



ASX/ RELEASE

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ASX code "RVY"

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## Quarterly Activities Report

For the Period Ending 30 June 2014

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### HIGHLIGHTS

#### Angola

- **Affirmative initial metallurgical testwork results from the Longonjo rare earth prospect.**
- **Angolan Government signs on with Ozango Project.**
- **An extensive exploration initiative for the Ozango project scheduled for the September quarter.**

#### Tanzania

- **Kitongo - agreement for access & extension for tenement licenses nearing completion.**
- **Miyabi - removal of illegal miners nearing completion.**
- **Follow up drilling programs for both projects designed and ready to go.**

## Projects:

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

#### Longonjo Rare Earth Prospect:

- Metallurgical testwork confirms the high value geochemistry from drilling.
- Mineralogy indicates synchesite as the major rare earth host mineral.
- Significant critical and heavy rare earths within the mix.



*Figure 1: Longonjo Carbonatite vent, looking west from National highway*

First pass exploratory drilling conducted at the Company's Longonjo prospect in February tested a robust geochemical anomaly and returned high grade rare earth assays, as total rare earth oxides (TREO), from every hole. From a total of 168 composite samples generated during the campaign, the highest grade returned was 11.32%, the lowest 0.45%, with an average of 2.96% TREO over all the samples. The distribution of the major rare earths for the average of the assay results is tabulated below:

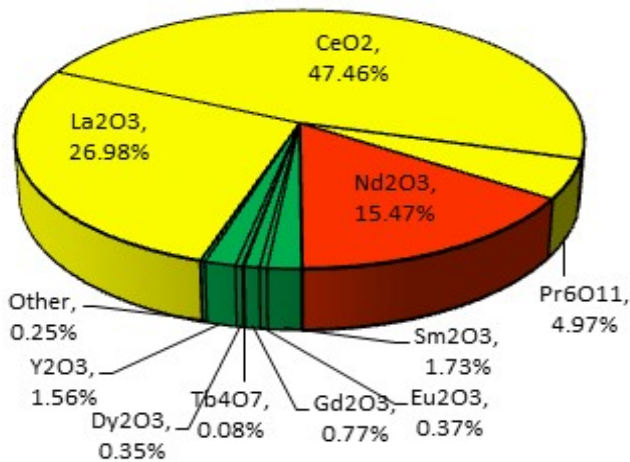
|                    | La <sub>2</sub> O <sub>3</sub><br>% | CeO <sub>2</sub><br>% | Pr <sub>6</sub> O <sub>11</sub><br>% | Nd <sub>2</sub> O <sub>3</sub><br>% | Sm <sub>2</sub> O <sub>3</sub><br>% | Gd <sub>2</sub> O <sub>3</sub><br>% | Y <sub>2</sub> O <sub>3</sub><br>% | Other<br>% | TREO<br>% |
|--------------------|-------------------------------------|-----------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------|-----------|
| RVY drill campaign | 0.78                                | 1.38                  | 0.14                                 | 0.45                                | 0.05                                | 0.02                                | 0.05                               | 0.03       | 2.96      |

The distribution of the average rare earth oxide values from the drilling campaign compares quite closely with Peak Resources' published Total Ore Reserve distribution as per below:

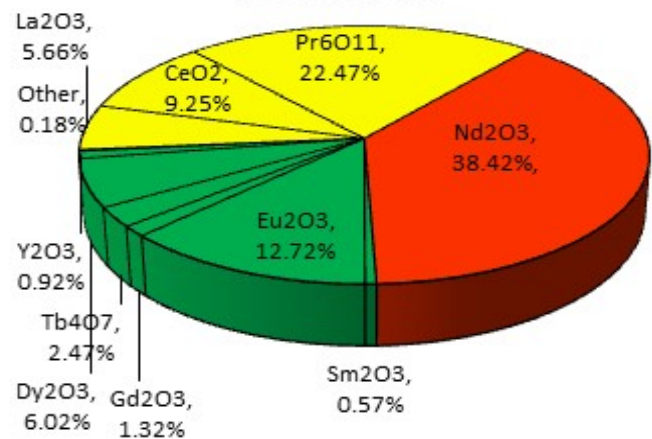
|                           | La <sub>2</sub> O <sub>3</sub><br>% | CeO <sub>2</sub><br>% | Pr <sub>6</sub> O <sub>11</sub><br>% | Nd <sub>2</sub> O <sub>3</sub><br>% | Sm <sub>2</sub> O <sub>3</sub><br>% | Gd <sub>2</sub> O <sub>3</sub><br>% | Y <sub>2</sub> O <sub>3</sub><br>% | Other<br>% | TOTAL<br>% |
|---------------------------|-------------------------------------|-----------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------|------------|
| <b>RVY Drill Campaign</b> | 27                                  | 47                    | 5                                    | 15                                  | 2                                   | 1                                   | 2                                  | 1          | 100        |
| <b>Peak Ore Resource</b>  | 27                                  | 48                    | 5                                    | 17                                  | 2                                   | 1                                   | 0                                  | 0          | 100        |

