

## QUARTERLY ACTIVITY REPORT SEPTEMBER 2011

### Highlights

- **CURRENT PROJECTS:**

Field evaluations and further detailed exploration programs for Rift Valley's 22 wholly owned projects are underway. Activity for this quarter has been prioritised on Golden Pride North, Suguti, Sarama, and Buhemba South East with detailed surface exploration conducted.

- **PROJECT ACQUISITIONS:**

Rift Valley has acquired the ownership of six additional Prospecting Licences since listing in three new project areas.

The first new project area, called "**Maji Moto**", is located in the eastern Musoma Goldfields, some 28 kilometres south-west of African Barrick Gold's multi-million ounce North Mara gold mine. The project covers numerous known gold occurrences and gold workings surrounding the old Maji Moto gold mine which was operated up until the 1950s.

The second new project area, called "**Igando**", is located in the Rwamagaza greenstone belt approximately 15 kilometres from the old Buckreef gold mine.

The third new project area, called "**Geita East**", is located in the Geita greenstone belt approximately 5 kilometres east of AngloGold Ashanti's multi-million ounce Geita gold mine.

- **NEW PROPERTY EVALUATIONS:**

Concerted efforts have continued to identify advanced opportunities in Tanzania and numerous further evaluations were undertaken during the Quarter.

- **TANZANIA LOGISTICS:**

A field office is now established in Mwanza. Additional staff has been engaged with a total of 13 permanent and contract staff.

- **CORPORATE:**

Mr Darpan Pindolia joined the RFV Board in August 2011; Darpan's appointment represents a significant addition to the Board with his wealth of knowledge and business contacts in Tanzania.

**RIFT VALLEY  
RESOURCES LIMITED**

ABN: 88 147 483 341

ASX Code: RFV

*A Tanzanian  
focused explorer*

**CONTACT  
DETAILS**

Level 2

23 Barrack St

Perth, WA 6000

T +61 8 9200 4404

F +61 8 9200 4413

[riftvalleyresources.com.au](http://riftvalleyresources.com.au)

**ISSUED CAPITAL:**

83,500,000

**CHAIRMAN**

Didier Murcia

**MANAGING  
DIRECTOR**

Mike McKeivitt

**NON-EXECUTIVE  
DIRECTORS**

Keith McKay

Gosbert Kagaruki

Darpan Pindolia



## CURRENT PROJECTS

Rift Valley Resources Limited (RFV) has assembled a portfolio of 22 wholly owned projects in Tanzania covering an area of some 1,400 square kilometres. The Company's primary focus is 18 gold properties in the well mineralised Lake Victoria region of western Tanzania. In addition, RFV has 4 nickel properties to the west of the Lake Victoria region.

Initial reconnaissance exploration has already been completed and detailed exploration programs have commenced based on the priority ranking of the projects.

### **Golden Pride North Project**

Golden Pride North is a 41 square kilometre property located in the same greenstone belt as Resolute Mining's Golden Pride gold mine and is strategically located only 4.6 kilometres from the actual mine.

The Golden Pride North Project covers a 9 kilometre long, by 4 to 5 kilometre wide, greenstone rock sequence that hosts a number of highly prospective Banded Iron Formation (BIF) units. These units are known to host gold mineralisation elsewhere in the immediate area outside Rift Valley's property.

Anomalous gold-in-soil values over known gold mineralization elsewhere in the Nzega greenstone belt have similar characteristics to the new anomalies that have been defined. The results are also considered important because of the continuity of anomalous values, particularly within the central anomaly (Figure 1).

