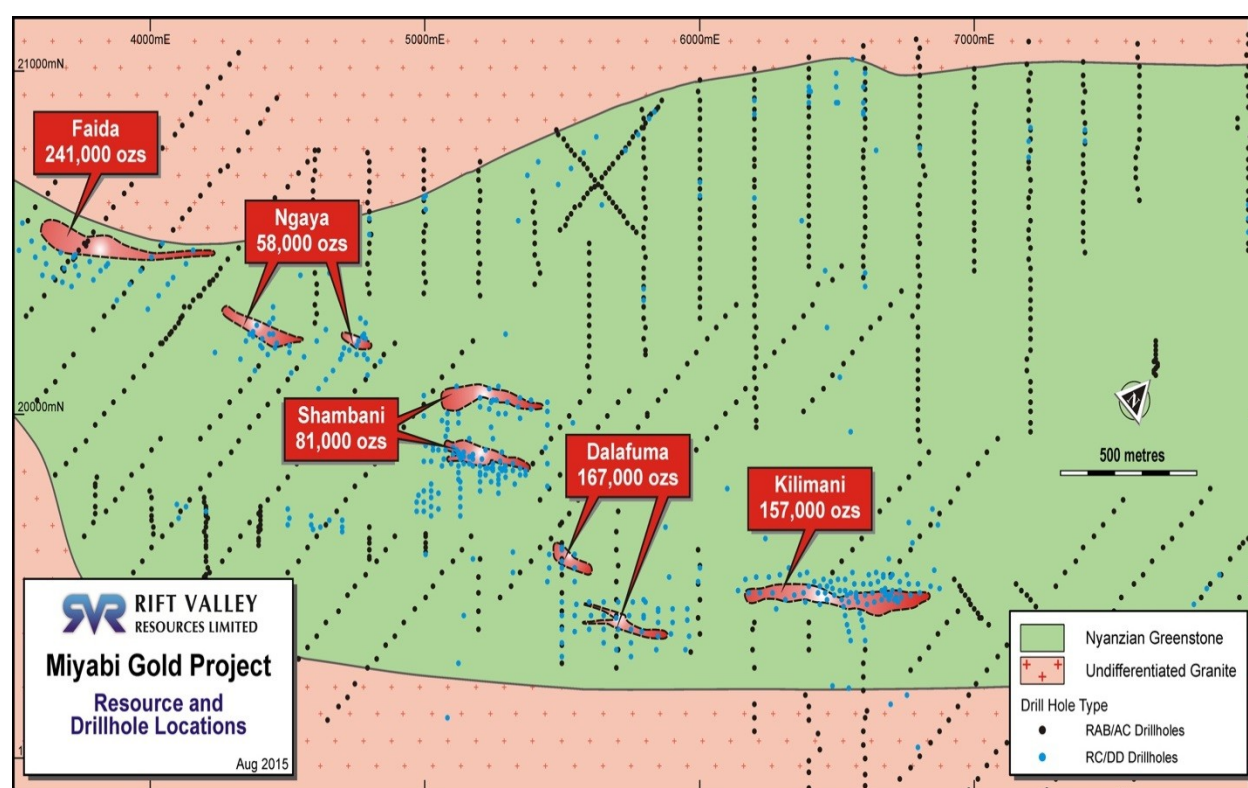


Figure 3: Miyabi Mineral Resources

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:

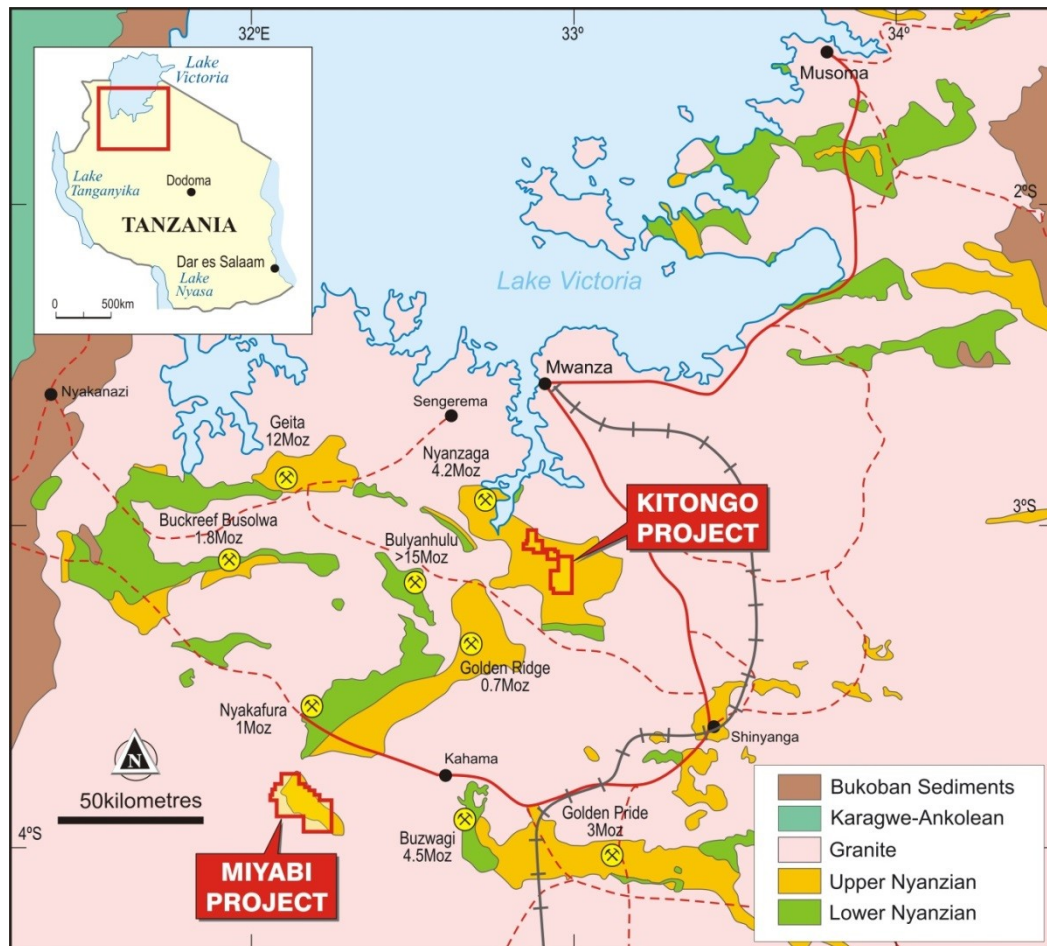
- Total Mineral Resource 14.3Mt at 1.5g/t Au for 704,000oz
- Indicated Mineral Resources of 7.1Mt at 1.7g/t for 387,000oz
- Inferred Mineral Resources of 7.3Mt at 1.4g/t for 317,000oz
- Includes five deposits within a 3.5km strike extent

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 fiscal year



Rift Valley project location plan

KITONGO PROJECT, TANZANIA (RIFT VALLEY 100%)

During the half year a short RC drilling program carried out at the Kitongo project (fig4) intersected additional gold mineralization, with further geophysical work followed up the drilling. 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 4).

