
RIFT VALLEY RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2019 and 2018

(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, 2019.

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, 2019	December 31, 2018
		\$	\$
ASSETS			
Current Assets			
Cash		5,500	30,286
Amounts receivable		19,558	10,542
		25,058	40,828
Deposits	4	20,900	20,850
		45,958	61,678
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	128,200	79,522
Decommissioning liabilities	4	20,900	20,850
		149,100	100,372
SHAREHOLDERS' EQUITY			
Share capital	5, 6	2,999,793	2,999,793
Subscriptions received in advance	6(b)	361,900	156,000
Contributed surplus	7	274,000	274,000
Deficit		(3,738,835)	(3,468,487)
		(103,142)	(38,694)
		45,958	61,678
NATURE AND CONTINUANCE OF OPERATIONS	1		
COMMITMENT	11		

Approved on behalf of the Board:

"Griffin Jones"

Griffin Jones, 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, 2019	March 31, 2018
		\$	\$
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Expenses			
Project Costs	12	108,085	–
Consulting fees	5	106,765	34,325
Travel and promotion		38,794	3,113
Rent and occupancy		11,922	–
Office and miscellaneous		2,582	975
Exchange fees		2,200	1,950
Stock based compensation	6(d), 7	–	42,500
Professional fees		–	986
Transfer agent		–	145
Filing Fees		–	–
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Net loss and comprehensive loss for the period		(270,348)	(83,994)
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Loss per share, Basic and Diluted		(0.01)	(0.00)*
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Weighted average common shares outstanding		26,527,798	17,480,775
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* 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 (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Amount	Subscriptions Received in Advance	Contributed Surplus	Accumulated Deficit	Total
		\$	\$	\$	\$	\$
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
Shares issued for cash	6(b)	575,960	–	12,000	–	587,960
Subscriptions received in advance		–	156,000	–	–	156,000
Stock based compensation	7	–	–	52,500	–	52,500
Net loss		–	–	–	(1,386,926)	(1,386,926)
Balance, December 31, 2018		2,999,793	156,000	274,000	(3,468,487)	(38,694)
Subscriptions received in advance		–	205,900	–	–	205,900
Net loss		–	–	–	(270,348)	(270,348)
Balance, March 31, 2019		2,999,793	361,900	274,000	(3,738,835)	(103,142)

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, 2019	March 31, 2018
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(270,348)	(83,994)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation	6(d), 7	–	42,500
Changes in non-cash working capital balances:			
Amounts receivable		(9,016)	(11,322)
Accounts payable and accrued liabilities	5	48,678	1,715
Cash used in operating activities		(230,686)	(61,645)
INVESTING ACTIVITIES			
		–	–
Cash used in investing activities		–	–
FINANCING ACTIVITIES			
Share capital received	6(b)	–	102,750
Subscriptions received in advance	13	205,900	(3,375)
Cash provided by financing activities		205,900	99,375
Increase in cash		(24,786)	9,749
Cash, beginning		30,286	21,517
Cash, ending		5,500	31,266
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON CASH TRANSACTION INFORMATION:			
Stock based compensation	6(d), 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, 2019 AND 2018

(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 501-525 Seymour Street, Vancouver, 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 March 31, 2019 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 interim three month period ended March 31, 2019, the Company reported a net loss of \$270,348 (2018 – \$83,994), negative cash flow from operating activities of \$230,686 (2018 – \$51,101) and an accumulated deficit of \$3,738,835 (2018 – \$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, 2018.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2019.

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 (l) and (m) to the Company's financial statements for the year ended December 31, 2018. 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, 2019 AND 2018**

(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 29, 2019, 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, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

	March 31, 2019	December 31, 2018
	\$	\$
Mineral property security deposits	20,900	20,850
	20,900	20,850

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the interim three month period ended March 31, 2019, 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 interim three month periods ended March 31, 2019 and 2018.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$22,950 (2018 - \$20,500).
- (c) The Company incurred stock based compensation costs to executive officers and directors in the amount of \$nil (2018 - \$nil).

As at March 31, 2019, included in accounts payable is \$2,700 (December 31, 2018 – \$1,750) due to an officer 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, 2019 AND 2018***(Expressed in Canadian Dollars) (Unaudited)*

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, 2017	17,453,329	2,331,208
Issued for cash at \$0.075 per share	9,074,469	668,585
Balance, December 31, 2018 and March 31, 2019	26,527,798	2,999,793

On March 29, 2018, the Company issued 1,235,000 common shares for total proceeds of \$92,625.

On August 1, 2018, the Company issued 3,764,668 units for total proceeds of \$282,350, \$7,350 of which was applied to settle accounts payable. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one common share at a price of \$0.15 per common share. The warrants expire two years from date of issuance.

