

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For a General Meeting of Shareholders to be held on
16 June 2017 at 10.00am (WST) at
Ground Floor, 10 Outram Street, West Perth WA 6005, 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

The 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
Ground Floor, 10 Outram Street, West Perth WA 6005, AUSTRALIA
Commencing at 10.00am (WST) on 16 June 2017**

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:

- e-mail the proxy to info@riftvalleyresources.com.au; or
- deliver the proxy in person to the Company at Ground Floor, 10 Outram Street, West Perth, WA 6005; or
- mail the proxy to the Company at PO Box 1671, West Perth WA 6872; so it is received not later than 10.00am (WST) on 14 June 2017 that is 48 hours before meeting.

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 Chairman 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 10.00am (WST) on 14 June 2017, 48 hrs before meeting.

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, Ground Floor, 10 Outram Street, West Perth, WA 6005, at 10.00am (WST) on 16 June 2017.

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.

AGENDA

Resolution 1: Ratification of issue of Shares and Options to Exempt Investors

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 40,000,000 Shares and 20,000,000 unquoted Options to investors who do not require disclosure under section 708 of the Corporations Act, for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue, or any associates of those persons. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote in accordance with directions on the proxy form or it is cast by the Chairman 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: Ratification of issue of Shares to Exempt Investors

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 13,381,441 Shares to investors who do not require disclosure under section 708 of the Corporations Act, for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue, or any associates of those persons. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote in accordance with directions on the proxy form or it is cast by the Chairman 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 Performance Rights to Mr Stephen Dobson, Chairman

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

“That, for the purposes of sections 200B, 200E and Chapter 2E of the Corporations Act and Listing Rule 10.11, and for all other purposes, Shareholders approve the grant of 10,000,000 Performance Rights to Mr Stephen Dobson (or his nominee) for no consideration, and the issue of Shares under the Performance Rights, in the manner outlined in the Explanatory Statement.”

Voting exclusion

Under section 224(1) of the Corporations Act and Listing Rules 10.13.6 and 14.11 the Company will disregard any votes cast on this Resolution by Mr Stephen Dobson (or his nominee) or associates of Mr Stephen Dobson (or his nominee). However, 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 Mr Stephen Dobson (or his nominee) or any associate of Mr Stephen Dobson (or his nominee).

Under section 250BD of the Corporations Act a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel for the Company or a closely related party (as defined in the Corporations Act) of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution,

unless the person is the Chairman and the appointment expressly authorises the Chairman 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.

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 the Chairman 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 10.00am (WST) on 14 June 2017, 48 hrs before meeting.

Incorporation of Explanatory Statement

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

Interdependency of Resolutions

The Resolutions are not interdependent. This means that a Resolution may be passed by Shareholders notwithstanding that one or more of those Resolutions are not passed by Shareholders.

DATED 10 MAY 2017

BY ORDER OF THE BOARD

Mr Scott Mison

Company Secretary

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 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 to be held on 16 June 2017.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS TO EXEMPT INVESTORS

1.1 General

Background

In November/December 2016, the Company issued 40,000,000 Shares at \$0.02 per Share with one free unlisted option exercisable at \$0.035 by 3 November 2018 for every two Shares acquired to raise \$800,000 (before costs). These securities were issued under a placement to investors who do not require disclosure under section 708 of the Corporations Act (**Exempt Investors**) under the Company's placement capacity under Listing Rule 7.1. Please refer to the Company's announcement dated 14 December 2016.

Listing Rules

Listing Rule 7.1 restricts the number of Equity Securities a company may issue (or agree to issue) in any 12 month period without shareholder approval to 15% of the number of ordinary shares on issue at the commencement of that 12 month period (subject to specified exceptions).

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

Under Resolution 1, the Company seeks from Shareholders approval for, and ratification of, the issue of 40,000,000 Shares and 20,000,000 Options to the Exempt Investors pursuant to the Company's placement capacity under Listing Rule 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided:

- (a) 40,000,000 Shares were issued in total.
- (b) 20,000,000 Options were granted in total.
- (c) 40,000,000 Shares were issued at \$0.02 per Share together with a free attaching Option on a 1:2 basis.
- (d) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

- (e) The full terms and conditions of the Options the subject of this Resolution are set out in **Annexure 1**.
- (f) The Shares and Options were issued to investors under the exceptions provided in section 708 of the Corporations Act, none of whom is a related party of the Company.
- (g) The Company raised a total of \$800,000 in funds before costs from the issue of Shares and Options.
- (h) The funds raised will be used for exploration and administration on the Company's projects in Tanzania and Angola and for working capital purposes.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice.