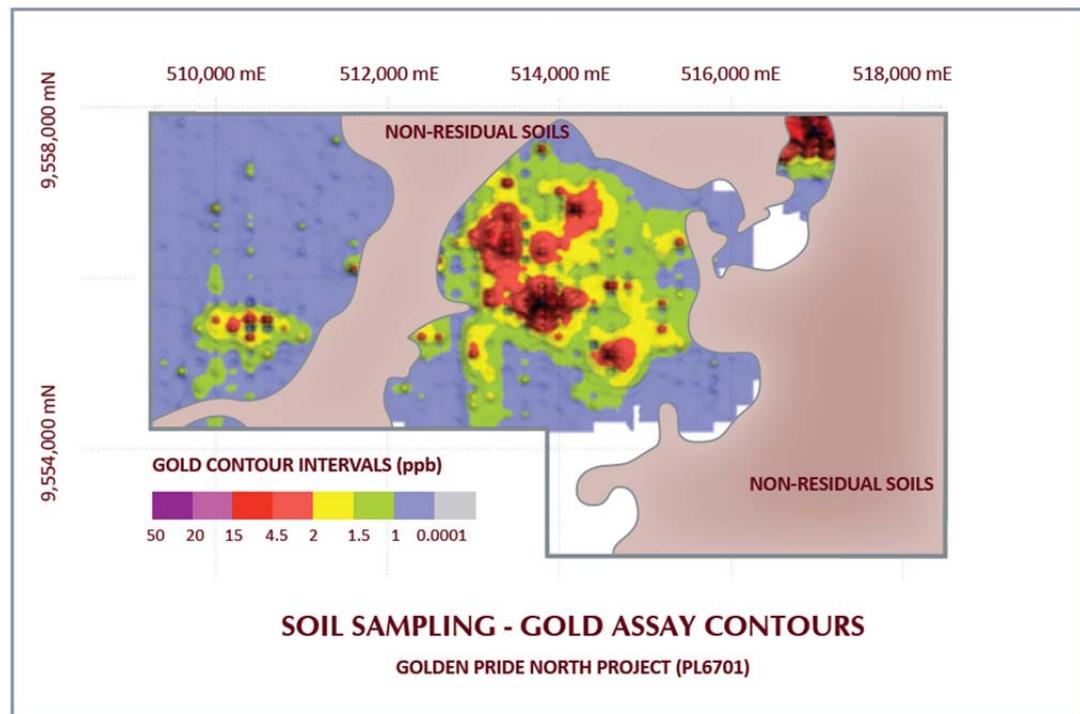


Figure 1 – Gold Assay Contours

The Golden Pride North soil samples were taken on a 100 x 200 metre sampling pattern with coverage restricted to those areas where a residual soil profile is present. Such areas cover approximately 45% of the total Project area.

Infill sampling on a spacing of 50 x 100 metres over the central gold anomaly has also been completed with the analytical results anticipated by late October 2011, dependent on laboratory turnaround. These additional results will be used to assist with drill hole target generation with drilling planned to commence in November 2011.

While the Project area is mostly soil covered, aeromagnetic data indicates that it is underlain by greenstone rocks which host the majority of economic gold deposits elsewhere in the Lake Victoria Goldfields. Geological mapping has confirmed the presence of BIFs as well as structural offsets in these formations (Figure 2). The presence of BIFs and fault structures are considered important geological features in the formation of gold deposits in the region.