On September 25, 2018, the Company issued 2,400,001 units for total proceeds of \$180,000, \$12,000 of which was allocated to the residual value of warrants. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one common share at a price of \$0.15 per common share. The warrants expire two years from date of issuance.

On November 29, 2018, the Company issued 1,674,800 units for total proceeds of \$125,610. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one common share at a price of \$0.15 per common share. The warrants expire two years from date of issuance.

On October 2, 2018, the Company authorized and approved the creation and issuance of up to 15,000,000 units at a price of \$0.075 per share. Each unit is comprised of one common share one half common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one common share at a price of \$0.15 per common share. As at March 31, 2019, the Company had received \$361,900 in subscription proceeds pursuant to this financing.

During the interim three month period ended March 31, 2019, the Company incurred share issue costs of \$nil (December 31, 2018 – \$nil).

(c) Warrants

Each warrant is exercisable for a period of two years at a price of \$0.15 per common share. As at March 31, 2019, there were 3,919,733 warrants outstanding with a weighted average remaining contractual life of 1.46 years.

Warrants outstanding and exercisable	Number of Warrants	Exercise Price	Expiry Date
December 31, 2017	–		
Issued August 1, 2018	1,833,334	\$0.15	August 1, 2020
Issued September 25, 2018	1,249,000	\$0.15	September 25, 2020
Issued November 29, 2018	837,400	\$0.15	November 29, 2020
March 31, 2019 and December 31, 2018	3,919,734		

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018***(Expressed in Canadian Dollars) (Unaudited)*

6. SHARE CAPITAL (continued)

(d) Stock Options

On January 17, 2018, the Company granted an aggregate of 425,000 stock options to its consultants. 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 \$42,500 and was recorded as stock based compensation.

On December 14, 2018, the Company granted an aggregate of 700,000 stock options to its consultants. Each stock option is exercisable for a period of two years at a price of \$0.085 per common share. All stock options are vested and exercisable upon grant. The fair value of the options granted was \$52,500 and was recorded as stock based compensation.

Options outstanding and exercisable	Number of options	Exercise Price	Expiry Date
December 31, 2017	1,300,000		
Granted January 17, 2018	425,000	\$0.10	January 17, 2023
Granted December 12, 2018	700,000	\$0.085	December 12, 2020
March 31, 2019 and December 31, 2018	2,425,000		

As at March 31, 2019, the options have a weighted average remaining contractual life of 3.00 years.

	September 1, 2017	January 17, 2018	December 12, 2018
Share price on grant date	\$0.10	\$0.10	\$0.085
Expected life (years)	5	5	2
Interest rate	1.97%	1.97%	1.98%
Volatility	318%	318%	220%
Dividend yield	0.00%	0.00%	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.

(e) Shares held in escrow

As at March 31, 2019 and December 31, 2018, there were no shares held in escrow.

7. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2017	167,000
Options granted to consultants in 2018 (see Note 6 (d))	95,000
Residual value of warrants	12,000
March 31, 2019 and December 31, 2018	274,000

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018**

(Expressed in Canadian Dollars) (Unaudited)

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 March 31, 2019, 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 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
	\$	\$	\$
As at March 31, 2019:			
Cash	30,286	–	–
As at December 31, 2018:			
Cash	30,286	–	–

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018**

(Expressed in Canadian Dollars) (Unaudited)

10. FINANCIAL INSTRUMENTS (continued)

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 government receivables and advances receivable. As at December 31, 2018 there was one counterparty who individually accounted for 100% of the total advances receivable balance. The maximum credit risk exposure associated with advances receivable is the total carrying value. As at December 31, 2018, the Company has recorded a write-off of \$996,465 calculated using a lifetime expected credit loss assessment for specifically identifiable balances which are assessed to be impaired.

(iv) *Liquidity risk*

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

11. COMMITMENT

On June 12, 2017, the Company executed a consulting agreement with the former 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. METROLINK LETTER OF INTENT

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 September 3, 2018, the Company and Metrolink entered into an amended letter of intent (the "LOI") that replaces all previous letters of intent. The LOI is for the Company to acquire 100% of the issued and outstanding common shares of Metrolink Solutions Inc., (the "Transaction"), by issuing one common share of the Company in exchange for every one common share of Metrolink subject to a valuation report or fairness opinion approved by the Canadian Securities Exchange. Subject to completion of the Transaction and approval of the Canadian Securities Exchange, the Company will pay a finder's fee equal to 10% of the total number of shares issued to the shareholders of Metrolink.

In connection with the ongoing negotiations, the Company had advanced \$996,465 to Metrolink (December 31, 2017 - \$477,027). As at December 31, 2018, the Company determined that the advances were unlikely to be collected and recorded a write-off of \$996,465.