RIFT VALLEY RESOURCES LIMITED

CORPORATE GOVERNANCE POLICIES

BOARD CHARTER

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1. ROLE OF THE BOARD

The Board's key objectives are to:

1.1 create an environment for employees, other contributors and stakeholders which engenders trust, confidence, faith, loyalty and dedication to the interests and affairs of the Company;

1.2 increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and

1.3 ensure the Company is properly managed and operated with integrity.

2. RESPONSIBILITY OF THE BOARD

The Board is collectively responsible for promoting the success of the Company by:

2.1 supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, including addressing the matters enumerated in paragraph 2.2 following;

2.2 ensuring the Company is properly managed, for example by:

(a) appointing and, where appropriate, removing the managing director of the Company and the Company Secretary;

(b) input into and final approval of management's development of corporate strategy and performance objectives;

(c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; and

(d) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;

(e) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(f) approving the annual budget;

(g) monitoring the financial performance of the Company;

(h) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

(i) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;

(j) liaising with the Company's external auditors and Audit Committee (where there is a separate Audit Committee); and

(k) monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, social responsibility, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to discharge appropriately its responsibilities. The Board is to meet at regular intervals and at least once every three months.

The Board may not delegate its overall responsibility for the matters listed above however, it may delegate related day-to-day activities provided those matters do not exceed the Materiality Threshold as defined herein.

3. COMPOSITION OF THE BOARD

Independent Directors

3.1 The Board considers that a director is independent if that director is not involved in the day to day management of the Company and has no relationship that could compromise or materially affect that director's independent judgment. All the circumstances must be considered to assess whether the director can reasonably be considered to be free of any relationship that could materially interfere with his independent exercise of judgement and ability to act in an entirely disinterested manner in all things.

3.2 The following questions need to be addressed when assessing a director's independence, namely:

(a) does the director have or propose to have any business dealings with the Company;

(b) has the director been in an executive capacity in the Company in the last 3 years;

(c) has the director been involved with the company in an advisory capacity within the last 3 years;

(d) has the director been a significant customer or supplier for the Company;

(e) has the director been appointed through a special relationship with a Board member;

(f) does the director owe allegiance to a particular group of shareholders which gives rise to a potential conflict of interest;

(g) does the director hold conflicting cross directorships; and

(h) does the director have a substantial shareholding or is he a nominee of a substantial shareholder (as defined under section 9 of the Corporations Act).

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the required skills and experience required, in the context of the Company's operations and activities from time to time. In determining whether or not the directors are independent, the Board applies the criteria as set out in the ASX's Recommendations.

Where the chair is not an independent director, the Company will appoint a lead independent director if it is practicable to do so. The lead independent director will take over the role of the chair when the chair is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

Executive Directors

3.3 The Board considers that a director is an executive if that director is involved in the day to day management of the Company.

4. RESPONSIBILITY OF INDIVIDUAL DIRECTORS

The Chair

4.1 The chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chair is also responsible for monitoring shareholder communication, continuous disclosure compliance and Board performance.

The Managing Director

4.2 The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out those responsibilities, the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

4.3 The managing director is responsible for ensuring that the Board is provided with at least the following information, namely, all material information on operations, budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

5. OTHER DIRECTORSHIPS

Executive Directors

5.1 Executive directors are required to notify the Company of all directorships held on appointment and any changes thereto thereafter. In respect of listed companies they are permitted to hold only one non-executive director role. They shall not hold any other executive director roles. Without limitation to the foregoing, if executive directors intend to accept any directorships after their appointment as a director of the Company, they must first obtain the consent of the Board.

Non-executive Directors

5.2 Non-executive directors are required to notify the Company of all directorships held on appointment and any changes thereto thereafter.

6. PROCESS FOR EVALUATING BOARD PERFORMANCE

6.1 The Board, including the Board Committees will undergo regular assessment in accordance with the Board Performance Evaluation Policy.

7. ACCESS TO INDEPENDENT ADVICE

7.1 Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Company.

7.2 The advice shall only be sought after consultation about the matter with the chairman (where it is reasonable that the chairman be consulted) or, if it is the chairman that wishes to seek the advice or it is unreasonable that he be consulted, another director (if that be reasonable).

7.3 The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

8. ROLE AND RESPONSIBILITY OF MANAGEMENT

8.1 The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

8.2 Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or, if the matter concerns the managing director, then directly to the chair or the lead independent director, as appropriate.

9. MATERIALITY THRESHOLD

The Board has agreed on the following guidelines for assessing the materiality of matters:

9.1 Materiality – Quantitative

Balance sheet items

Balance sheet items are material if they have a value of more than 5% of pro-forma net assets.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

9.2 Materiality – Qualitative

Items are also material if:

(a) they are of a character that enlivens the obligation to disclose under either ASX Listing Rule 3.1 or the continuous disclosure obligations arising in terms of the Corporations Act;

(b) they impact on the reputation of the Company;

(c) they involve a breach of legislation;

(d) they are outside the ordinary course of business;

(e) they could affect the Company's rights to its assets;

(f) if accumulated they would trigger the quantitative tests;

(g) they involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items; or

(h) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

9.3 Material Contracts

Contracts will be considered material if:

(a) they are outside the ordinary course of business;

(b) they contain exceptionally onerous provisions in the opinion of the Board;

(c) they impact on income or distribution in excess of the quantitative tests;

(d) there is a likelihood that either party will default, and the default may trigger any of the quantitative tests;

(e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;

(f) they contain or trigger change of control provisions;

(g) they are between or for the benefit of related parties; or

(h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold (**Materiality Threshold**).