Of note is that the heavy rare earth oxide (HREO) distribution (Gd<sub>2</sub>O<sub>3</sub>, Y<sub>2</sub>O and "Other") is 4% as opposed to Peak's 1%. The REO distributions at Longonjo by grade and value are presented in the following charts.

**Longonjo - REO distribution by Grade**



**Longonjo - REO distribution by In-situ value**



NB: Other REE's comprises Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub> and Lu<sub>2</sub>O<sub>3</sub>  
 Distribution does not take into account mining and processing recoveries.  
 Light rare earths (La - Sm), heavy rare earths (Eu - Lu) and critical (Nd)  
 Prices sourced from Metal Pages (01.05.14)  
 Critical metals defined by US Department of Energy Critical Materials Strategy 2010

As previously announced (31.03.14), an initial metallurgical characterisation program was initiated in April on samples from the Company's Longonjo rare earth prospect aimed at better understanding the host mineralogy in order to appropriately focus future exploration efforts. The program aimed to:

1. Identify if there is a natural size versus grade concentration that may aid ore beneficiation.
2. Assess if magnetics may be used for the upgrading rare earth minerals.
3. Investigate the potential for gravity separation.
4. Conduct a mineralogy assessment.

Size characterisations revealed that the distribution of the rare earth and gangue components closely followed mass yield and that there appears to be no advantage in screening fractions to increase grades. Magnetic separation returned a minor, but quantifiable, upgrade of rare earths as did gravity separation testwork. The results of the size distribution analysis, magnetic separation and gravity separation are detailed in Appendix 1.

The mineralogy report identified synchesite as the major rare earth host mineral. Synchesite is a common rare earth host mineral that is anomalously enriched in heavy rare earths. Mkango's (TSX-V: MKA) Songwe Hill project in Malawi is an example of a rare earth synchesite deposit.

The work to date suggests that the Longonjo material is most likely suited to physical upgrading via flotation. As such, a program is planned for August to collect sufficient material for quantitative mineralogy (QEMSCAN) as well as leaching and flotation test work.

