

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For a General Meeting to be held on
Monday 10 March 2014 at 10am (WST) at
Level 2, 23 Barrack Street, Perth WA 6000, Australia**

As this is an important document, please read it carefully.

*If you are unable to attend the General Meeting, please complete
the Proxy Form enclosed and return it in accordance with the
instructions set out on that form.*

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the Shareholders of Rift Valley Resources Limited ("Rift Valley" or the "Company") will be held at:

**The Registered Office of Rift Valley Resources Limited
Level 2, 23 Barrack Street
Perth, Western Australia, AUSTRALIA
10 March 2014 commencing at 10am (WST)**

How to Vote

You may vote by attending the Meeting in person, by proxy or corporate representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (08)922 100 95 (International + 61 8922 100 95); or
 - deliver the proxy in person to the Company at Level 2, 23 Barrack Street, Perth, WA6000; or
 - mail the proxy to the Company at PO Box 1321, Fremantle WA 6959;
- so it is received not later than 10am (WST) on 8 March 2014.

Your proxy form is enclosed.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed.

NOTES:

1. A Shareholder who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of the Corporations Act, the Directors have set a snapshot time and date to determine the identity of those entitled to attend and vote at the General Meeting. The snapshot time and date is **4pm** (WST) on 8 March 2014.

RIFT VALLEY RESOURCES LIMITED
ABN 86 121 985 395

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Rift Valley Resources Limited ("Rift Valley" or the "Company") will be held at the Registered Office of the Company, Level 2, 23 Barrack Street, Perth, WA 6000, Australia, on Monday 10 March 2014 at 10am (WST).

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as ordinary business and special business. Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in the Explanatory Statement.

ORDINARY BUSINESS

Resolution 1: Ratify previous share placement to share vendors in sale of Sable Minerals Pty Ltd to Rift Valley Resources Ltd

To consider and if thought fit, to pass, the following as an ordinary resolution:

"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies and approves the issue of **40,000,000** fully paid ordinary shares in the capital of the Company at an issue price of **\$0.02** per share on **20 November 2013** to the share vendors in the sale of Sable Minerals Pty Ltd to the Company, on the terms set out in the Explanatory Memorandum."

Voting exclusion

The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of any of the following persons:

- (a) the share vendors; or
- (b) their associates.

However, under Listing Rule 14.11 a person described above may cast a vote on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2: Approval of the “Rift Valley Performance Rights Plan” for the purpose of Listing Rule 7.2 Exception 9

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purpose of Listing Rule 7.2 Exception 9, Shareholders approve the issue of Performance Rights under the “Rift Valley Resources Ltd Performance Rights Plan” within the period of 3 years after the date of the meeting at which this resolution is proposed, upon the terms and conditions specified in the Performance Rights Plan Rules which are summarised in the Explanatory Memorandum."

Voting Exclusion

Under Listing Rule the Company will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of any of the following persons:

- (a) a director of the Company who is eligible to participate in the Performance Rights Plan; or
- (b) an associate of that person.

However, under Listing Rule 14.11 a person described above may cast a vote on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3: Approval to grant 3,000,000 Performance Rights to Geoffrey Mark Gilmour, a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Sections 200B, 200E and 208(1)(a) of the Corporations Act and Listing Rule 10.11, shareholders approve the granting of 3,000,000 Performance Rights to Mr Geoffrey Mark Gilmour (*or his nominee*) for no consideration, and the issue of shares under the Performance Rights, in the manner outlined in the Explanatory Memorandum.”

Note: If approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1, as set out in the Explanatory Memorandum.

Voting exclusion

Under Sub-section 224(1) of the Corporations Act and Listing Rules 10.13.6 and 14.11 the Company will disregard any votes cast on the resolution by Geoffrey Gilmour or any of his associates. However, Sub-section 224(1) of the Corporations Act does not prevent the casting of a vote if it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of Geoffrey Gilmour or any associate.

Under Listing Rule 14.11 the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Snapshot Date

The Directors have determined that for the purposes of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the persons eligible to attend and vote at the Meeting are those persons who are registered as Shareholders at **4pm (WST) on 8 March 2014**.

Incorporation of Explanatory Statement

The Explanatory Statement attached to this Notice of Meeting, is hereby incorporated into and forms part of this Notice of Meeting.

Resolution 3 is interdependent

Resolution 3 is conditional upon Resolution 2 being passed. If Resolution 2 is not passed, then Resolution 3 cannot be passed. The other resolutions are not inter-dependent.

Voting Exclusions under Section 250BD of the Corporations Act 2001 – Proxy Voting by Key Management Personnel or Closely Related Parties

Under Sub-section 250BD(1) of the Corporations Act 2001, a person appointed as proxy must not vote, on the basis of that appointment, as a proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel for the Company; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, Sub-section 250BD(1) does not apply if:

- (a) the person is the chair of the meeting at the which the resolution is voted on; and
- (b) the appointment expressly authorizes the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 3 is a resolution which is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

DATED THIS 3RD DAY OF FEBRUARY 2014

BY ORDER OF THE BOARD



Mr Geoffrey Gilmour
Managing Director

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in this Explanatory Statement.

This Explanatory Statement has been prepared for the Shareholders of Rift Valley in connection with the General Meeting of the Company.

1. RESOLUTION 1 – RATIFY PREVIOUS SHARE PLACEMENT TO SHARE VENDORS IN SALE OF SABLE MINERALS PTY LTD TO THE COMPANY

Background

On 11 November 2013 the Company, through its 100% owned subsidiary Tasman Goldfields, entered into a share sale and purchase agreement with all of the share owners of Sable Minerals, to acquire all of their shares in Sable Minerals.

Sable Minerals is the holder of a prospecting licence in Angola which gives the company the right to explore in Angola for copper-gold, rare earth and gold prospects as well as untested iron, barite and tungsten occurrences.

On 20 November 2013 Tasman Goldfields completed its purchase of 100% of the shares in Sable Minerals and the Company became the ultimate parent company of Sable Minerals.

ASX Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides a restriction on the number of Equity Securities which a company may issue in any 12 month rolling period, without having to obtain shareholder approval. In general terms a company must not, without prior shareholder approval, issue, or agree to issue, Equity Securities greater than 15% of the company's share capital in the previous 12 months (ignoring placements made under a Listing Rule exception and ignoring placements made with shareholder approval).