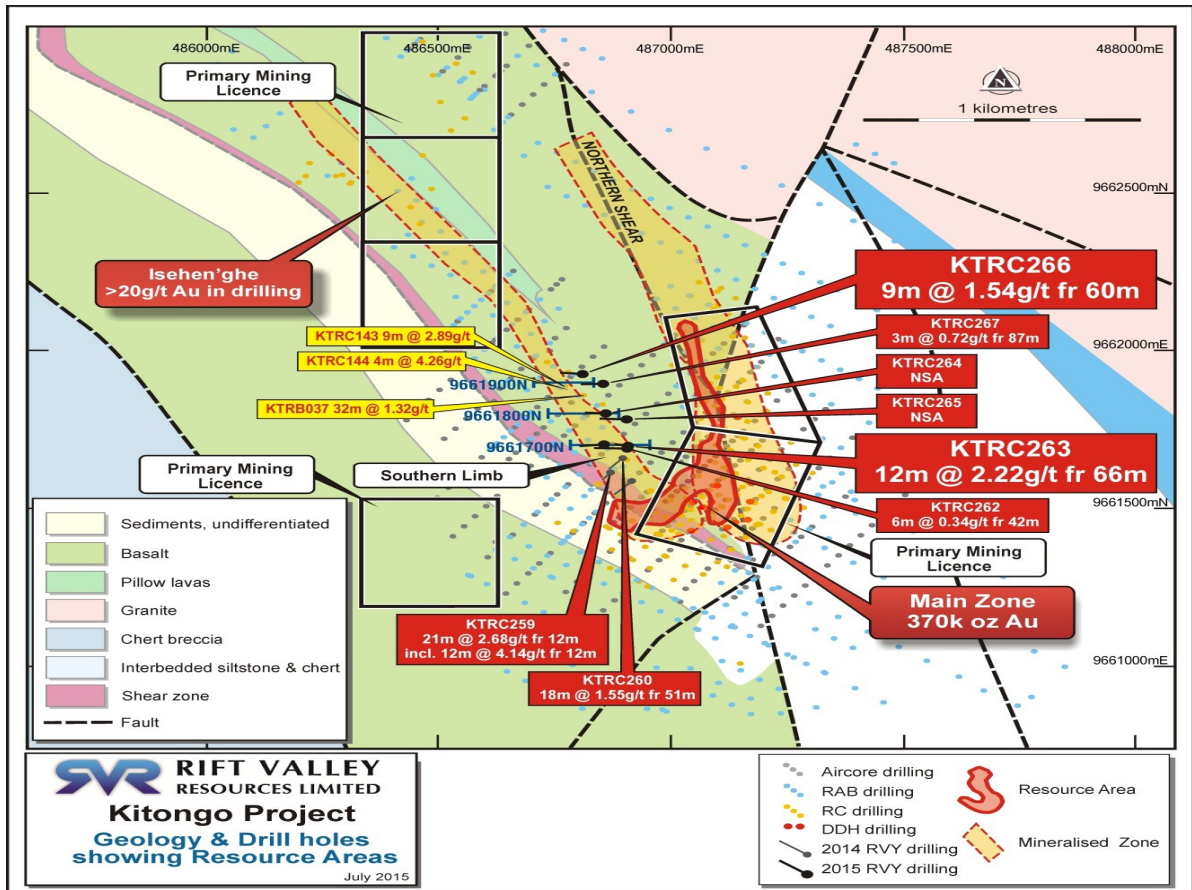


Figure 4: Kitongo Prospect area with drilling, geology and resource boundary

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.



drill rig at Kitongo

- **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 ASX Release is based on information compiled by Mr Greg Cunnold who is a member of the Australian Institute of Mining and Metallurgy. Mr Cunnold is a director 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

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 27 and forms part of the directors' report for the half year ended 31 December 2015.

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

Geoffrey Gilmour
Managing Director
Dated this 14 day of March 2016

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

- (a) the financial statements and notes set out on pages 14 to 24 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 2015 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.



Geoffrey Gilmour

Managing Director

Dated this 14 day of March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2015

	Half-year ended 31 Dec 2015 A\$	Half-year ended 31 Dec 2014 A\$
Interest revenue	3,091	9,702
Administration expenses	(85,134)	(79,822)
Corporate expenses	(442,466)	(377,828)
Foreign currency exchange gain	131,220	13,045
Loss before income tax	(393,289)	(434,903)
Income tax benefit	-	-
Total loss for the period	(393,289)	(434,903)
Other comprehensive income		
<i>Items which may be subsequently reclassified to profit or loss</i>		
Foreign currency translation	406,951	773,720
Other comprehensive income for the period	406,951	773,720
Total comprehensive loss for the period	13,662	338,817
Net loss for the period is attributable to:		
Owners of Rift Valley Resources Limited	(393,289)	(434,903)
Total comprehensive loss is attributable to:		
Owners of Rift Valley Resources Limited	13,662	338,817
Loss per share attributable to owners of Rift Valley Resources Limited:		
Basic (cents per share)	(0.11)	(0.13)
Diluted (cents per share)	(0.11)	(0.13)

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 2015

		31 December 2015	30 June 2015
	Note	A\$	A\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,162,024	3,331,185
Trade and other receivables		200,209	-
Deposits		32,815	32,185
Prepayments		20,290	21,619
		1,415,338	3,384,989
Current assets classified as held for sale			
Available-for-sale financial assets		156	156
TOTAL CURRENT ASSETS		1,415,494	3,385,145
NON-CURRENT ASSETS			
Receivables		-	55,381
Property, plant and equipment		486,436	36,278
Exploration and evaluation expenditure	6	14,502,537	12,597,762
TOTAL NON-CURRENT ASSETS		14,988,973	12,689,421
TOTAL ASSETS		16,404,467	16,074,566
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		326,853	747,529
TOTAL CURRENT LIABILITIES		326,853	747,529
TOTAL LIABILITIES		326,853	747,529
NET ASSETS		16,077,614	15,327,037
EQUITY			
Issued capital	5	35,056,535	34,461,535
Reserves	7	4,163,019	3,614,155
Accumulated losses	8	(23,141,940)	(22,748,651)
TOTAL EQUITY		16,077,614	15,327,037

