
RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2018 and 2017

(Unaudited)

UNAUDITED CONDENSED INTERIM 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 its auditors have not reviewed the condensed interim financial statements for the three months ended March 31, 2018.

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

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	March 31, 2018	December 31, 2017
		\$	\$
ASSETS			
Current Assets			
Cash		31,266	21,517
Advances receivable	12	515,552	477,027
Subscriptions receivable		–	10,125
Amounts receivable		15,334	4,011
		562,152	512,680
Deposits	4	20,650	20,625
		582,802	533,305
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	10,380	8,664
Decommissioning Liabilities	4	20,650	20,625
		31,030	29,289
SHAREHOLDERS' EQUITY			
Share capital	6	2,423,833	2,331,208
Subscriptions received in advance		–	3,375
Contributed surplus	7	209,500	167,000
Deficit		(2,081,561)	(1,997,567)
		551,772	504,016
		582,802	533,305
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.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

		<u>Three Months Ended</u>	
	Note	March 31, 2018	March 31, 2017
		\$	\$
Expenses			
Stock based compensation	6, 7	42,500	–
Consulting fees	5, 11	34,325	32,088
Travel and promotion		3,113	–
Exchange fees		1,950	2,000
Professional fees		986	7,500
Office and miscellaneous		975	954
Transfer agent		145	2,248
Net loss and comprehensive loss		(83,994)	(44,790)
Net loss per share, basic and diluted		(0.00)*	(0.01)
Weighted average number of common shares outstanding		17,480,775	4,918,330

* Denotes a loss of less than \$(0.01) per share.

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

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Amount	Subscriptions Received in Advance	Contributed Surplus	Accumulated Deficit	Total
		\$	\$	\$	\$	\$
Balance, December 31, 2016		1,609,383	–	37,000	(1,676,881)	(30,498)
Subscriptions received in advance		–	72,500	–	–	72,500
Net loss		–	–	–	(44,789)	(44,789)
Balance, March 31, 2017		1,609,383	72,500	37,000	(1,721,670)	(2,787)
Shares issued for cash	6	734,625	–	–	–	734,625
Share issue costs	6	(12,800)	–	–	–	(12,800)
Subscriptions received in advance		–	(69,125)	–	–	(69,125)
Stock based compensation	6, 7	–	–	130,000	–	130,000
Net loss		–	–	–	(275,897)	(275,897)
Balance, December 31, 2017		2,331,208	3,375	167,000	(1,997,567)	504,016
Shares issued for cash	6	92,625	–	–	–	92,625
Subscriptions received in advance		–	(3,375)	–	–	(3,375)
Stock based compensation	6, 7	–	–	42,500	–	42,500
Net loss		–	–	–	(83,994)	(83,994)
Balance, March 31, 2018		2,423,833	–	209,500	(2,081,561)	582,802

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

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

		<u>Three Months Ended</u>	
	Note	March 31, 2018	March 31, 2017
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(83,994)	(44,790)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation	6, 7	42,500	–
Changes in non-cash working capital balances:			
Amounts receivable		(11,322)	(1,048)
Accounts payable and accrued liabilities	5	1,715	(15,807)
Cash used in operating activities		(51,101)	(61,645)
INVESTING ACTIVITIES			
Advances receivable		(38,525)	–
Cash used in investing activities		(38,525)	–
FINANCING ACTIVITIES			
Share capital received	6	102,750	–
Share issue costs		–	–
Subscriptions received in advance		(3,375)	72,500
Cash provided by financing activities		99,375	72,500
Increase (Decrease) in cash		9,749	10,855
Cash, beginning of year		21,517	1,924
Cash, end of year		31,266	12,779
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON CASH FLOW TRANSACTION INFORMATION:			
Stock based compensation	6, 7	42,500	–
Subscriptions receivable		10,125	–

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

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

(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"). 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 (the "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 March 31, 2018 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 three month period ended March 31, 2018, the Company reported a net loss of \$83,994, negative cash flow from operating activities of \$51,101 and an accumulated deficit of \$2,081,561. 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 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, 2017.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2018.

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 paragraphs (m) and (n) to the Company's financial statements for the year ended December 31, 2017. 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.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(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 May 30, 2018, 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, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

	March 31, 2018	December 31, 2017
	\$	\$
Mineral property security deposits	20,650	20,625
	20,650	20,625

The mineral property security deposits are held in safekeeping as security for the decommissioning liability on the Company's former mineral property. The Company has estimated that the decommissioning liability will be \$20,650.

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended March 31, 2018, the Company incurred the following related party transactions:

- (a) The Company has identified its directors and executive officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the three month periods ended March 31, 2018 and 2017.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$20,500 (2017 - \$15,000).