Listing Rule 7.4 states that an issue of securities without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Approval of Previous Share Placement

The Company seeks approval from Shareholders for, and ratification of, the previous issue of 40,000,000 Shares at an issue price of \$0.02 per share by the Company to the share vendors on 20 November 2013 in consideration for the sale of Sable Minerals to Tasman Goldfields, a subsidiary of the Company.

This approval is sought notwithstanding the fact that the issue was within the Company's 15% allowance at the time, so as to limit the restrictive effect of Listing Rule 7.1 on any future issues of securities.

Information to Shareholders

The following information must be disclosed to Shareholders regarding the placement:

Number of shares issued	40,000,000 shares.
Date of Issue of Shares	20 November 2013.
Issue Price per share	\$0.02 per share.
Names of the Allottees	The following vendors of shares in Sable Minerals: <ol style="list-style-type: none"> 1. Gregory Rolland Cunnold and Lara Cheryl Groves. 2. Tjun Tjun Pty Ltd. 3. Stuart McMahon. 4. Rachel Ann McDonald. 5. Dr Karel May. 6. Watermark Asset Pty Ltd. 7. Mandara Capital Pty Ltd. 8. PR & DJ Williams Pty Ltd.
Terms of the Shares	Fully paid, ordinary shares.
Use (or intended use) of the funds raised	No funds were raised from the issue of the shares because the shares were issued in consideration for Tasman Goldfields Australia Operations Pty Ltd (a 100% owned subsidiary of the Company) acquiring 100% of the shares in Sable Minerals Pty Ltd
Date of allotment	20 November 2013.

Consequences if resolution not passed

If the resolution is not passed then the issue of 40,000,000 Shares will be included in the calculation of the 15% restriction for any future share issue or option issue (or agreement to do so) by the Company.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of the Resolution.

2. RESOLUTION 2 – APPROVAL OF THE “RIFT VALLEY RESOURCES LTD PERFORMANCE RIGHTS PLAN” FOR THE PURPOSE OF LISTING RULE 7.2 EXCEPTION 9

2.1 Background

Resolution 2 seeks Shareholder approval of the “Rift Valley Resources Ltd Performance Rights Plan” for the purpose of ASX Listing Rule 7.2, Exception 9.

Listing Rule 7.1 allows the Company to issue a maximum of 15% (“15% Limit”) of the number of Equity Securities on issue in any 12 month period without requiring Shareholder approval. Listing Rule 7.1 does not apply in certain circumstances (set out in Listing Rule 7.2), allowing certain issues of Equity Securities to be excluded from the calculation of the 15% Limit.

An exception to Listing Rule 7.1 is set out in Exception 9(b) of Listing Rule 7.2 – an issue under an “employee incentive plan” if, within 3 years before the date of issue of securities, Shareholders approve the issue of securities under the “employee incentive plan” as an exception to Listing Rule 7.1.

For the purposes of the Listing Rules an “**employee incentive scheme**” must be a scheme for the issue or acquisition of Equity Securities in the Company to be held by, or for the benefit of, participating employees or non-executive directors of the Company or a related entity.

This resolution proposes that Shareholders approve the issue of any Performance Rights to be made under the Rift Valley Resources Ltd Performance Rights Plan within 3 years after the date of the meeting (at which this resolution is proposed), so that such issue will be excluded from the application of Listing Rule 7.1.

In accordance with the requirements of Exception 9(b) of Listing Rule 7.2, the Company provides the following information:

- (a) The terms of the “Rift Valley Resources Ltd Performance Rights Plan” are set out in **Annexure 1**.
- (b) The “Rift Valley Resources Ltd Performance Rights Plan” has not been previously approved by Shareholders for the purpose of ASX Listing Rule 7.2, Exception 9. No Performance Rights have been issued under the Plan.
- (c) A voting exclusion statement for the Resolution is included in the Notice of General Meeting.

2.2 Directors’ Recommendation

The Directors make no recommendation to Shareholders how to vote in favour of Resolution 2.

2.3 Voting Exclusion

Under Listing Rule 14.11 the Company will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of any of the following persons:

- (a) a director of the Company who is eligible to participate in the Performance Rights Plan; or
- (b) an associate of that person.

However, under Listing Rule 14.11 a person described above may cast a vote on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL FOR GRANT OF 3,000,000 PERFORMANCE RIGHTS TO GEOFFERY MARK GILMOUR, A DIRECTOR OF THE COMPANY

3.1 General

Subject to Resolution 2 and Resolution 3 being passed by Shareholders, the Company proposes to issue 3,000,000 Performance Rights to Mr Geoffrey Mark Gilmour who has been an Executive Director for over 4 years, for his exceptional service and leadership.

Background

This resolution deals with the proposal to issue 3,000,000 Performance Rights to Geoffrey Mark Gilmour, Managing Director of the Company.

Terms of Grant of Performance Rights

The full terms of grant of the Performance Rights are set out in **Annexure 2**. Key conditions of the terms of issue include:

- (1) The Performance Rights issued will not vest and the underlying Shares will not be issued until the date which is 12 months after the date of grant of the Performance Rights.
- (2) If the Performance Rights vest, then the holder has the right to be issued the underlying shares.
- (3) If the director elects to resign within the 12 month period, then the right to the underlying shares is forfeited.
- (4) If the director's office as director is terminated within the 12 month period, then the Performance Rights lapse immediately upon the date of termination unless a change of control event has occurred.

Approvals required

This shareholder approval is required under Listing Rule 10.11 which permits a director to be issued new Equity Securities of the Company if shareholder approval is obtained.

Further, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue, or agree to issue, during any 12 month period any Equity Securities, or other securities with rights to conversion to equity (such as Director Performance Rights), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period. Shares issued under this resolution would fall within an exception. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

One of the effects of the Resolution will be to allow the Company to grant the 3,000,000 Performance Rights proposed to be granted without using the Company's 15% placement capacity.