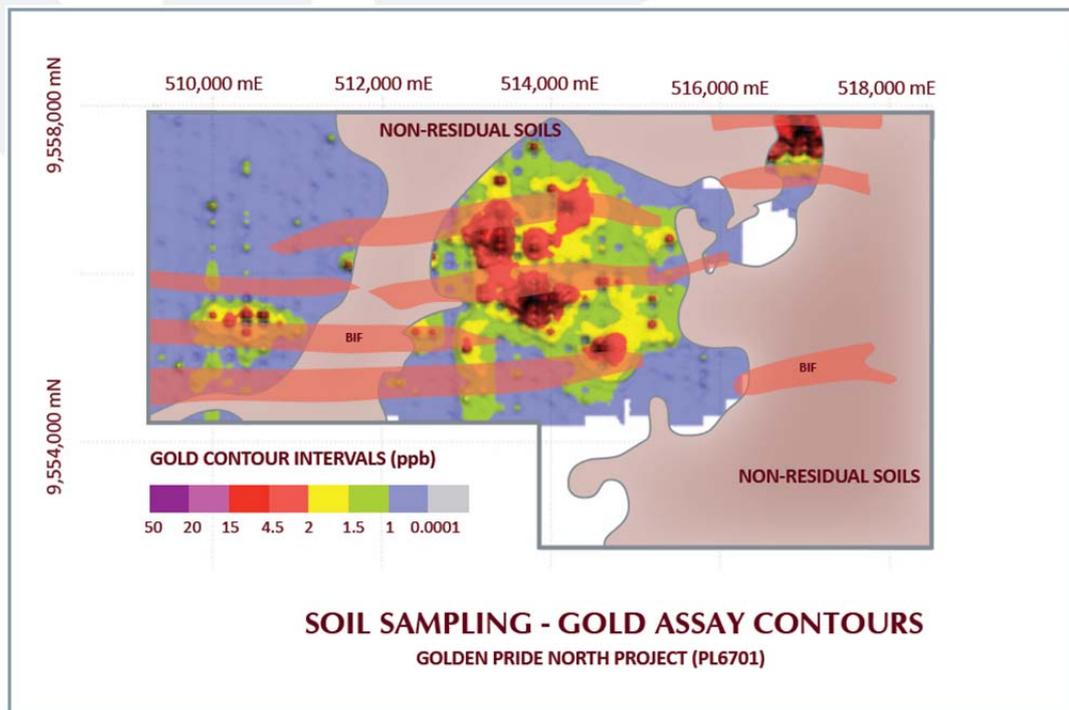


Figure 2 - Gold Assay Contours with Geological Interpretation

### Suguti Project

The Suguti Project is located in the Mara-Musoma Region, 40 km south of Musoma; the sealed Mwanza to Musoma highway passes through the western edge of the 77 square kilometre property.

The property covers an extensive area of mafic-intermediate volcanic rocks which outcrop as a range of hills that trend approximately east-west in the northern half of the tenement (Figure 3). The ridge of the hills is formed by a prominent BIF which covers a strike length of approximately 8 km.

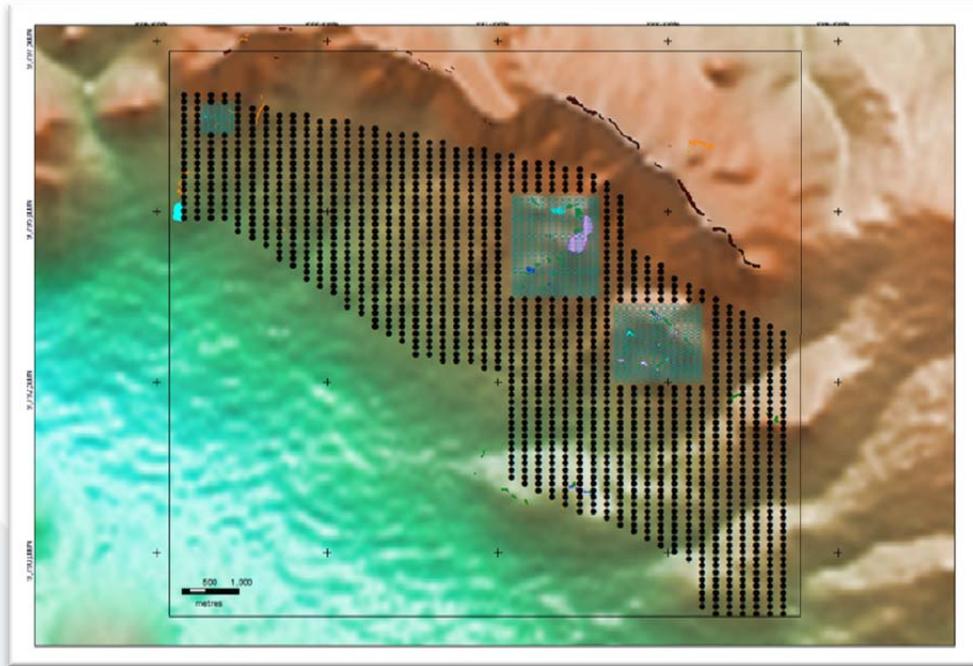


Figure 3 - Suguti Project looking east and showing the BIF ridge

The southwest corner of the property covers a major shear structure called the Suguti Shear. This major 130 degree trending shear zone may be a potential mineralising source. Additionally, a major fault abruptly terminates the main BIF unit at its eastern end and may have displaced this unit by as much as 8 kilometres. The 060 degree fault direction is thought to control gold mineralisation elsewhere in the Mara-Musoma Region.