1.2 Directors' Recommendation

All the Directors recommend Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES TO EXEMPT INVESTORS

2.1 General

Background to Resolution 2

In April 2017, the Company issued 13,381,441 Shares at \$0.025 to Exempt Investors to raise a further \$334,536 (before costs) following the Company's 1 for 7 non-renounceable rights issue and placement of shortfall. The securities were issued under the Company's placement capacity under Listing Rule 7.1. Please refer to the Company's announcement dated 18 April 2017.

Listing Rules

Listing Rule 7.1 restricts the number of Equity Securities a company may issue (or agree to issue) in any 12 month period without shareholder approval to 15% of the number of ordinary shares on issue at the commencement of that 12 month period (subject to specified exceptions).

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

Under Resolution 2, the Company seeks from Shareholders approval for, and ratification of, the issue of 13,381,441 Shares to the Exempt Investors pursuant to the Company's placement capacity under Listing Rule 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided:

- (a) 13,381,441 Shares were issued in total.
- (b) 13,381,441 Shares were issued at \$0.025 per Share.
- (c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued to investors under the exceptions provided in section 708 of the Corporations Act, none of whom is a related party of the Company.
- (e) The Company raised a total of \$334,536 in funds before costs from the issue of Shares.

- (f) The funds raised will be used for exploration and administration on the Company's projects in Tanzania and Angola and for working capital purposes.

A voting exclusion applies to Resolution 2 in the terms set out in the Notice.

2.2 Directors' Recommendation

All the Directors recommend Shareholders vote in favour of Resolution 2.

3 RESOLUTION 3 – APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO MR STEPHEN DOBSON, CHAIRMAN

The Company proposes to grant separate tranches of Performance Rights to Mr Dobson (or his nominee). The Company proposes to grant the Performance Rights to Mr Dobson to secure his services as Chairman of the Company and as an incentive for continual performance in pursuing the Company's strategic objectives.

Terms of Grant of Performance Rights

The terms of each tranche of Performance Rights are set out below:

Tranche	Description
T1 Performance Rights	These Performance Rights will vest and be exercisable upon the Company's share price on the ASX achieving a VWAMP of 6 cents for 90 consecutive trading days after the Performance Rights are granted.
T2 Performance Rights	These Performance Rights will vest and be exercisable upon the Company raising at least \$5 million (before costs) under an equity raising (or equity raisings) approved by the board within 18 months after the Performance Rights are granted.
T3 Performance Rights	These Performance Rights will vest and be exercisable upon the Director achieving continual service as a Director for the period commencing on the date of grant of the Performance Rights until the date that is 12 months later.

The following table sets out the number of Performance Rights that are proposed to be issued to Mr Dobson (or his nominee):

Director	Number of Performance Rights
Mr Stephen Dobson	5,000,000 T1 Performance Rights 3,000,000 T2 Performance Rights 2,000,000 T3 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 will be granted for free.
- (2) If the Director elects to resign as a Director, then all Performance Rights automatically lapse on the date of resignation.
- (3) If the Director's office as Director is terminated, then the Performance Rights lapse immediately upon the date of termination, unless a change in control event has occurred, in which case, the Performance Rights will vest immediately.

Listing Rules approvals required

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 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. Performance Rights issued under Resolution 3 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 approval of Resolution 3 will be to allow the Company to grant the Performance Rights proposed to be granted to Mr Dobson 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 Performance Rights the subject of Resolution 3:

- (a) The number of Performance Rights to be granted to Mr Stephen Dobson (or his nominee) is 5,000,000 T1 Performance Rights, 3,000,000 T2 Performance Rights and 2,000,000 T3 Performance Rights;
- (b) The Performance Rights will be granted to Mr Dobson (or his nominee) 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 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 of the Performance Rights will be Mr Dobson (or his nominee).
- (e) The Performance Rights will be granted to Mr Dobson (or his nominee) on the terms of issue set out in **Annexure 2** 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.
- (f) No funds will be raised by the grant of the Performance Rights or the issue of Shares upon their vesting and exercise.
- (g) A voting exclusion statement for Resolution 3 is included in the Notice.