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in respect of the 3,000,000 Performance Rights:

- (a) the number of Performance Rights to be issued is 3,000,000 Performance Rights;
- (b) the Performance Rights will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price for the Performance Rights will be Nil, and the issue price for the issue of the shares under the Performance Rights will be Nil;
- (d) the Recipient will be Mr Geoffrey Mark Gilmour (or his nominee);
- (e) Performance Rights will be issued on the terms of issue set out in **Annexure 2** together with the terms of the Rift Valley Resources Ltd Performance Rights Plan (the terms of which are set out in **Annexure 1**), and the shares issued upon vesting will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
- (f) no funds will be raised by the issue of the Performance Rights.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E of the Corporations Act, Geoffrey Gilmour is a related party and the issue of the Performance Rights to him constitutes the giving of a financial benefit.

Accordingly, Shareholder approval is required.

In accordance with the requirements of Chapter 2E of the Corporations Act, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of 3,000,000 Performance Rights to Geoffrey Gilmour:

(a) The related party to whom the proposed resolutions would permit the financial benefit to be given

The related party to whom the proposed resolution would permit the financial benefit to be given is Geoffrey Mark Gilmour, Managing Director (or his nominee).

(b) The nature of the financial benefit

The nature of the financial benefit to be given is the issue to him of 3,000,000 Performance Rights with a nil issue price.

No funds will be raised by the issue of the Performance Rights.

The specific number of Performance Rights for Mr Geoffrey Gilmour was chosen by the Board (other than Mr Geoffrey Gilmour) as an appropriate number to retain a director of that particular director's skills and experience, and to provide a realistic and meaningful incentive to that particular director.

The issue of Performance Rights to Mr Geoffrey Gilmour is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation to Mr Geoffrey Gilmour. Alternative choices such as providing higher director fees, cash payments or cash bonuses to Mr Geoffrey Gilmour were considered by the Board (other than Mr Geoffrey Gilmour) however these choices were considered inappropriate by the Board (other than Mr Geoffrey Gilmour) because they would reduce the Company's cash position at a time when the Company wishes to minimise cash expenditure because the Company is presently in an exploration stage which requires significant expenditure and the Company is not earning or deriving income from operations.

(c) Directors' recommendation and basis of financial benefit

Mr Geoffrey Gilmour has a material personal interest in the outcome of the resolution and therefore does not wish to make a recommendation to Shareholders about the Resolution because he has an interest in the outcome of that Resolution.

The issue of Performance Rights to Mr Geoffrey Gilmour is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation. As mentioned above, alternative choices such as higher director fees, cash payments or cash bonuses were considered inappropriate because these choices would reduce the company's cash position.

Mr Warren Gilmour, Director of the Company, recommends that shareholders approve the Resolution for the reasons set out in this Explanatory Memorandum, including the reasons set out above in paragraph (b) and this paragraph (c).

Mr Keith McKay, Director of the Company, recommends that shareholders approve the Resolution for the reasons set out in this Explanatory Memorandum, including the reasons set out above in paragraph (b) and this paragraph (c).

Mr Warren Gilmour and Mr Keith McKay have no interest in the outcome of the Resolution.

(d) Dilution

As at the date of this Notice, the capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	327,080,110
ASX Quoted Options	Nil
Unquoted Options	42,187,500
Performance Rights	Nil.

If Shareholders approve the Resolution, then the issued capital of the Company would be as follows:

Capital	Number
Ordinary Shares	327,080,110
ASX Quoted Options	Nil
Unquoted Options	42,187,500
Performance Rights	3,000,000

If the Performance Rights vest and the shares are issued, then dilution of existing shareholders will occur. The effect will be to dilute the shareholding of existing members by approximately 0.91 %, based on the existing number of Shares and Options as at the date of this Notice.

(e) Total remuneration package

Details of Mr Geoffrey Gilmour's remuneration for the current financial year is as follows:

Name	Cash, salary and fees	Superannuation	Other Benefits	Total
Geoffrey Mark Gilmour	225,872	4,128	Nil	230,000

(f) Existing relevant interest

As at the date of the Notice of Meeting, the Directors hold the following securities in the Company (representing 8.21 % of the issued capital of the Company on a fully diluted basis):

Recipient Officer	Number of Shares held directly	Number of Shares held indirectly	Number of Options held indirectly	Number of Performance rights held directly	Number of Performance rights held indirectly
Geoffrey Mark Gilmour	Nil	7,793,192	5,000,000	Nil (as at the date of the Notice of Meeting)	Nil (as at the date of the Notice of Meeting)
Warren Gilmour	Nil	17,805,857	8,000,000	Nil.	Nil.
Keith McKay	Nil	1,250,000	1,250,000	Nil.	Nil.

(g) Trading History

During the last 12 months before the date of lodgement of this Notice with ASIC, the highest ASX trading price of the Shares was 4.8 cents on 29 January 2013 and the lowest ASX trading price of the Shares was 0.5 cents on 30 May 2013.

The ASX market price of the Company's Shares over the 5 days of trading on ASX up to and including 26 January 2014 has been between a minimum of 1.9 cents per Share to a maximum of 2 cents per Share.

On 26 January 2014 the Shares closed at a price of 2 cents per Share.

(h) Valuation of Performance Rights

The initial undiscounted value of the Performance Rights is the value of an underlying share in the Company as traded on ASX at the date of deemed grant of the Performance Right. As the performance conditions are not market based performance conditions, under *International Financial Reporting Standards* (IFRS), no discount is applied.

An indicative valuation for each Performance Right as at 17 December 2013 has been calculated in accordance with the principles of AASB 2 and based on certain assumptions and has been determined to be 1.8 cents.

The valuation took into account the following matters:

- The valuation of Performance Rights assumes that the exercise of a right does not affect the value of the underlying asset.
- Under AASB 2 'Share Based Payments' and option valuation theory, no discount is made to the fundamental value for unlisted rights over listed Shares.
- The performance conditions determine the number of Performance Rights to be issued; they do not have an effect on the value of each Performance Right.
- Given that the Performance Rights are to be issued for no consideration, the value of the Performance Rights is reflected in the underlying Share price at the valuation date.

Based on the above valuation, the total value of the 3,000,000 Performance Rights would be \$54,000.