A soil sampling spaced at 200 x 100m has been completed with a closer spaced soil sampling program (100 x 50m) completed around three targeted areas, one with known gold occurrence and two with high gold potential (Figure 4).





**Figure 4 - Suguti Soil Sampling Program**

A total of 903 soil samples and 110 rock chip samples have also been collected and submitted for analysis with results expected in late October.

#### **Sarama and Buhemba South East**

Geological mapping was completed as well as a 200m x 100m Soil sampling program over the most prospective areas. Rock chip samples were also collected at Sarama and Buhemba South East with the samples submitted to SGS Mwanza.

Once the results have been received and reviewed, the next phase of work will be determined. Results are expected in late October.



## PROJECT ACQUISITIONS

### Maji Moto Project

The Maji Moto Project is located in the eastern Musoma Goldfields, some 28 kilometres south-west of African Barrick Gold's multi-million ounce North Mara gold mine. The 77 square kilometre project covers numerous known gold occurrences and gold workings surrounding the old Maji Moto gold mine which was operated up until the 1950s. The immediate old-mine area is currently held by local small scale miners and is excluded from Rift Valley's Maji Moto property (approximately 500 square metres).

The Maji Moto Project (Figure 5) consists of two Prospecting Licences (PL7059 and PL4782) owned by Mawe Meru Resources Limited and one Prospecting Licence Application (HQ-P22628) owned by Kilimanjaro Mines Limited ("the Tenements").

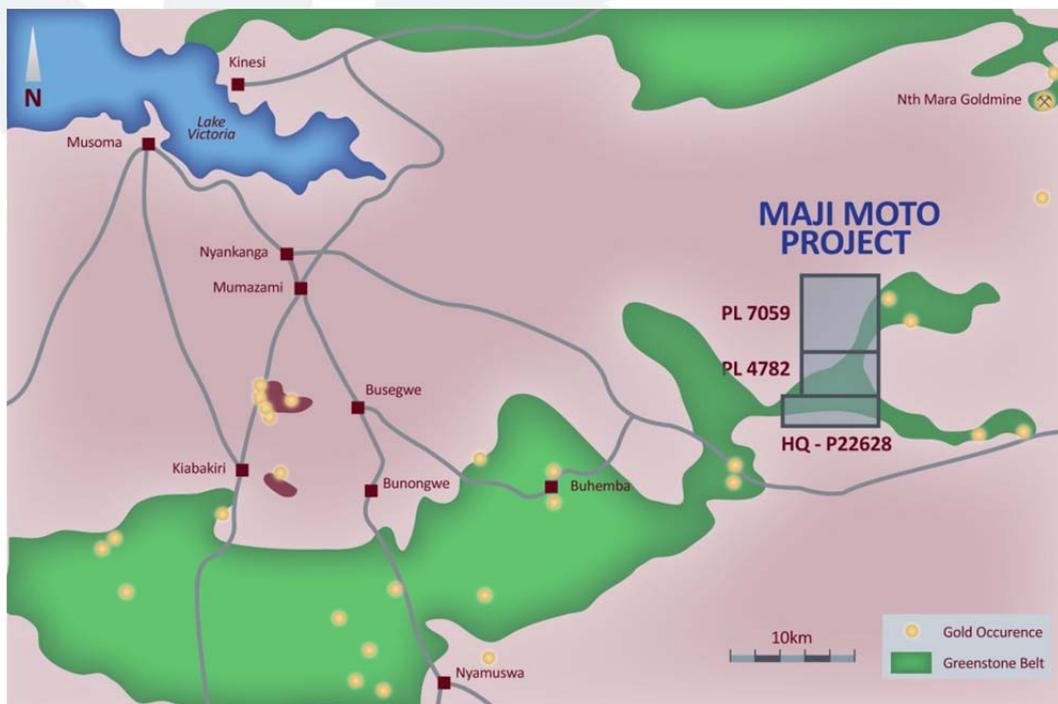


Figure 5 - Maji Moto Project Area

Importantly, several significant gold targets have already been identified in the Project area and field work will begin immediately to allow planning for appropriate drilling programs. Initial drilling will be implemented as soon as possible, currently planned for November 2011.



