
RIFT VALLEY RESOURCES CORP.

CONDENSED FINANCIAL STATEMENTS

For the Interim Nine Months Ended

September 30, 2017 and 2016

UNAUDITED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that auditors have not reviewed the unaudited financial statements for the year ended September 30, 2017.

The accompanying unaudited financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

RIFT VALLEY RESOURCES CORP.
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	Note	September 30, 2017 \$	December 31, 2016 \$
ASSETS			
Current Assets			
Cash		67,434	1,924
Advances receivable		296,373	–
Amounts receivable		1,658	360
		365,465	2,284
Deposits	4	20,625	20,301
		386,090	22,585
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	4,917	32,782
Decommissioning Liabilities	4	20,626	20,301
		25,542	53,083
SHAREHOLDERS' EQUITY			
Share capital	6	2,009,382	1,609,382
Subscriptions received	6	126,000	
Contributed surplus	7	167,000	37,000
Deficit		(1,941,834)	(1,676,880)
		360,548	(30,498)
		386,090	22,585
NATURE AND CONTINUANCE OF OPERATIONS	1		
COMMITMENTS	11		

Approved on behalf of the Board:

"Craig Robson"
Craig Robson, CEO, Director

"Donald Gordon"
Donald Gordon, CFO, Director

The accompanying notes are an integral part of these financial statements.

RIFT VALLEY RESOURCES CORP.
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Nine Months Ended		Three Months Ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
				\$	\$
Expenses					
Stock based compensation	6	130,000	–	130,000	–
Consulting fees	5	88,336	–	36,336	–
Professional fees		20,922	7,000	1,990	–
Office and miscellaneous		7,145	70	819	15
Transfer agent		6,520	3,752	925	2,135
Exchange fees		5,000	5,150	1,500	2,000
Travel and promotion		4,263	–	1,583	–
Filing Fees		2,768	5,292	–	–
Net loss and comprehensive loss for the period		(264,954)	(21,264)	(173,153)	(4,150)
Loss per share, Basic and Diluted		(0.03)	(0.00)	(0.01)	(0.00)
Weighted average common shares outstanding		8,591,737	4,918,330	13,138,330	4,918,330

The accompanying notes are an integral part of these financial statements.

RIFT VALLEY RESOURCES CORP.
CONDENSED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Amount	Shares Subscriptions Received	Contributed Surplus	Accumulated Deficit	Total
		\$	\$	\$	\$	\$
Balance, December 31, 2015		1,609,382	–	37,000	(1,644,698)	1,684
Comprehensive loss		–	–	–	(21,264)	(21,264)
Balance, September 30, 2016		1,609,382	–	37,000	(1,665,962)	(19,580)
Comprehensive loss		–	–	–	(10,918)	(10,918)
Balance, December 31, 2016		1,609,382	–	37,000	(1,676,880)	(30,498)
Shares issued for cash	6	411,000	–	–	–	411,000
Share issue costs	6	(11,000)	–	–	–	(11,000)
Subscriptions received		–	126,000	–	–	126,000
Stock based compensation	7	–	–	130,000	–	130,000
Comprehensive loss		–	–	–	(264,954)	(264,954)
Balance, September 30, 2017		2,009,382	126,000	167,000	(1,941,834)	360,548

The accompanying notes are an integral part of these financial statements.

RIFT VALLEY RESOURCES CORP.
CONDENSED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

		Nine Months Ended	
	Note	September 30, 2017	September 30, 2016
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(264,954)	(21,264)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation	6	130,000	–
Changes in non-cash working capital balances:			
Advances receivable		(296,373)	–
Amounts receivable		(1,298)	296
Accounts payable and accrued liabilities	5	(27,865)	9,975
Cash used in operating activities		(460,490)	(10,993)
INVESTING ACTIVITIES			
Cash provided by (used in) investing activities		–	–
FINANCING ACTIVITIES			
Share capital received	6	400,000	–
Subscriptions received	11, 12	126,000	–
Cash provided by financing activities		526,000	–
Decrease in cash		65,510	(10,993)
Cash, beginning		1,924	13,442
Cash, ending		67,434	2,449
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON CASH FLOW TRANSACTION INFORMATION:			
Stock based compensation	6	130,000	–

The accompanying notes are an integral part of these financial statements.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Rift Valley Resources Corp. (the "Company" or "Rift Valley") was incorporated under the Laws of the Province of British Columbia on December 14, 2009. On March 20, 2013, Rift Valley amalgamated with Avatar Ocean Technology Inc. ("Avatar"), a reporting issuer and continues under the name Rift Valley Resources Corp. (the "Company" or "Rift Valley") (see Note 2(b)). The address of the Company's corporate office and its principal place of business is 6511 Housman Place, Richmond, British Columbia, Canada. The Company's shares were listed on the Canadian Securities Exchange on August 27, 2013.

The Company began operations on September 19, 2011 and its principal business activity was the acquisition, exploration and development of mineral properties in British Columbia, Canada. The Company impaired its mineral property during the year ended December 31, 2015. As of September 30, 2017 the Company's principal business activity was the evaluation of a wireless service business and other business opportunities.