Benefit Provided Upon Termination and Sections 200B and 200E of the Corporations Act

Section 200B of the Corporations Act prevents a company from giving a benefit to a director in connection with the director's retirement or removal unless the company's shareholders approve the benefit under Section 200E of the Corporations Act or the benefit falls within certain exceptions set out in the Corporations Act.

Shareholder approval is sought for the condition of the Performance Rights that if there is change in control of the Company and the director's office as director is terminated within the 12 month period, then the Performance Rights vest immediately upon the date of termination. The money value of the benefit would depend on the value of the underlying shares at the date of termination. The manner in which the value of the benefit is to be calculated is 3,000,000 shares multiplied by their market value at the time of termination.

On 25 January 2014 the Shares closed at a price of 1.9 cents per Share. Using this closing price, 3,000,000 shares at 1.9 cents equals an amount of \$57,000.

Voting exclusion

Under Sub-section 224(1) of the Corporations Act and Listing Rules 10.13.6 and 14.11 the Company will disregard any votes cast on the resolution by Geoffrey Gilmour or any of his associates. However, Sub-section 224(1) of the Corporations Act does not prevent the casting of a vote if it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of Geoffrey Gilmour or any associate.

Under Listing Rule 14.11 the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Scott Mison on (08) 922 100 90 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

"**ASX**" means ASX Limited ACN 008 624 691 or the Australian Securities Exchange as the context requires.

"**Board**" means the board of Directors.

"**Business Day**" means any ASX Business Day that is not a Saturday, Sunday or public holiday in Western Australia.

"**Company**" or "**Rift Valley**" means Rift Valley Resources Limited (ABN 86 121 985 395).

"**Constitution**" means the Company's Constitution.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Listing Rules**" means the Listing Rules of ASX.

"**Meeting**" means a meeting of the Shareholders, holders or Directors.

"**Notice**", "**Notice of Meeting**" or "**Notice of General Meeting**" means the Notice of meeting which accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for one Share.

"**Sable Minerals**" means Sable Minerals Pty Ltd (ACN 147 115 759), the holder of a prospecting licence in Angola.

"**Shareholders**" means the holder of the Shares.

"**Share**" means a fully paid ordinary share in the Company.

"**Tasman Goldfields**" means Tasman Goldfields Australia Operations Pty Ltd (ACN 124 217 634), a 100% owned subsidiary of the Company.

"**WST**" means Australian Western Standard Time.

Annexure 1

“Rift Valley Resources Ltd Performance Rights Plan”

(Resolution 2)



Rift Valley Resources Limited

(ACN 121 985 395)

Performance Rights Plan Rules

First Approved by Shareholders on [insert] 2014

Next Shareholder Approval Due on [insert] 2017

Table of Contents

- 1. Interpretation and Construction.....1**
 - 1.1 Definitions1
 - 1.2 Construction.....2
 - 1.3 Governing Law.....2
- 2. ASX and Corporations Act Requirements3**
 - 2.1 General3
 - 2.2 ASX Requirements3
 - 2.3 Corporations Act Requirements.....3
 - 2.4 Corporations Act Secondary Sale Requirements3
 - 2.5 Corporations Act and Chapter 2E4
 - 2.6 Corporations Act and Financial Product Advice4
- 3. Purpose4**
- 4. Eligibility and Invitations4**
 - 4.1 Board to determine Eligible Person to participate in Plan.....4
 - 4.2 Invitations.....5
 - 4.3 Maximum total number of underlying Shares which can be offered under Plan5
- 5. Applications6**
 - 5.1 Application6
 - 5.2 Number of Performance Rights applied for6
 - 5.3 Acceptance Period.....6
 - 5.4 Provision of additional information.....6
- 6. Grant of Performance Rights6**
 - 6.1 General6
 - 6.2 Terms of Issue of Performance Rights6
- 7. Waiver of Performance Rights7**
- 8. Lapse of Performance Rights.....7**
 - 8.1 Lapse7
 - 8.2 Lapse upon ceasing to be an Eligible Person.....7
- 9. Restriction on Transfer or Assignment.....7**
 - 9.1 General7
 - 9.2 Board consent.....7
- 10. Takeover Bids etc8**
- 11. Variation of Capital and New Issues of Shares8**
 - 11.1 Adjustment of Performance Rights8
 - 11.2 Restrictions on Adjustment8
 - 11.3 Notification of adjustments.....8
 - 11.4 No Right to Participate in New issues.....8
- 12. General8**
 - 12.1 Administration8
 - 12.2 Notices and circulars to shareholders.....8
 - 12.3 Tax.....9

12.4	Costs and Expenses	9
13.	Amendment and Termination of Plan	9
13.1	Power of Amendment – General	9
13.2	Power of amendment - limitations	9
13.3	Notification of amendments	9
13.4	Termination.....	9
14.	Notices.....	9
14.1	To Employees and Participants	9
14.2	To the Company	10

RIFT VALLEY RESOURCES LIMITED

ACN 121 985 395

RULES OF THE PERFORMANCE RIGHTS PLAN

1. Interpretation and Construction

1.1 Definitions

In the Plan, the following expressions have the meanings given to them:

Acceptance Period is defined in Rule 5.3.

Applicant has the meaning given in Rule 5.1.

Application has the meaning given in Rule 5.2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, and where the context requires, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Official Listing Rules of ASX.

Board means the board of Directors of the Company.

Company means Rift Valley Resources Limited (ACN 121 985 395).

Control has the meaning given to it in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Eligible Person means:

- (a) an Employee of the Company; or
- (b) a consultant of the Company.

Employee means a person who is in the full-time or part-time employment of a Participating Employer; including an executive director of a Participating Employer.

Expiry Date in relation to a Performance Right, means the date specified in an Invitation in respect of that Performance Right as being the final date that Performance Right can be converted to a Share.

Invitation means an invitation made to an Employee in accordance with Rule 4.2.

Participant means an Eligible Person to whom a Performance Right has been granted or, following the death of that Eligible Person, his or her personal representative.

Participating Employer means the Company and any Subsidiary.

Performance Right means a right issued under the Plan to subscribe for a Share.

Plan means the Performance Rights Plan established in accordance with these Rules.