The first-priority target is the Mesaga Prospect, located only 2 kilometres west of the old Maji Moto mine and where old colonial gold workings exist over a length of approximately 250 metres. Preliminary geological mapping has shown that the workings have been developed on multiple quartz veins which occur within a major shear zone. The shear zone is approximately 15 metres wide (with a maximum width of 40 metres) and has been traced over a length of 500 metres to date. The Mesaga prospect is situated in an area of quite extensive soil cover that does not appear to have yet been subjected to any detailed exploration or drill testing.

The second-priority exploration target is to investigate extensions of the known mineralised zones from the Maji Moto old-mine area. Mapping and the presence of old workings has confirmed that the mineralised zone extends into Rift Valley's property for at least 1 kilometre.

Under the purchase agreement the Tenements will be transferred to Rift Valley in return for the issue of 11.5 million options in Rift Valley exercisable at 0.01 cents each ("the Options"). The Options will only vest and become exercisable by the vendors upon Rift Valley reaching a Decision to Mine on the Tenements. In addition to the Options, the vendors will receive a 1.75% Net Smelter Royalty. Should Rift Valley not reach a Decision to Mine within 3 years (extendable at Rift Valley's election for a further year), the Tenements will be returned to the vendors and the Options will lapse.

### **Igando Project**

The Igando Project comprises two tenements (PL5219 and PL6768) totalling 26.7 square kilometres of contiguous area located in the western Rwamagaza greenstone belt (Figure 6). This belt hosts numerous known gold deposits and gold occurrences including African Barrick Gold's Tulawaka gold mine 34 kilometres to the west, the Buckreef gold deposit 15 kilometres to the east and a more recent (2006) gold discovery named Mnekezi located only 14 kilometres to the west of Igando. The Tulawaka and Mnekezi properties demonstrate good potential for further gold discoveries in the western half of the Rwamagaza belt.

90% of the total project area is over greenstone rocks with a number of old gold workings both in and adjacent to the property. These include:

- Current small scale gold mining at the Iparamasa workings located 1.3 kilometres east of the Project
- Old workings located in the eastern portion of PL6768 and consisting of a line of around 20 shafts trending approximately east-west and extending over a length of some 300 metres.
- Active small scale mining on a 200 metre-long quartz lode on the northern margin of PL5219.