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 Mr Dobson (and his nominee) is a related party and the grant 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:

(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 Mr Dobson (being a Director), or his nominee.

(b) The nature of the financial benefit

The nature of the financial benefit to be given is the grant to Mr Stephen Dobson (or his nominee), of 5,000,000 T1 Performance Rights, 3,000,000 T2 Performance Rights and 2,000,000 T3 Performance Rights each with a nil issue price;

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

(c) Reasons for the specific number of Performance Rights

The Company proposes to grant the Performance Rights to Mr Dobson (or his nominee) to secure his services as Chairman of the Company and as an incentive for continual performance in pursuing the Company's strategic objectives.

The specific number of Performance Rights for Mr Dobson was chosen by the Board (other than Mr Dobson) as an appropriate number in order to retain a director of Mr Dobson's skills and experience, and to provide a realistic and meaningful incentive to Mr Dobson. The vesting conditions of the Performance Rights were chosen by the Board (other than Mr Dobson) as being appropriate for the same reasons.

The grant of Performance Rights to Mr Dobson (or his nominee) is a more cost effective way for the Company to remunerate Mr Dobson 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.

(d) Directors' recommendation

Mr Dobson has a material personal interest in Resolution 3 and therefore believes it inappropriate to make a recommendation.

The other Directors each recommend the grant of Performance Rights to Mr Dobson as set out in the Explanatory Statement for the reasons as set out above.

(e) Dilution

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

Capital	Number
Ordinary Shares	738,788,046
ASX Quoted Options	Nil
Unquoted Options	107,855,000
Performance Rights	3,000,000

If Shareholders approve Resolution 3, then the issued capital of the Company would be as follows:

Capital	Number
Ordinary Shares	738,788,046
ASX Quoted Options	Nil
Unquoted Options	107,855,000
Performance Rights	13,000,000

If the Performance Rights granted to Mr Dobson, vest and the Shares are issued, then dilution of existing Shareholders will occur.

If all of the Performance Rights granted to Mr Dobson vest and the Shares are issued, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.73%, based on the existing number of Shares on issue as at the date of the Notice.

(f) Total remuneration package

Details of each Directors' remuneration for the financial year ended 30 June 2016 is as follows:

Name	Salary and fees	Other short term employee benefits	Super-annuation	Share based payments	Total
Stephen Dobson*	\$45,662	\$50,000	\$4,338	\$Nil	\$100,000
Mr Greg Cunnold	\$45,883	\$86,572	\$8,224	\$8,055	\$148,684
Mr Geoff Gilmour	\$45,883	\$180,000	\$4,354	\$8,055	\$238,242
Mr Akram Aziz	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

*Stephen Dobson became a director on 2 November 2016. Accordingly, the details above relate to the current financial year (being FY 2016/2017).

(g) Existing relevant interest

As at the date of the Notice of Meeting, the Directors hold the following securities in the Company (representing approximately 8.66% 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 directly	Number of Performance rights held directly	Number of Performance rights held indirectly
Geoffrey Gilmour	8,792,219	16,691,270	Nil	1,000,000	Nil
Stephen Dobson	12,103,244	Nil	12,500,000	Nil	Nil

Recipient Officer	Number of Shares held directly	Number of Shares held indirectly	Number of Options held directly	Number of Performance rights held directly	Number of Performance rights held indirectly
Greg Cunnold	13,184,000	Nil	Nil	1,000,000	Nil
Akram Aziz	Nil	14,226,173	Nil	Nil	Nil

Mr Dobson has an interest in the outcome of Resolution 3 in that he will receive Performance Rights if the Resolution is passed.

The other Directors do not have an interest in the outcome of Resolution 3.

(h) Trading History

During the last 12 months before the date of lodgement of the Notice with ASIC, the highest ASX trading price of the Shares was \$0.033 on 18 August 2016 and the lowest ASX trading price of the Shares was \$0.02 on 31 October 2016.