Retirement means the termination of an Employee's employment or employment relationship with a Participating Employer by reason of:

- (a) reaching the normal retirement age of the Participating Employer as determined by the Directors from time to time;
- (b) participation in an early retirement plan or a voluntary redundancy plan of the Participating Employer;
- (c) the illness or incapacity of the Employee necessitating the permanent withdrawal of the Employee from the work force; or
- (d) circumstances which the Directors consider should be treated as a Retirement for the purposes of the Plan.

Retrenchment means the compulsory termination of the employment or employment relationship of an Employee with the Participating Employer where the termination is expressed to be on the ground that:

- (a) the employment of the Employee is not necessary and his or her position is not to be filled;
- (b) the work for which the Employee was engaged is finished; or
- (c) the quantity of work required by the Participating Employer to be undertaken has diminished and has rendered a reduction in the number of employees necessary.

Rules means these rules of the Plan, as supplemented and amended from time to time.

Share means a fully paid, ordinary share in the share capital of the Company.

Subsidiary means a subsidiary of the Company, as defined in the Corporations Act.

Terms of Issue means the terms of issue upon which a Performance Right is granted by the Company.

Vesting Date in relation to a Performance Right, means the date that Performance Right vests in a Participant as specified in the Terms of Issue in respect of that Performance Right.

1.2 Construction

- (a) Where the context so admits, any reference in the Plan:
 - (i) to the singular includes the plural and vice versa; and
 - (ii) to the masculine includes the feminine.
- (b) Any reference in the Plan to an enactment, the ASX Listing Rules or any ASIC class order includes the enactment, the ASX Listing Rules or any ASIC class order as amended or re-enacted from time to time.
- (c) The headings to the Rules are for reference purposes only and are not to affect the meaning or construction of the Rules.

1.3 Governing Law

The Plan (including any Performance Right granted under it) is governed by, and is to be construed in accordance with, the laws of Western Australia.

2. ASX and Corporations Act Requirements

2.1 General

The Board must ensure that the Plan is at all times operated in accordance with the requirements of:

- (a) the ASX Listing Rules; and
- (b) the Corporations Act.

2.2 ASX Requirements

The offer and grant of Performance Rights, and the issue of the underlying Shares, under the Plan must comply with the ASX Listing Rules, including:

- (a) ASX Listing Rules Chapter 7 and the 15% placement capacity unless the Plan has been approved by shareholders under Listing Rule 7.2 Exception 9 and that shareholder approval has not expired; and
- (b) ASX Listing Rule 10.1 and the issue of (or the agreement to issue) equity securities to a related party unless the Plan been approved by shareholders under Listing Rule 10.14 together with 10.15 or 10.15A; and
- (c) where ASX Listing Rule 7.2 Exception 9 and / or ASX Listing Rule 10.14 is being relied upon by the Company, the Plan and its operation must comply with the definition of “**Employee Incentive Scheme**” in Chapter 19 of the ASX Listing Rules, being a scheme for the issue or acquisition of equity securities in the entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity, or a scheme which in ASX’s opinion is an employee incentive scheme.

2.3 Corporations Act Requirements

The Board must not invite an Eligible Person to participate under the Plan, nor offer or issue Performance Rights to an Eligible Person, unless:

- (a) the invitation or offer complies with Chapter 6D of the Corporations Act and the Company issues a Prospectus for the invitation or offer; or
- (b) the invitation or offer does not need disclosure to investors under Chapter 6D because of a prospectus exemption in Section 708 of the Corporations Act, such as:
 - (1) an offer to a “senior manager” as defined in Section 9 of the Corporations Act and ASIC Class Order 04/899;
 - (2) an offer which complies with Section 708(8) (sophisticated investors); or
 - (3) an offer which complies with Section 708(1) to (7) (20 issues or less in 12 months with personal offers raising \$2 million or less),
- (c) an exemption from Chapter 6D of the Corporations Act applies to the invitation or offer, and all conditions and requirements of that exemption are satisfied, such as the exemptions set out in **ASIC Class Order 2003/184**.

2.4 Corporations Act Secondary Sale Requirements

If the Company issues the underlying Shares relating to a Performance Right and a Prospectus was not used, then the Company will issue a cleansing notice under Section 708A

of the Corporations Act unless the Performance Right was granted in reliance with the exemptions in ASIC Class Order 2003/184.

2.5 Corporations Act and Chapter 2E

The offer and grant of Performance Rights, and the issue of the underlying Shares, under the Plan must comply with Chapter 2E of the Corporations Act regarding providing a financial benefit to a related party unless an exemption in Chapter 2E applies.

2.6 Corporations Act and Financial Product Advice

The Company will not provide financial product advice, including investment advice or recommendations, in relation to the offer or grant of Performance Rights, nor the issue of the underlying Shares, unless the Performance Right was granted in reliance with the exemptions in ASIC Class Order 2003/184 applies, which case an exemption applies and general advice may be provided in accordance with the requirements of ASIC Class Order 2003/184.

3. Purpose

The purpose of the Plan is to:

- (a) reward an Eligible Person for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate and generate loyalty from an Eligible Person; and
- (d) assist to retain the services of a valuable Eligible Person.

Further, the Board considers that the Plan will provide the Company with the ability to attract Employees and non-executive directors of a high calibre.

The Plan will be used as part of the remuneration planning for Employees.

4. Eligibility and Invitations

4.1 Board to determine Eligible Person to participate in Plan

Subject to the Rules, the Board may from time to time determine that an Eligible Person may participate in the Plan and the extent of that participation.

In determining the eligibility of an Eligible Person, the Board must have regard to:

- (a) the seniority of the Eligible Person and the position the Eligible Person occupies with the Participating Employer;
- (b) the length of service of the Eligible Person with the Participating Employer;
- (c) the record of employment of the Eligible Person with the Participating Employer;
- (d) the potential contribution of the Eligible Person to the growth and profitability of the Participating Employer;
- (e) the extent (if any) of the existing participation of the Eligible Person (directly or indirectly) in the Plan; and
- (f) any other matters which the Board considers relevant.

4.2 Invitations

If the Board determines that an Eligible Person may participate in the Plan, then the Board may issue invitations (in such form as the Board decides from time to time) (“**Invitation**”) to an Eligible Person, or any one or more of them, inviting applications for a grant of Performance Rights for up to the number of Performance Rights specified in the Invitation.