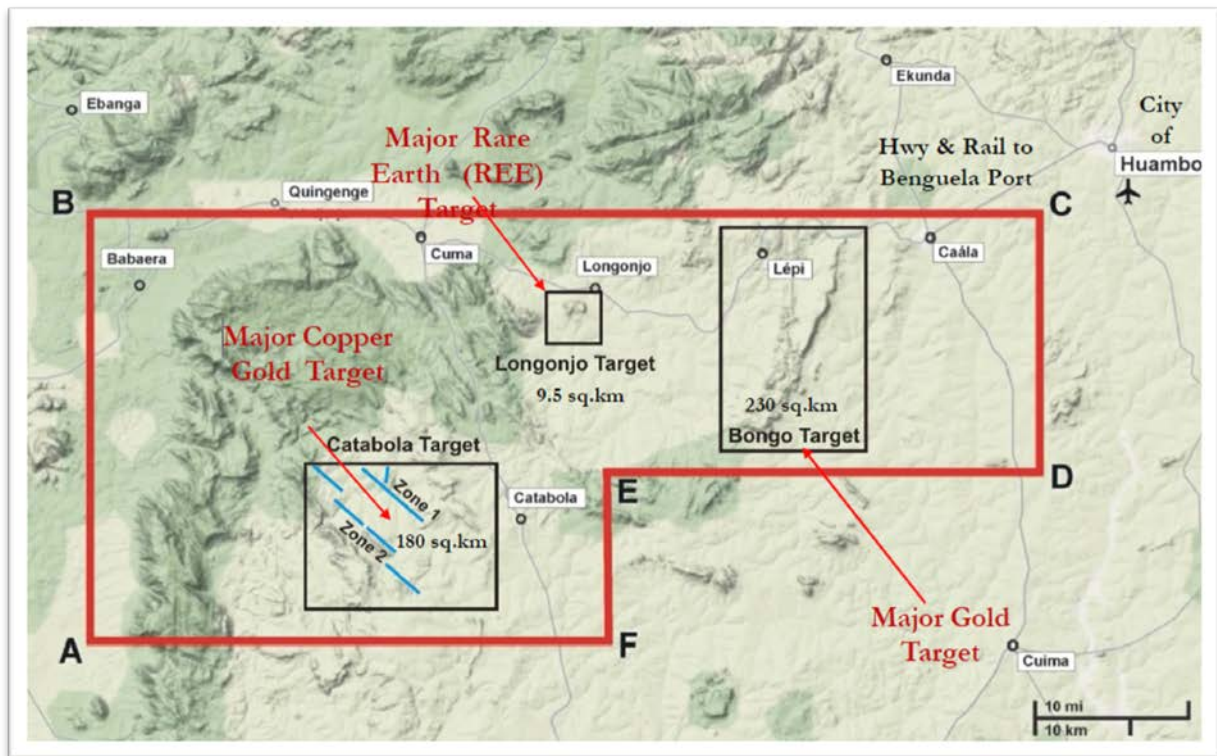
## Background Information.

The Longonjo REE prospect is located within the Ozango Project, approximately 600km southeast of the Angolan capital Luanda and 50km west of the regional city of Huambo. It is located proximal to good infrastructure including roads, towns and the recently recommissioned railway which links the area to the deep water Atlantic port of Lobito.



**Figure 2: Location of Ozango Project containing Longonjo REE prospect**

The Ozango Project consists of a single Exploration Licence (009/01/07T.P/ANG-MGMI/2011) that covers a large area of 3,670 square kilometres. The property extends for 100 kilometres in an east-west direction and varies between 28 to 46 kilometres in width. The northeast corner of the property comes to within 17 kilometres of Huambo.



**Figure 3: Ozango project showing Longonjo REE Prospect and other major targets**

The Project area covers some 3,670km<sup>2</sup> of Archaean/Palaeoproterozoic greenstone rocks that have been intruded by Cretaceous felsic volcanics, carbonatites and kimberlites. These rocks are considered highly prospective for REE, phosphate, copper, iron ore and gold. To date, however, this area has seen very little modern exploration.

The Longonjo REE prospect is the first target within the Ozango Project to be drill tested by Rift Valley. Located near the town of Longonjo in the north-central portion of the Project area the prospect centres on a Cretaceous age, carbonatite intrusive. The geology is typical of REE mines and prospects globally including Lynas Corp's Mt Weld deposit in Western Australia and Peak Resources' Ngualla deposit in Tanzania.

A soil geochemical sampling program undertaken at Longonjo over an area of 8km<sup>2</sup> defined a large and robust 3.5km long and 1.7km wide +0.5% REO anomaly which remains open to the west. A follow up trenching and pitting program carried out to test the bedrock within the soil anomaly returned highly encouraging results of up to 18.9% TREO from the pit bedrock samples. The drilling program aims to test the subsurface mineralization and will also provide sufficient sample for an initial metallurgical assessment to be carried out.

### **Ozango project – contract signing:**

During the quarter in Luanda, Angola, RVY subsidiary, Sable Minerals Pty Ltd signed a Shareholders agreement with local parties including State owned entity Ferrangol P & P.