The latest available market sale price of the Company's Shares on the ASX immediately prior to the date of the Notice of Meeting was \$0.028 on 10 May 2017.

(i) Valuation of Performance Rights

The initial undiscounted value of a Performance Right is the value of an underlying Share as traded on ASX at the date of deemed grant of the Performance Right. However, the T1 Performance Rights are based on market performance and accordingly, these Performance Rights have been valued using the principles of AASB 2, and by applying a discount based on the assumptions and considerations set out below.

As the T2 Performance Rights and the T3 Performance Rights do not contain market based performance conditions, under International Financial Reporting Standards (IFRS), no discount is applied. The assumptions used in valuing the T2 Performance Rights and T3 Performance Rights are also set out below.

An indicative valuation for the T1 Performance Rights, T2 Performance Rights and T3 Performance Rights, as at 10 May 2017 (and using a price per Share of \$0.028) has been calculated in accordance with the principles of AASB 2 and based on certain assumptions and has been determined to be as follows:

Performance Right	Value per Performance Right
T1 Performance Right	\$98,000
T2 Performance Right	\$84,000
T3 Performance Right	\$56,000

In relation to the T1 Performance Rights, the valuation took into account the following matters:

- (i) The value of the underlying Share price of \$0.028 as at the valuation date.

- (ii) The exercise or strike price of \$0 (as the T1 Performance Rights have a nil exercise price).
- (iii) A Performance Right Period of 24 months after the date they are granted.
- (iv) The target share price to satisfy the performance conditions, being a VWAMP of \$0.06 for 90 consecutive trading days.
- (v) The likely probability of achieving the vesting conditions within the performance period, given that the highest price of the Company's shares in the last 12 months was \$0.033.
- (vi) The number of equity securities that are expected to vest, based on an estimate of the likely success or failure of the vesting conditions.
- (vii) A discount of 30% has been considered relevant to apply to the value of the T1 Performance Rights based on the above factors.

Accordingly, the value of the T1 Performance Rights has been calculated as follows: (5,000,000 Performance Rights x \$0.028) x (1- 30/100), equalling \$98,000.

In relation to the T2 Performance Rights and the T3 Performance Rights, the valuation took into account the following matters:

- (i) The valuation of Performance Rights assumes that the exercise of a right does not affect the value of the underlying asset.
- (ii) Under AASB 2 'Share Based Payments' and option valuation theory, no discount is made to the fundamental value for unlisted rights over listed Shares.
- (iii) 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.
- (iv) Given that the T2 Performance Rights and T3 Performance Rights are to be issued for no consideration and are not connected to market based performance, the value of those Performance Rights is reflected in the underlying Share price of \$0.028 per Share at the valuation date.

Based on the above valuation, the total value of the Performance Rights to be granted to Mr Dobson (or his nominee) is as follows:

Director	Value of Performance Rights to be granted
Mr Stephen Dobson	\$238,000

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 to be granted to Mr Dobson that if there is a change in control of the Company and his office as a Director is terminated or he is removed or retrenched from office, then the Performance Rights held by him vest immediately upon the date of termination. The money value of the benefit to Mr

Dobson 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 the number of Shares issued upon the vesting of the relevant Performance Rights multiplied by their market value at the time of termination.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Scott Mison on (08) 9221 0090 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.

"**Chairman**" means the person appointed to chair the Meeting.

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

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

"**Director**" means a director of the Company.

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

"**Exempt Investors**" has the meaning given in the Explanatory Statement for Resolution 1.

"**Explanatory Statement**" means the explanatory statement to the Notice.

"**Key Management Personnel**" has the same meaning as in the Australian Accounting Standards and therefore includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company.

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

"**Meeting**" or "**General Meeting**" is the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice.

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

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

"**Performance Right**" a right to be issued Shares upon satisfaction of performance conditions.

"**Resolution**" means a resolution contained in the Notice.

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

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

"**VWAMP**" means volume weighted average market price.