The Invitation will, amongst other things, set out:

- (a) the number of Performance Rights;
- (b) any performance condition/s;
- (c) the Vesting Date;
- (d) the Expiry Date;
- (e) the Exercise Price (if any);
- (f) the Acceptance Period.

Each of the matters set out in Rules 4.2(a) to (f) inclusive shall be determined by the Board in its absolute discretion.

4.3 Maximum total number of underlying Shares which can be offered under Plan

The number of underlying Shares the subject to the offer, or to be received on the exercise of an option (including a Performance Right which is in option in law), when aggregated with:

- (a) the number of shares in the same class which would be issued were each outstanding offer with respect to shares, units of shares and options (including a Performance Rights which is are options in law), to acquire unissued shares, under the Plan to be accepted or exercised; and
- (b) the number of shares in the same class issued during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to eligible employees of the Company,

but disregarding an offer made, or option acquired or share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (d) an offer that did not need disclosure to investors because of Section 708 of the Corporations Act; or
- (e) an offer that did not require the giving of a Product Disclosure Statement because of Section 1012D of the Corporations Act; or
- (f) an offer made under a disclosure document or Product Disclosure Statement,

must not exceed **5%** of the total number of issued shares in that class of the Company at the time of the offer.

Plan Note 1: The above maximum is the maximum prescribed by ASIC Class Order 2003 / 184 in the First Exemption which operates for shares and for options.

Plan Note 2: For the avoidance of doubt, under ASIC Class Order 2003/184, an offer which does not require a Prospectus or other disclosure document under Chapter 6D of the Corporations Act, such as:

- (a) an offer to a “senior manager” as defined in Section 9 of the Corporations Act and ASIC Class Order 04/899;
- (b) an offer which complies with Section 708(8) (sophisticated investors); or

- (c) an offer which complies with Section 708(1) to (7) (20 issues or less in 12 months with personal offers),

are not required to be included in the calculation of the maximum number of Share permitted by the exemptions set out in ASIC Class Order 2003 / 184.

Plan Note 3: Where the offer and grant of Performance Rights, and the issue of the underlying Shares, is made under the Plan in reliance of the exemptions set out in ASIC Class Order 2003/184, then an offer under the Plan and any secondary trading (on-sale) of Shares issued on exercise of Performance Rights does not require a Prospectus or other disclosure document under Chapter 6D of the Corporations Act.

5. Applications

5.1 Application

Following receipt of an Invitation by an Eligible Person, application for the Performance Rights may be made by the Eligible Person ("**Applicant**").

5.2 Number of Performance Rights applied for

The Applicant may apply for the number of Performance Rights specified in an Invitation or part thereof (in multiples of 1,000) by sending to the Company (marked for the attention of the Company Secretary) a duly signed and completed application (in the form attached to the Invitation) ("**Application**").

5.3 Acceptance Period

The Application must be received by the Company within the acceptance period specified in the Invitation, which cannot be less than 7 days after the date of the Invitation ("**Acceptance Period**").

5.4 Provision of additional information

The Committee may require the Applicant to provide any information that the Committee may specify concerning the Applicant, and the Applicant's entitlement to lodge an Application. The Committee may reject an Application if the Applicant fails to provide information requested by the Board.

6. Grant of Performance Rights

6.1 General

Upon acceptance of a duly signed and completed Application in accordance with the Rules, the Company may grant the Performance Rights applied for to the Applicant.

Notwithstanding the lodgement of a completed Application, no entitlement to Performance Rights, or, if applicable, Shares to which those Performance Rights relate, accrues to an Applicant until the date on which those Performance Rights are granted to the Applicant by the Company.

6.2 Terms of Issue of Performance Rights

When Performance Rights are granted, the Performance Rights will be granted on:

- (a) written Terms of Issue approved by the Board, which will be based on the Terms of Issue set out in **Annexure 1** with such modifications as are required by the Board in the circumstances of the grant; together with
- (b) the terms and conditions set out in these Rules.

If there is a inconsistency between the written Terms of Issue approved by the Board and the terms and conditions set out in these Rules, then the written Terms of Issue approved by the Board at the time of grant prevail.

7. Waiver of Performance Rights

- (a) A Participant may give up Performance Rights in whole or in part by deed.
- (b) In no circumstances will any Participating Employer be liable for any tax liability of a Participant or Eligible Person in connection with the grant, issue, vesting, exercise or waiver of any Performance Rights, or any issue or disposal of any Shares issued on exercise of any Performance Rights.

8. Lapse of Performance Rights

8.1 Lapse

Subject to Rule 8.2, Performance Rights lapse on the Expiry Date.

8.2 Lapse upon ceasing to be an Eligible Person

- (a) Subject only to Rule 8.2(b) below, if a Participant ceases to be an Eligible Person prior to the occurrence of the Vesting Date in relation to Performance Rights held by that Participant, all such Performance Rights held by that Participant will lapse immediately or such longer period as determined by the Committee at its absolute discretion, after that Participant ceases to be an Eligible Person.
- (b) If a Participant ceases to be an Eligible Person by reason of any of the following events, the Performance Rights held by that Participant will lapse at the expiration of 6 months, or such longer period as determined by the Board at its absolute discretion, after the relevant event:
 - (i) the Retirement or Retrenchment of the Participant, or if the Participant is not an Employee, the Retirement or Retrenchment of the Employee by virtue of whom an Eligible Person holds Performance Rights;
 - (ii) the bankruptcy or commencement of winding up or deregistration procedures in respect of the Participant; or
 - (iii) the death of the Participant, or if the Participant is not an Employee, the death of the Employee by virtue of whom an Eligible Person holds Performance Rights.

9. Restriction on Transfer or Assignment

9.1 General

Subject to Rule 9.2 below, Performance Rights granted under the Plan may not be transferred or assigned.

9.2 Board consent

The Company, by the Board, may consent to the transfer or assignment of Performance Rights, upon such terms and conditions as the Company decides.

10. Takeover Bids etc

Notwithstanding anything to the contrary set out in any Invitation, all Performance Rights issued under the Plan immediately vest in a Participant (to the extent they have not already vested or lapsed) and are immediately exercisable by that Participant if:

- (a) a takeover bid (as defined in the Corporations Act) to acquire Shares becomes, or is declared to be, unconditional, irrespective of whether or not the takeover bid extends to Shares issued and allotted after the date of the takeover bid;
- (b) a change of Control of the Company occurs; or
- (c) a merger by scheme of arrangement under the Corporations Act is approved by the court under section 411(4)(b) of the Corporations Act.