## Appendix 1 - Metallurgical Characterisation Results

| Size (mm) | Yield %    | SiO <sub>2</sub> % | Fe <sub>2</sub> O <sub>3</sub> % | TREO %     |
|-----------|------------|--------------------|----------------------------------|------------|
| +0.71     | 20.40      | 21.99              | 20.74                            | 20.34      |
| +0.5      | 19.88      | 20.90              | 19.98                            | 19.84      |
| +0.25     | 25.23      | 26.25              | 25.28                            | 24.81      |
| +0.125    | 13.16      | 12.85              | 13.17                            | 12.21      |
| +0.106    | 2.74       | 2.59               | 2.75                             | 2.56       |
| +0.075    | 3.99       | 3.79               | 3.86                             | 3.74       |
| +0.063    | 2.07       | 1.93               | 2.00                             | 1.96       |
| +0.053    | 1.11       | 1.07               | 1.06                             | 1.07       |
| +0.038    | 2.71       | 2.48               | 2.56                             | 2.62       |
| +0.020    | 2.82       | 2.50               | 2.68                             | 2.87       |
| -0.020    | 5.88       | 3.65               | 5.94                             | 7.97       |
|           | <b>100</b> | <b>100</b>         | <b>100</b>                       | <b>100</b> |

*Size by Assay Distribution – Sample MS 4*

| <b>-0.5+0.25mm Size Fraction</b>    |            |                    |                                  |            |
|-------------------------------------|------------|--------------------|----------------------------------|------------|
| SG Fraction                         | Yield %    | SiO <sub>2</sub> % | Fe <sub>2</sub> O <sub>3</sub> % | TREO %     |
| +3.3                                | 9.66       | 6.16               | 21.49                            | 6.12       |
| -3.3+2.96                           | 30.99      | 28.16              | 32.15                            | 40.90      |
| -2.96                               | 59.36      | 65.68              | 46.36                            | 52.98      |
|                                     | <b>100</b> | <b>100</b>         | <b>100</b>                       | <b>100</b> |
| <b>-0.106+0.063mm Size Fraction</b> |            |                    |                                  |            |
| +3.3                                | 9.66       | 3.45               | 14.04                            | 9.80       |
| -3.3+2.96                           | 30.99      | 4.86               | 8.24                             | 10.63      |
| -2.96                               | 59.36      | 91.68              | 77.73                            | 79.57      |
|                                     | <b>100</b> | <b>100</b>         | <b>100</b>                       | <b>100</b> |

*SG Fraction by Assay Distribution (2 size fractions) – Sample MS 4*

| <b>-0.25+0.125mm Fraction</b> |               |                    |                                  |               |
|-------------------------------|---------------|--------------------|----------------------------------|---------------|
| Size (mm)                     | Yield %       | SiO <sub>2</sub> % | Fe <sub>2</sub> O <sub>3</sub> % | TREO %        |
| 4500 Gauss                    | 1.55          | 1.22               | 7.35                             | 0.29          |
| 6500 Gauss                    | 2.41          | 1.40               | 6.28                             | 0.39          |
| 8500 Gauss                    | 16.91         | 6.35               | 22.64                            | 5.09          |
| 1000 Gauss                    | 31.73         | 22.90              | 36.59                            | 22.89         |
| 1200 Gauss                    | 23.97         | 27.77              | 19.08                            | 32.12         |
| Non-magnetic                  | 11.13         | 17.25              | 5.47                             | 14.13         |
|                               | <b>100.00</b> | <b>100.00</b>      | <b>100.00</b>                    | <b>100.00</b> |
| <b>-0.053+0.02mm Fraction</b> |               |                    |                                  |               |
| 4500 Gauss                    | 5.17          | 1.59               | 11.52                            | 1.11          |
| 6500 Gauss                    | 24.67         | 8.56               | 34.99                            | 12.14         |
| 8500 Gauss                    | 24.67         | 16.00              | 29.29                            | 23.53         |
| 1000 Gauss                    | 9.83          | 8.67               | 10.05                            | 12.65         |
| 1200 Gauss                    | 7.83          | 9.87               | 6.15                             | 13.33         |
| Non-magnetic                  | 27.83         | 55.32              | 8.00                             | 37.23         |
|                               | <b>100.00</b> | <b>100.00</b>      | <b>100.00</b>                    | <b>100.00</b> |

*Magnetic Fraction by Assay Distribution (2 size fractions) – Sample MS 4*

## **Miyabi 50% Rift Valley Tanzania**

Transfer of the tenement licences to Carlton Miyabi Tanzania (a subsidiary of Rift valley) for the completion of the purchase, are being processed.