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

Annexure 1 – Terms and Conditions of Options

1. **Vesting:** There are no vesting conditions in relation to the options.
2. **Right to Subscribe:** Each option gives the option holder (“**Holder**”) the right to subscribe for one fully paid, ordinary share in Rift Valley Resources Limited (“**Company**”), in accordance with these terms of issue.
3. **Exercise Price:** The exercise price payable upon exercise of each option is \$0.035 (“**Exercise Price**”).
4. **Expiry Date:** Each option automatically lapses at 5pm Perth time 2 years after the date the Options are issued (“**Expiry Date**”).
5. **Exercise Period:** Each option may be exercised at any time during the period commencing on the date of issue of the option and ending on the Expiry Date (“**Exercise Period**”).
6. **Method of Exercise:** Options may be exercised by lodging with the Company during the Exercise Period:
 - (a) a duly signed written notice of exercise, in the format specified by the Company from time to time, specifying the number of options which are being exercised (“**Exercise Notice**”); and
 - (b) a cheque for the Exercise Price for the options being exercised (or a telegraphic transfer of cleared funds or a direct credit of cleared funds to the Company); and
 - (c) the certificate of the options being exercised, for cancellation by the Company.

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for the options being exercised in cleared funds.
7. **Takeovers Warranty:** Delivery of the Exercise Notice will constitute a warranty from the Holder to the Company that the issue of shares upon exercise of the options will not result in a breach of the takeovers provisions in the *Corporations Act 2001* (Cth) in relation to the Company.
8. **Issue of Shares:** Within 5 business days after receipt of a valid Exercise Notice accompanied by full payment of the Exercise Price and the option certificate, the Company will:
 - (a) issue the number of shares specified in the Exercise Notice;
 - (b) cancel the certificate for the options being exercised and update the option register accordingly; and
 - (c) if applicable, issue a new option certificate for any unexercised options.

9. **Ranking:** All shares issued upon the exercise of option will rank *pari passu* in all respects with other ordinary shares of the Company from the date of issue.
10. **Transfer of Options:** The options may be transferred if the Holder (as transferor) and the transferee duly execute a transfer form in the format approved by the Company from time to time. The transfer is not effective until the Company processes the transfer, updates the options register and issues a new option certificate to the new registered holder.
11. **No Rights to Participate in New Issues:** The Holder has no right or entitlement, without exercising the option, to participate in new issues of shares offered to the Company's shareholders during the Exercise Period, whether by way of rights issue, bonus issue or other pro-rata offer of shares to shareholders. However, the Company will ensure that for the purposes of determining entitlements to any such offer or issue, the record date will be a date at least 5 business days after the offer or issue is announced by the Company.
12. **Impact of Bonus Issue:** If the Company makes a "bonus issue" (as defined in the Listing Rules) before the expiry date then upon exercise of an option the Holder is entitled to have issued to it additional shares, in accordance with the requirements of Listing Rule 6.22.3 (or its replacement or successor).
13. **No Rights to Participate in Dividends:** The Holder has no right or entitlement to participate in Company's dividends.
14. **Capital reconstruction:** If there is a reorganisation of the issued capital of the Company before the Expiry Date then the number of options to which a Holder is entitled, or the Exercise Price (or both) will be reconstructed (as appropriate) in accordance with Listing Rule 7.22 (or its replacement or successor). The rights of the Holder under the terms of issue may be amended to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
15. **No other rights:** The Holder has no rights or entitlements in addition to those set out above to a change in the Exercise Price, or a change to the number of shares over which the option can be exercised.
16. **Legal representatives:** The terms of issue are binding on the personal and legal representatives of the Holder.
17. **Quotation:** The options are unlisted and quotation of the options will not be sought.

Annexure 2 – Terms of Performance Rights

1. T1 Performance Rights

The terms of issue of the T1 Performance Rights are:

- (a) Each Performance Right entitles the holder of the Performance Right (the “Holder”) to be issued one Share, with a nil share issue price, on these terms of issue including the performance condition 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). The application must specify if the Performance Rights are to be granted to a nominee and, if so, the details of that nominee.
- (d) The Performance Rights vest and the underlying Shares will be issued on these terms and conditions upon the Company’s share price on the ASX achieving a VWAMP of 6 cents for 90 consecutive trading days after the Performance Rights are granted.
- (e) The Performance Rights expire and automatically lapse on the date which is 24 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, then all Performance Rights automatically lapse on the date of resignation.
- (i) If the Holder is a Director and that Director’s office as Director is terminated, or that Director is removed or retrenched from office, then all Performance Rights automatically lapse on the date of termination, unless such termination, removal or retrenchment is as a result of an event referred to in paragraph (j), in which case, 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:
 - (i) 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;
 - (ii) a change of control (as defined in the Corporations Act) of the Company occurs; or
 - (iii) 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:

(i) the grant of Performance Rights; or

(ii) 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), nor 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.