11. Variation of Capital and New Issues of Shares

11.1 Adjustment of Performance Rights

If, prior to the Expiry Date applicable to a Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, subdivision or reduction of capital or return of capital to shareholders or bonus issue), then the number of Shares subject to the Performance Right and/or the Exercise Price will be adjusted in the manner required by the ASX Listing Rules.

11.2 Restrictions on Adjustment

Before making the adjustment, the Committee must obtain the written confirmation of the Company's auditor (acting as an expert and not as an arbitrator) that the adjustment is, in its opinion, fair and reasonable.

11.3 Notification of adjustments

The Committee must notify each Participant of any adjustment to its Performance Rights as soon as practicable after its decision.

11.4 No Right to Participate in New issues

A Performance Right does not confer on a Participant the right to participate in new issues of Shares or other securities of the Company, including bonus issues and rights issues.

12. General

12.1 Administration

- (a) Subject as otherwise provided in the Rules, the Board shall administer the Plan.
- (b) The Board's decision on the construction of the Rules and on any disputes arising under the Plan is final and binding on all Participants.

12.2 Notices and circulars to shareholders

The Company is not obliged to give a Participant copies of any notices, circulars and other documents sent by the Company to its shareholders until that Participant becomes a shareholder by exercising any or all of that Participant's Performance Rights, or on the automatic conversion of any Performance Rights when converted.

12.3 Tax

The Company will provide to each Participant all reports required to be delivered by the Company under applicable legislation which outline the tax treatment arising from the issue of Performance Rights to that Participant.

12.4 Costs and Expenses

The Company will pay the cost of the preparation and operation of the Plan. It may, however, require Participating Employers to share the cost on such a basis as the Committee considers fair.

13. Amendment and Termination of Plan

13.1 Power of Amendment – General

Subject to the limitations in Rule 13.2, the Board may from time to time amend, vary or supplement the Plan in any respect, but, for so long as the Company remains on the official list of ASX, such amendment, variation or supplement has no effect unless it complies with the ASX Listing Rules.

13.2 Power of amendment - limitations

No amendment may be made by the Board to the provisions of the Plan which reduces the rights of Participants, other than an amendment introduced primarily:

- (a) for the purpose of complying with, or conforming to, present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a Court of competent jurisdiction.

13.3 Notification of amendments

The Board must give written notice to all Participants of any amendment which affects their rights.

13.4 Termination

The Board may at any time terminate the Plan and in which case no further Performance Rights will be granted. In all other respects the provisions of the Plan shall remain in force.

14. Notices

14.1 To Employees and Participants

- (a) The Board, the Committee or the Company may give notice to the person entitled to it either personally or through the internal post or by sending it by post to the address supplied by him for that purpose.
- (b) Where a notice or document is sent by post to an address located in Australia, it shall be deemed to have been received on the third business day after it was put into the post. Where a notice or document is sent by post to an address located

outside Australia, it shall be deemed to have been received on the seventh business day after it was put into the post.

- (c) All notices and documents sent by post will be sent at the risk of the addressee.

14.2 To the Company

An Employee or a Participant may give notice to the Company, the Board or where applicable a Committee by delivering or sending it to the Company at its registered office, marked for the attention of the Company Secretary. The Board may make other arrangements for the receipt of notices.

Annexure 1

Standard Terms of Issue for Performance Rights

(Rule 6.2)

The terms of issue of the Performance Rights are:

- (a) Each Performance Right entitles the holder of the Performance Right (the “**Holder**”) to be issued one fully paid ordinary share in the company (“**Share**”), with a nil share issue price, on these terms of issue including the performance condition/s set out below.
- (b) The Performance Rights will be granted for nil issue price.
- (c) An applicant for Performance Rights may apply for the number of Performance Rights specified in an invitation sent by the Company to the Applicant, by sending to the Company (marked for the attention of the Company Secretary) a duly signed and completed application (in the form attached to or accompanying the invitation).
- (d) The Performance Rights vest and the underlying Shares will be issued on the following terms and conditions if the performance condition/s set out below are satisfied:-
 - [] Shares if [*performance hurdle*]; or
 - [] Shares if [*performance hurdle*]; or
- (e) If the above performance condition/s are not met, [*number*] Performance Rights will expire on [*date*] and [*number*] Performance Rights will expire on [*date*].
- (f) The Performance Rights expire and automatically lapse on [*date*].

Performance Rights automatically convert to Shares on the date of vesting with no exercise price, or share issue price, being payable and the Company must allot and issue the number of Shares, update the share register and issue and send to the Holder an updated holding statement (or share certificate) no later than 5pm on the second business day after the date of vesting.
- (g) The Share issued upon vesting will rank equally in all respects with the Company’s ordinary shares and the Company will apply to the ASX for official quotation of the shares after they are issued.
- (h) If the Holder elects to resign [as a director / officer / employee] of the Company, then all Performance Rights automatically lapse on the date of resignation.
- (i) Subject to paragraph (j) below, if the Holder is a [a director / officer / employee] and the Holder’s office as [a director / officer / employee] is terminated, then the Performance Rights vest immediately on the date of termination.
- (j) All Performance Rights issued but not vested immediately vest (to the extent they have not already vested or have lapsed) if:
 - (a) a takeover bid (as defined in the Corporations Act) to acquire Shares becomes, or is declared to be, unconditional, irrespective of whether or not the takeover bid extends to Shares issued and allotted after the date of the takeover bid;
 - (b) a change of Control of the Company occurs; or
 - (c) a merger by scheme of arrangement under the Corporations Act is approved by the court under section 411(4)(b) of the Corporations Act.
- (k) If the Company is required under relevant tax legislation to make withholdings on account of tax upon:
 - (a) the grant of Performance Rights; or
 - (b) the automatic conversion of Performance Rights to Shares,then the Board may sell a sufficient number of the Shares which would otherwise be issued upon vesting, so that the net proceeds of sale equal the payment which the Company is required to

pay to the appropriate authorities. This arrangement does not apply if the Holder makes an alternative arrangement to the satisfaction of the Company.