On April 13, 2017, the Company completed a share consolidation on the basis of five pre-consolidation common shares for each post consolidation common share. As a result, all share amounts presented in these financial statements have been retroactively restated.

The Company has never generated revenue or positive cash flows from operations. For the nine months ended September 30, 2017, the Company reported a net loss of \$264,954, negative cash flow from operating activities of \$460,490 and an accumulated deficit of \$1,941,834. This raises significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its exploration and operating costs.

These condensed financial statements ("financial statements") do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2016.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 28, 2017.

b) Measurement basis

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 paragraphs (m) and (n) to the Company's financial statements for the year ended December 31, 2016. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of November 28, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

	September 30, 2017	December 31, 2016
	\$	\$
Mineral property security deposits	20,625	20,301
	20,625	20,301

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the nine month period ended September 30, 2017, the Company incurred the following related party transactions:

- (a) The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the periods ended September 30, 2017 and December 31, 2016.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$57,950 (2016 - \$nil).
- (c) The Company incurred stock based compensation costs to officers and directors in the amount of \$105,000 (2016 - \$nil).

As at September 30, 2017, included in accounts payable is \$125 (2016 - \$nil) due to an officer and director of the Company.

6. SHARE CAPITAL

(a) Authorized Share Capital

The Company is authorized to issue unlimited number of common shares without par value.

(b) Issued and Outstanding Common Shares

	Number of Common Shares	Amount \$
Balance, December 31, 2016	4,918,330	1,609,382
Issued for cash at \$0.05 per share	8,220,000	411,000
Share issue costs	-	(11,000)
Balance, September 30, 2017	13,138,330	2,009,382

On May 30, 2017, the Company issued 8,220,000 common shares for total proceeds of \$411,000.

During the nine month period ended September 30, 2017, the Company incurred share issue costs of \$11,000 (2016 - \$nil).

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

6. SHARE CAPITAL (continued)

(c) Stock Options

On September 1, 2017, the Company granted an aggregate of 1,300,000 stock options to its officers, directors and consultants for the purchase of up to 1,300,000 common shares. Each stock option is exercisable for a period of five years at a price of \$0.10 per common share. All stock options are vested and exercisable upon grant.

	Number of options	Exercise Price	Expiry Date
Options outstanding, December 30, 2016	–	–	–
Issued September 1, 2017	1,300,000	\$0.10	September 1, 2022
Options outstanding, September 30, 2017	1,300,000		

As at September 30, 2017, the options have a weighted average remaining contractual life of 4.92 years. The fair value of each option granted during the year was \$0.0775 based on an application of the Black-Scholes option pricing model using the following weighted average assumptions:

Share price on issue date	\$0.10
Expected life (years)	5
Interest rate	1.97%
Volatility	318%
Dividend yield	1.00%

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan which complies with the rules and policies of the Exchange

(d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise price
Outstanding, December 31, 2016	780,000	\$0.25
Expired during the period	780,000	–
Outstanding, September 30, 2017	–	\$0.25

As at September 30, 2017 there were no warrants outstanding.

(e) Shares held in escrow

As at September 30, 2017 there were no shares held in escrow (2016 – 358,470 common shares held in escrow).

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

7. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2016	37,000
Options granted to directors, management and consultants in 2017 (see Note 6 (c))	130,000
Balance, September 30, 2017	167,000

8. INCOME TAXES

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these financial statements and have been offset by a valuation allowance.

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2017, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

10. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash and accounts payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value because of the current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	September 30, 2017	December 31, 2016
	\$	\$
FVTPL (i)	67,434	1,924
Other financial liabilities (ii)	4,917	32,782

- (i) Cash
- (ii) Accounts payable

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

10. FINANCIAL INSTRUMENTS (continued)

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at September 30, 2017:				
Cash	67,434	–	–	67,434
As at December 31, 2016:				
Cash	1,924	–	–	1,924

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and exploration activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2017 AND 2016
(Expressed in Canadian Dollars) (Unaudited)

11. COMMITMENTS

- (a) On March 22, 2017, the Company entered into a non-binding letter of intent to acquire 100% of the issued and outstanding common shares of Metrolink Solutions Inc. in exchange for 58,109,592 common shares of the Company. The shares will be issued over three years as follows:

	Number of common shares
Upon signing	3,486,576
First year anniversary	8,135,343
Second year anniversary	17,432,877
Third year anniversary	29,054,796
Total	58,109,592

- (b) On June 12, 2017, the Company executed a consulting agreement with the CEO. The agreement provides for a consulting fee of \$3,500 per month for a fixed five (5) year period, commencing June 12, 2017.
- (c) The Company authorized and approved the creation and issuance of up to 8,000,000 common shares at a price of \$0.075 per share. As of financial statement release date, the Company has received subscription proceeds of \$126,000.

12. SUBSEQUENT EVENTS

As disclosed in Note 11 (c), on November 10, 2017, the Company authorized and approved the creation and issuance of up to 8,000,000 common shares at a price of \$0.075 per share. To date, the Company has received subscription proceeds of \$126,000.