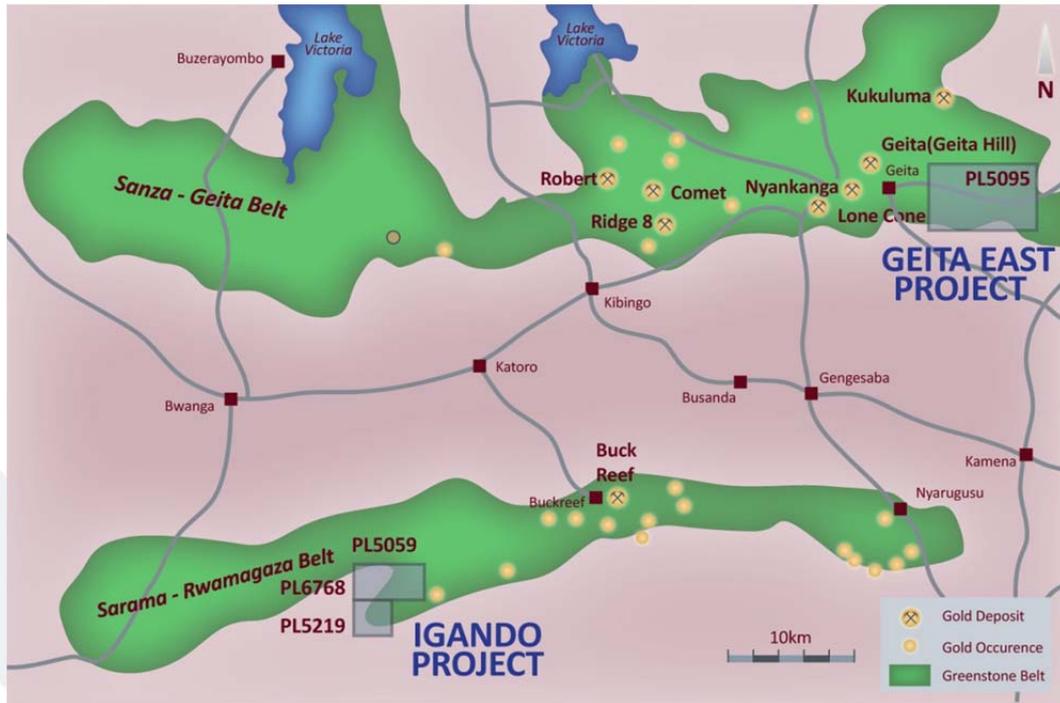


Figure 6 - Regional Geological Map showing location of the Igando and Geita East Projects in the Rwamagaza and Geita greenstone belts respectively

### The Geita East Project

The 51 square-kilometre Geita East property covers a strategically located portion of the Geita greenstone belt (Figure 6) that has not been subjected to extensive exploration in the past because of widespread soil cover.

Rift Valley plans to initially concentrate its Geita East exploration program on potentially significant old gold workings that are located in a major shear structure on the greenstone-granite contact. Past small-scale open pit mining (to 5 metres depth) has exposed an extensive stock-work of gold bearing quartz veins that extends over a length of at least 200 metres and over widths of 20 to 40 metres.

The gold workings represent a priority drilling target along with strike extensions of the known mineralised zone which trend under soil cover. These will also be tested in the proposed first pass exploration program.



Under the terms of the agreements with the vendors of Igando and Geita East, (which are subject to completion of due diligence) Rift Valley will immediately acquire an 80% interest (with a further 10% to be acquired upon Rift Valley making a Decision to Mine) in the respective tenements in consideration\* of:

- 1) An upfront payment of US\$25,000 upon each of the tenements being transferred into Rift Valley's name;
- 2) Subsequent annual payments of US\$20,000, US\$25,000, and US\$30,000 per tenement;
- 3) US\$750,000 upon a Decision to Mine being made by Rift Valley on any of the Tenements;
- 4) After production commences on any of the tenements:
  - a. A further payment of US\$750,000 upon production reaching 85% of the production capacity for which the facility is designed.
  - b. A final payment of US\$750,000 on the first anniversary of the date production commences.

\*All consideration is to be paid 50% in cash and, subject to shareholder approval if required, 50% in Rift Valley shares (to an equivalent value).

### **NEW PROPERTY EVALUATIONS**

RFV continues to make a concerted effort to identify and secure more advanced gold opportunities in Tanzania. During the Quarter a number of such properties were evaluated and this work is ongoing.

### **TANZANIA LOGISTICS**

A field office has now been established in Mwanza, the main city in the Lake Victoria region.

The purchase of necessary vehicles and field equipment is complete and there are currently thirteen staff engaged on both permanent and contract bases.



## **CORPORATE**

Mr Darpan Pindolia has been appointed to the Board of Rift Valley.

Mr Pindolia holds a Bachelor of Engineering (Hons) from University College (London) and a Graduate Diploma in Mining Engineering (Distinction) from the University of Western Australia. Born and raised in East Africa, Mr Pindolia is fluent in Swahili and has significant business interests in Tanzania.

The appointment of Darpan Pindolia is a significant addition to Rift Valley's very experienced board of directors. The Company will benefit enormously from Mr Pindolia's wealth of knowledge and contacts in Tanzania.

---

### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Mike McKeivitt  
Managing Director

Rift Valley Resources Limited  
Tel. +61 (8) 9200 4404  
Fax +61 (8) 9200 4413  
[info@riftvalleyresources.com.au](mailto:info@riftvalleyresources.com.au)

*Competent Person: The contents of this report relating to geology and exploration results are based on information compiled by Mike McKeivitt, Member of the Australian Institute of Mining and Metallurgy and Managing Director of Rift Valley Resources. Mr McKeivitt has sufficient experience related to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC (2004) Code") and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear*