- (l) Performance Rights are not transferable.
- (m) The Holder is not entitled to assign any right, interest or benefit in the Performance Rights (or any part of them), not grant an interest over or in the Performance Rights.
- (n) Performance Rights will not be quoted for trading on the ASX or any other exchange.
- (o) For the avoidance of doubt, a Performance Right does not confer on the Holder the right to receive dividends, vote or participate in an offer to shareholders such as a rights issue offer.

Annexure 2

Terms of Issue of Performance Rights to be granted to Geoffrey Mark Gilmour

(Resolution 3)

The terms of issue of the Performance Rights are:

- (a) Each Performance Right entitles the holder of the Performance Right (the "**Holder**") to be issued one fully paid ordinary share in the company ("**Share**"), with a nil share issue price, on these terms of issue including the performance condition/s set out below.
- (b) The Performance Rights will be granted for nil issue price.
- (c) An applicant for Performance Rights may apply for the number of Performance Rights specified in an invitation sent by the Company to the Applicant, by sending to the Company (marked for the attention of the Company Secretary) a duly signed and completed application (in the form attached to or accompanying the invitation).
- (d) The Performance Rights vest and the underlying Shares will be issued on the following terms and conditions if the performance condition set out below is satisfied:-
 - continual service as a Director of the company for a period commencing on the date of grant of the Performance Rights until the date which is 12 months later.
- (e) The Performance Rights expire and automatically lapse on the date which is 13 months after the date of grant unless they have already vested earlier in accordance with these terms.
- (f) On the date of vesting the Holder has the right, but not the obligation, to elect to have the Performance Rights converted to Shares with no exercise price, nor share issue price, being payable and if the election is made then the Company must allot and issue the number of Shares, update the share register and issue and send to the Holder an updated holding statement (or share certificate) no later than 5pm on the second business day after the date of election.
- (g) The Share issued upon vesting will rank equally in all respects with the Company's ordinary shares and the Company will apply to the ASX for official quotation of the shares after they are issued.
- (h) If the Holder elects to resign as a director of the company, then all Performance Rights automatically lapse on the date of resignation.
- (i) Subject to paragraph (j) below, if the Holder is a director and that director's office as director is terminated, then all Performance Rights automatically lapse on the date of termination.
- (j) All Performance Rights issued but not vested immediately vest (to the extent they have not already vested or have lapsed) if:
 - (a) a takeover bid (as defined in the Corporations Act) to acquire Shares becomes, or is declared to be, unconditional, irrespective of whether or not the takeover bid extends to Shares issued and allotted after the date of the takeover bid;
 - (b) a change of Control of the Company occurs; or
 - (c) a merger by scheme of arrangement under the Corporations Act is approved by the court under section 411(4)(b) of the Corporations Act,

- (k) If the Company is required under relevant tax legislation to make withholdings on account of tax upon:
- (a) the grant of Performance Rights; or
 - (b) the automatic conversion of Performance Rights to Shares,
- then the Board may sell a sufficient number of the Shares which would otherwise be issued upon vesting, so that the net proceeds of sale equal the payment which the Company is required to pay to the appropriate authorities. This arrangement does not apply if the Holder makes an alternative arrangement to the satisfaction of the Company.
- (l) Performance Rights are not transferable.
 - (m) The Holder is not entitled to assign any right, interest or benefit in the Performance Rights (or any part of them), not grant an interest over or in the Performance Rights.
 - (n) Performance Rights will not be quoted for trading on the ASX or any other exchange.
 - (o) For the avoidance of doubt, a Performance Right does not confer on the Holder the right to receive dividends, vote or participate in an offer to shareholders such as a rights issue offer.

RIFT VALLEY RESOURCES LIMITED

ABN 86 121 985 395

Certificate of Appointment of Corporate Representative

This is to certify that by a resolution of the Directors of:

.....
(Company),

(Insert name of company)

the Company has appointed:

.....
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the Meeting of the Shareholders of Rift Valley Resources Limited to be held on 10 March 2014 and at any adjournments of that Meeting.

DATED

2014

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately. Please follow the following instructions to complete the Certificate of Appointment:

1. Insert the name of appointer company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each company officer who signs this Certificate on behalf of the appointer company.
4. Insert the date of execution where indicated.
5. Send the Certificate by:
 - facsimile to the Company on facsimile number (08) 922 100 95 (International + 61 8 922 100 95); or
 - deliver the proxy to the Company at Level 2, 23 Barrack Street, Perth, WA6000, Australia; or
 - mail the proxy to the Company at PO Box 1321, Fremantle WA 6959, Australia.
6. The Corporate Representative may also present the original Certificate when registering attendance at the start of the Meeting.

All Correspondence to:

- ✉ **By Mail** Rift Valley Resources Limited
PO Box 1321
Fremantle WA 6959, Australia
- 📠 **By Fax:** +61 8 9221 0095
- 💻 **Online:** www.riftvalleyresources.com.au
- ☎ **By Phone:** +61 8 9221 0090

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (WST) on Saturday 8th March 2014.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (WST) on Saturday 8th March 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged by:

- 📠 **By Fax** + 61 8 9221 0095
- ✉ **By Mail** Rift Valley Resources Limited
PO Box 1321
Fremantle WA 6959, Australia
- 👤 **In Person** Level 2, 23 Barrack Street
Perth WA 6000, Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Rift Valley Resources Limited and entitled to attend and vote hereby appoint

Appoint the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the General Meeting of the Company to be held at the Registered Office of the Company at **Level 2, 23 Barrack Street on Monday 10th March 2014 at 10am (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution

If you appoint the Chairman of the Meeting as your proxy and you do not specify in this Proxy Form the way that the Chairperson is to vote on a resolution, then the Chairman of the meeting may vote as he thinks fit for the resolution and you hereby expressly AUTHORISE the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratify previous share placement to share vendors in sale of Sable Minerals Pty Ltd to Rift Valley Resources Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the "Rift Valley Performance Rights Plan" for the purpose of Listing Rule 7.2 Exception 9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to grant 3,000,000 Performance Rights to Geoffrey Mark Gilmour, a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2014