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2015

	Fully paid ordinary shares	Accumulated Losses	Foreign Currency Reserve	Share Option Reserve	Total
	A\$	A\$	A\$	A\$	A\$
Balance at 1 July 2014	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
Balance at 31 December 2014	30,579,387	(21,657,640)	364,757	3,237,776	12,524,280
Balance at 1 July 2015	34,461,535	(22,748,651)	1,016,871	2,597,284	15,327,037
Loss for the year	-	(393,289)	-	-	(408,963)
Other comprehensive income	-	-	406,951	-	380,079
Total comprehensive income for the year	-	(393,289)	406,951	-	15,301,161
Issue of shares	25,000	-	-	-	25,000
Issue of shares – Mtemi 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)	-
Share based payments	-	-	-	60,493	60,493
Balance at 31 December 2015	35,056,535	(23,141,940)	1,423,822	2,739,197	16,077,614

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2015

		Half-year ended 31 Dec 2015 A\$	Half-year ended 31 Dec 2014 A\$
Cash flows from operating activities			
Payments to suppliers and employees		(393,544)	(272,832)
Net cash used in operating activities		(393,544)	(272,832)
Cash flows from investing activities			
Interest received		3,091	17,453
Net cash inflows on acquisition of subsidiary	11	12,217	-
Payments for exploration expenditure		(1,833,442)	(676,186)
Net cash used in investing activities		(1,818,134)	(658,733)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net decrease in cash and cash equivalents		(2,211,678)	(931,565)
Cash and cash equivalents at the beginning of the period		3,331,185	2,141,626
Effects of exchange rate changes on the balance of cash held in foreign currencies		42,517	5,220
Cash and cash equivalents at the end of the period		1,162,024	1,215,281

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 2015

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 Angola.

The financial statements for Rift Valley Resources Limited and its subsidiaries (the Group) for the half year ended 31 December 2015 were approved and authorised for issue by the Board of Directors on 14 March 2016.

(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 2015 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 2015 the consolidated entity has a net current asset position of \$1,187,641 (31 December 2014: \$1,240,568).

At 31 December 2015 the company has commitments of \$632,108 (31 December 2014: \$542,360) in respect of minimum expenditure required under exploration permits and mineral leases in order to keep the rights of tenure current.

(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 2015, except for the adoption of new and amended standards and interpretation noted below:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

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 2015 reporting periods and have not yet been applied in the financial report.

(f) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which the parent entity controlled from time to time during the year and at balance date.

Subsidiaries are all those entities controlled by the Company. Control exists where the parent entity has the capacity to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities.

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 Angola.

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.

Segment information provided to the Board

31 December 2015	Australia	Tanzania	Angola	Total
	\$	\$	\$	\$
Total segment revenue	-	-	-	-
Total segment result	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

Total segment assets	-	11,029,869	3,472,668	14,502,537
Total segment liabilities				

31 December 2014	Australia	Angola	Tanzania	Total
	\$	\$	\$	\$
Total segment revenue	-	-	-	-
Total segment result	-	-	-	-
Total segment assets	-	7,956,259	2,563,303	10,519,562
Total segment liabilities	-	-	-	-

30 June 2015	Australia	Tanzania	Angola	Total
	\$	\$	\$	\$
Total segment assets	-	9,761,111	2,836,651	12,597,762
Total segment liabilities	-	(57,329)	-	(57,329)

	31 Dec 15	31 Dec 14
	\$	\$
Segment result reconciled to loss before tax as follows:		
Segment result	-	-
Interest revenue	3,091	9,702
Administration expenses	(85,134)	(79,822)
Corporate expenses	(422,466)	(377,828)
Marketing expenses	-	-
Foreign currency exchange gain	131,220	13,045
Loss before income tax	393,289	(434,903)

	31 Dec 15	30 June 15
	\$	\$
Segment assets reconciles to total assets as follows:		
Segment assets	14,502,537	12,597,762
Current assets	1,415,338	3,384,989
Property, plant and equipment	486,436	36,278
Corporate assets	156	55,537
Total assets	16,404,467	16,074,566

Segment liabilities reconciles to total liabilities as follows:		
Segment liabilities	(60,153)	(57,329)
Current liabilities	(266,700)	(690,200)
Total liabilities	(326,853)	(747,529)

3. DIVIDENDS

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

4. LOSS FROM OPERATIONS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

	31 Dec 15	31 Dec 14
	\$	\$
Loss from continuing operations before income tax includes the following items of expense:		
Employee benefits expense	205,903	140,198
Depreciation and amortisation expense	19,719	33,245

5. ISSUED CAPITAL

	31 Dec 15 No. Shares	31 Dec 15 \$	30 June 15 No. Shares	30 June 15 \$
Balance at the beginning of the period	497,478,280	34,461,535	329,580,110	31,279,387
Shares not issued	-	-	-	(700,000)
Shares issued on vesting of Performance Rights	2,500,000	100,000	3,750,000	-
Shares issued as consideration for purchase of remaining 50% of Miyabi Gold Project	-	-	4,148,170	128,593
Issue of shares – Mtemi acquisition	32,000,000	480,000	-	-
Share placement	-	-	160,000,000	4,000,000
Issue as consideration for placement	1,000,000	25,000	-	-
Share issue costs refunds/(expenses)	-	(10,000)	-	(246,445)
Balance at the end of the period	523,978,280	35,056,535	497,478,280	34,461,535

6. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2015 \$	30 June 2015 \$
Balance at beginning of the period	12,597,762	9,771,422
Additions	2,343,195	2,239,979
Acquisition of Mtemi Resources	7,843	
Foreign exchange movement	403,913	1,286,361
Shares not issued in relation to Sable Minerals	-	(700,000)
Balance at the end of the period	14,502,537	12,597,762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

7. RESERVES

	2015 \$	2014 \$
Share Option Reserve		
Balance at 1 July	2,597,284	3,182,337
Option expense	141,913	55,439
Balance at 31 December	2,739,197	3,237,776

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

	2015 \$	2014 \$
Foreign Currency Translation Reserve		
Balance at the beginning of the period	1,016,871	(408,963)
Effect of foreign currency exchange differences	406,951	773,720
Balance at the end of the period	1,423,822	(364,757)

8. ACCUMULATED LOSSES

	2015 \$	2014 \$
Balance at 1 July	(22,748,651)	(21,222,737)
Net loss for the period	(393,289)	(434,903)
Balance at 31 December	(23,141,940)	(21,657,640)

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 2015, nor were there any transfers between levels during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

10. INTERESTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2015 %	30 June 2015 %
Parent entity:			
Rift Valley Resources Limited	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	-
Mtemi G Pte Ltd	Singapore	100	-
Mtemi O Pte Ltd	Singapore	100	-
Mtemi U Pte Ltd	Singapore	100	-
Mtemi G (Tanzania) Ltd	Tanzania	94	-
Mtemi O (Tanzania) Ltd	Tanzania	94	-
Mtemi U (Tanzania) Ltd	Tanzania	94	-

11. ACQUISITION OF CONTROLLED ENTITY

On 27 July 2015, the Company completed the acquisition of Mtemi Resources Pte Ltd and its subsidiaries ("Mtemi"). The acquisition of the Mtemi has been accounted for as an asset acquisition.

The total cost of the acquisition was A\$651,420 and comprised of an issue of equity instruments. The fair values of net assets acquired at the date of acquisition were:

Net asset acquired	\$
Cash and cash equivalents	12,217
Trade and other receivables	162,506
Exploration and evaluation expenditure	7,853
Property, plant and equipment	468,844
Total	651,420
Cost of acquisition	\$
32,000,000 fully paid ordinary shares	480,000 (1)
42,855,000 unlisted options	171,420 (2)
	651,420

(1): These shares were issued at a price of \$0.015 per share and are escrowed for 12 months.

(2): These unlisted options have an expiry date of 27 July 2018 and an exercise price of \$0.06.

The transaction resulted in a net cash inflow of \$12,217, with no cash outflows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2015

12. SUBSEQUENT EVENTS

Subsequent to half-year ended, Rift announced that the initial drilling results from the Company's maiden drilling campaign at the Cassenha Hill Copper - Gold Prospect in Angola have returned highly encouraging broad copper/gold mineralization.

The initial results confirmed the depth extension of copper mineralisation previously delineated at surface with trenching and with channel sampling of historical underground workings (exploration adits). A concurrent trenching programme is ongoing to better delineate the mineralized structures for subsequent drilling, over the mapped 3.5km of strike.

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.

13. 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.

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 15	31 Dec 14
	\$	\$
No longer than 1 year	388,671	893,206
Longer than 1 year and not longer than 5 years	243,437	161,973
Longer than 5 years	-	-
Total	632,108	1,055,179

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.

Independent auditor's report 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 2015, the consolidated income statement, 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 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 2015 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.

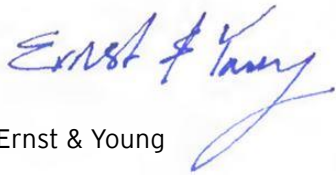
Independence

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, a copy of which is included in the directors' report.

Opinion

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 2015 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



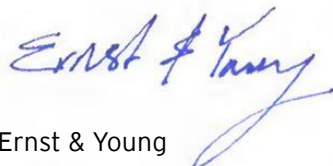
D A Hall
Partner
Perth
14 March 2016

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

As lead auditor for the review of Rift Valley Resources Limited for the half-year ended 31 December 2015, 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 review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



D A Hall
Partner
14 March 2016