## **Kitongo 100% Rift Valley Tanzania**

An Application has been lodged for the renewal of the retention licenses RL002/2009, RL003/2009 and RL004/2009. The Commissioner has received all required paperwork. The company is expecting a result in July.

## **CORPORATE**

### **Cash**

The Company's unaudited cash balance as at 30 June 2014 was \$2.05m.

### **Shareholder Information**

As at 30 June 2014, the Company had 1,216 shareholders and 329,580,110 ordinary fully paid shares on issue (42,500,000 currently escrowed to 20 November 2014). The top 20 shareholders hold 137,019,671 or 41.6% of the total issued capital.

There are currently 3,750,000 Performance Rights on issue that vest on 31 December 2014.

There are also the following options on issue:

| Number     | Exercise price | Expiry date    |
|------------|----------------|----------------|
| 12,000,000 | \$0.10         | 4 October 2014 |
| 5,000,000  | \$0.27         | 18 March 2015  |
| 2,500,000  | \$0.27         | 31 May 2015    |

**ENDS**

## **Competent Persons Statements**

*We advise in accordance with Australian Stock Exchange Limited Listing Rules 5(6) that the exploration results 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 consultant 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 release that relates to Metallurgical Testwork is based on information compiled and / or reviewed by Mr Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional. Mr Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Mr Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

For further information please contact:

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## Tenement Information as at 30 June 2014

| Country         | Project Name | License Name               | License no.                    | % held as at 31 March 2014 | Disposed / acquired during quarter | % Held as at 30 June 2014 |
|-----------------|--------------|----------------------------|--------------------------------|----------------------------|------------------------------------|---------------------------|
| <b>Tanzania</b> | Kitongo      | Mwamazengo South - Hasanet | HQ-P20825                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo South           | HQ-P22362                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Ugambilo East              | HQ-P22364                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Kitongo West               | HQ-P22428                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo SE              | HQ-P22557                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Ugambilo East              | HQ-P26791                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo South           | HQ-P26792                      | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo South - Hasanet | PL2697                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Kitongo West               | PL3566                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo South East      | PL3616                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Busongo North              | PL4618                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Ugambilo North             | PL6385                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Kitongo West               | PL6499                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo SE              | PL6543                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo                 | PL6629                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo South           | PL6631                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Ugambilo East              | PL8441                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Busongo                    | PL8699                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Ugambilo RL                | RL0002                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Kitongo RL                 | RL0003                         | 100%                       | -                                  | 100%                      |
|                 | Kitongo      | Mwamazengo RL              | RL0004                         | 100%                       | -                                  | 100%                      |
| <b>Tanzania</b> | Miyabi       | Miyabi South Idahina       | HQ-P26826                      | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi South West          | HQ-P21345                      | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi North               | PL4536                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Mwabomba North      | PL4592                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Northwest           | PL5115                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi South               | PL6369                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi South               | PL6382                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Airport             | PL6593                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Mwabomba West       | PL6752                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Dyke                | PL8933                         | 50%                        | -                                  | 50%                       |
|                 | Miyabi       | Miyabi Mwabomba Central    | PL8934                         | 50%                        | -                                  | 50%                       |
| <b>Tanzania</b> | Nyang'ombe   | Nyang'ombe North           | HQ-P19030                      | 100%                       | -                                  | 100%                      |
|                 | Nyang'ombe   | Nyang'ombe West            | HQ-P20490                      | 100%                       | -                                  | 100%                      |
|                 | Nyang'ombe   | Nyang'ombe North           | HQ-P22316                      | 100%                       | -                                  | 100%                      |
|                 | Nyang'ombe   | Nyang'ombe North           | PL3534                         | 100%                       | -                                  | 100%                      |
|                 | Nyang'ombe   | Nyang'ombe BEAL            | PL6502                         | 100%                       | -                                  | 100%                      |
| <b>Angola</b>   | Ozango       | Ozango                     | 009/01/07T.P/A<br>NG-MGMI/2011 | 70%                        | -                                  | 70%                       |