2. T2 Performance Rights

The terms of issue of the T2 Performance Rights are:

- (a) Each Performance Right entitles the holder of the Performance Right (the "Holder") to be issued one Share, with a nil share issue price, on these terms of issue including the performance condition 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). The application must specify if the Performance Rights are to be granted to a nominee and, if so, the details of that nominee.
- (d) The Performance Rights vest and the underlying Shares will be issued on these terms and conditions upon the Company raising at least \$5 million (before costs) under an equity raising or equity raisings approved by the board within 18 months after the Performance Rights are granted.
- (e) The Performance Rights expire and automatically lapse on the date which is 19 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, then all Performance Rights automatically lapse on the date of resignation.
- (i) If the Holder is a Director and that Director's office as Director is terminated, or that Director is removed or retrenched from office, then all Performance Rights automatically lapse on the date of termination, unless such termination, removal or retrenchment is as a result of an event referred to in paragraph (j), in which case, 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:
 - (i) 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;
 - (ii) a change of control (as defined in the Corporations Act) of the Company occurs; or
 - (iii) 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:

- (i) the grant of Performance Rights; or
- (ii) 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), nor 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.

3. T3 Performance Rights

The terms of issue of the T3 Performance Rights are:

- (a) Each Performance Right entitles the holder of the Performance Right (the "Holder") to be issued one Share, with a nil share issue price, on these terms of issue including the performance condition 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). The application must specify if the Performance Rights are to be granted to a nominee and, if so, the details of that nominee.
- (d) The Performance Rights vest and the underlying Shares will be issued on these terms and conditions upon the Director achieving continual service as a Director for the period commencing on the date of grant of the Performance Rights until the date that 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, then all Performance Rights automatically lapse on the date of resignation.
- (i) If the Holder is a Director and that Director's office as Director is terminated, or that Director is removed or retrenched from office, then all Performance Rights automatically lapse on the date of termination, unless such termination, removal or retrenchment is as a result of an event referred to in paragraph (j), in which case, 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:
 - (i) 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;
 - (ii) a change of control (as defined in the Corporations Act) of the Company occurs; or
 - (iii) 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:

(i) the grant of Performance Rights; or

(ii) 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), nor 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 (Cth), 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 16 June 2017 and at any adjournments of that Meeting.

DATED

2017

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;
 - e-mail to the Company at info@riftvalleyresources.com.au; or
 - deliver the proxy to the Company at Ground Floor, 10 Outram Street, West Perth WA, 6005, Australia; or
 - mail the proxy to the Company at PO Box 1671, West Perth WA 6872, Australia;
6. or the Corporate Representative may present the original Certificate when registering attendance at the start of the Meeting.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (WST) on Wednesday, 14 June 2017.**

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 Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder 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's securities registry 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 (to the extent permitted by law). 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's securities registry.

STEP 3 SIGN THE FORM

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

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders 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 Wednesday, 14 June 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- ✉ **E-Mail:** info@riftvalleyresources.com.au
- ✉ **By Mail** Rift Valley Resources Limited
PO Box 1671,
West Perth, WA 6872 Australia
- 👤 **In Person** Ground Floor, 10 Outram Street
West Perth, WA 6005 Australia

Attending the Meeting

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

Rift Valley Resources Limited

ABN 86 121 985 395

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** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) 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 Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the offices of **Rift Valley Resources Limited, Ground Floor, 10 Outram Street, West Perth WA 6005 on Friday, 16 June 2017 at 10:00am (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 (to the extent permitted by law).

The Chair 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	Ratification of issue of Shares and Options to Exempt Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of issue of Shares to Exempt Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to grant Performance Rights to Mr Stephen Dobson, Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017