As at March 31, 2018, included in accounts payable is \$2,150 (2017 – \$nil) due to officers and director of the Company.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017***(Expressed in Canadian Dollars) (Unaudited)*

6. SHARE CAPITAL**(a) Authorized Share Capital**

The Company is authorized to issue an 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	1,609,383
Issued for cash at \$0.05 per share	8,220,000	411,000
Issued for cash at \$0.075 per share	4,314,999	323,625
Share issue costs	–	(12,800)
Balance, December 31, 2017	17,453,329	2,331,208
Issued for cash at \$0.075 per share	1,235,000	96,625
Balance, March 31, 2018	18,688,329	2,423,833

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

On December 6, 2017, the Company completed a private placement and issued 300,000 common shares for total proceeds of \$22,500.

On December 19, 2017, the Company completed a private placement and issued 4,014,999 common shares for total proceeds of \$301,125.

During the year ended December 31, 2017, the Company incurred share issue costs of \$12,800 (2016 – \$nil) related to the above private placements.

On March 29, 2018, the Company completed a private placement and issued 1,235,500 common shares for total proceeds of \$92,625.

As at March 31, 2018, \$10,125 in subscriptions from the December 19, 2017 private placement was received.

(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. On January 17, 2018, the Company granted an aggregate of 425,000 stock options to its consultants for the purchase of up to 425,000 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. The fair value of the options granted was \$130,000 and was recorded as stock based compensation.

Options outstanding and exercisable	Number of options	Exercise Price	Expiry Date
December 31, 2016	–		
Granted September 7, 2017	1,300,000	\$0.10	September 7, 2022
December 31, 2017	1,300,000		
Granted January 17, 2018	425,000	\$0.10	January 17, 2023
Balance March 31, 2018	1,725,000		

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6. SHARE CAPITAL (continued)**(c) Stock Options (continued)**

As at March 31, 2018, the options have a weighted average remaining contractual life of 4.52 years. The fair value of each option granted during the year was \$0.10 based on an application of the Black-Scholes option pricing model using the following weighted average assumptions:

Share price on grant date	\$0.10
Expected life (years)	5
Interest rate	1.97%
Volatility	318%
Dividend yield	0.00%

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.

The Company did not grant any stock options during the year ended December 31, 2016.

(d) Warrants

As at March 31, 2018 there were no warrants outstanding (December 31, 2017 – nil).

(e) Shares held in escrow

As at March 31, 2018 there were no shares held in escrow (December 31, 2017 – nil).

7. CONTRIBUTED SURPLUS

Balance, December 31, 2016	37,000
<u>Options granted to directors, management and consultants in 2017 (see Note 6 (c))</u>	<u>130,000</u>
Balance, December 31, 2017	167,000
<u>Options granted to directors, management and consultants in 2018 (see Note 6 (c))</u>	<u>42,500</u>
<u>Balance, March 31, 2018</u>	<u>209,500</u>

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.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars) (Unaudited)

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 March 31, 2018, 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, advances receivable and accounts payable and accrued liabilities. 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:

	March 31, 2018	December 31, 2017
	\$	\$
FVTPL (i)	31,266	21,517
Loans and receivables (ii)	515,552	477,027
Other financial liabilities (iii)	10,380	8,664

- (i) Cash
- (ii) Advances receivable
- (iii) Accounts payable and accrued liabilities

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies 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 March 31, 2018:				
Cash	31,266	–	–	31,266
As at December 31, 2017:				
Cash	21,517	–	–	21,517

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars) (Unaudited)

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash, advances receivable and accounts payable and accrued liabilities. 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, 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.

11. COMMITMENTS

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.

12. ADVANCES RECEIVABLE

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. ("Metrolink") in exchange for 58,109,592 common shares of the Company.

On March 20, 2018, the Company and Metrolink agreed to revise the LOI such that the Company will acquire an undivided 100% interest in 1154525 B.C. Ltd. ("Metrolink Sub"), a wholly owned subsidiary of Metrolink in exchange for 10,000,000 shares of Rift Valley, cancellation of up to \$500,000 in advances from Rift Valley to Metrolink and a 10% royalty on Gross Sales. As at March 31, 2018, the Company had advanced \$515,553 to Metrolink. Subject to a definitive agreement and regulatory approval(s), the acquisition of the Metrolink Sub will grant Rift Valley the exclusive rights to manufacture, market, sell and distribute QwikCom mobile communication units within the geographical areas of the United States, Caribbean islands and nations and the adjacent Atlantic islands and nations.