
RIFT VALLEY RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019

(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, 2020.

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.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	Note	March 31, 2020 \$	December 31, 2019 \$
ASSETS			
Current Assets			
Cash		31,844	403
Amounts receivable		31,027	22,359
		62,871	22,762
Investment in private company	13	237,148	186,595
Deposits	4	21,100	21,050
		321,119	230,407
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	129,798	221,480
Decommissioning liabilities	4	21,100	21,050
		150,898	242,530
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	3,580,671	3,432,771
Subscriptions received in advance	14	677,655	473,155
Contributed surplus	7	322,427	304,927
Deficit		(4,410,532)	(4,222,976)
		170,221	(12,123)
		321,119	230,407
NATURE AND CONTINUANCE OF OPERATIONS	1		
COMMITMENT	11		
SUBSEQUENT EVENTS	14		

Approved on behalf of the Board:

"Griffin Jones"
Griffin Jones, CEO, Director

"Ward Munsie"
Ward Munsie, CFO, Director

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

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

	Note	Three Months Ended	
		March 31, 2020	March 31, 2019
		\$	\$
Expenses			
Consulting fees	5	156,659	65,424
Rent and occupancy		12,140	11,922
Travel and promotion		7,886	38,794
Office and miscellaneous		7,586	2,582
Exchange fees		2,150	2,200
Transfer agent		1,135	–
Project Costs		–	51,448
Write-off of advances receivable	12	–	27,138
Net loss and comprehensive loss for the year		(187,556)	(199,508)
Loss per share, Basic and Diluted		(0.01)	(0.01)
Weighted average common shares outstanding, Basic and Diluted		33,568,753	26,527,798

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

RIFT VALLEY RESOURCES CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Number of Shares	Amount \$	Subscriptions Received in Advance \$	Contributed Surplus \$	Accumulated Deficit \$	Total \$
Balance, December 31, 2018		26,527,498	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		26,527,498	2,999,793	361,900	274,000	(3,738,835)	(103,142)
Shares issued for cash	6(b)	6,185,400	432,978	(156,000)	30,927	–	307,905
Subscriptions received in advance			–	267,255	–	–	267,255
Net loss			–	–	–	(484,141)	(754,489)
Balance, December 31, 2019		32,713,198	3,432,771	473,155	304,927	(4,222,976)	(12,123)
Shares issued for cash	6(b)	3,500,000	157,500	–	17,500	–	175,000
Share issue costs			(9,600)	–	–	–	(9,600)
Subscriptions received in advance			–	204,500	–	–	204,500
Net loss			–	–	–	(187,556)	(187,556)
Balance, March 31, 2020		36,213,198	3,580,671	677,655	322,427	(4,410,532)	170,221

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

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

	Note	Three Months Ended	
		March 31, 2020	March 31, 2019
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss for the period		(187,556)	(270,348)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Changes in non-cash working capital balances:			
Amounts receivable		(8,667)	(9,016)
Accounts payable and accrued liabilities		(91,683)	48,678
Cash used in operating activities		(287,906)	(307,778)
INVESTING ACTIVITIES			
Investment in private company	13	(50,553)	–
Cash used in investing activities		(50,553)	–
FINANCING ACTIVITIES			
Share capital received		165,400	–
Subscriptions received in advance		204,500	205,900
Cash provided by financing activities		369,900	205,900
(Decrease) Increase in cash during the period		31,441	(24,786)
Cash, beginning of the period		403	30,286
Cash, end of the period		31,844	5,500
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON-CASH TRANSACTION INFORMATION:			
Residual value of warrants	6(b)	17,500	–

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

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(Expressed in Canadian Dollars)

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 continued 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 2607-1128 Alberni 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, 2020, 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.

On February 27, 2018, 1154515 B.C. Ltd. ("RWI"), a wholly owned subsidiary of the Company, was incorporated in British Columbia, Canada. On March 15, 2019, RWI changed the name to Rural Wireless Inc.

The Company has never generated revenue or positive cash flows from operations. For the three month periods ended March 31, 2020 and 2019, the Company reported a net loss of \$161,328 (2019 – \$199,508), negative cash flow from operating activities of \$209,906 (2019 – \$132,708) and an accumulated deficit of \$4,384,304 (2019 – \$3,667,995). 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.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

These consolidated 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 consolidated financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated 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 consolidated 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 consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2019.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 15, 2020.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

b) Basis of consolidation

These consolidated financial statements include the accounts on the Company and its wholly owned subsidiary. All intercompany transactions and balances are eliminated on consolidation.

Subsidiary	Jurisdiction	Nature of Operations	Ownership
Rural Wireless Inc.	British Columbia, Canada	Wireless broadband supplier	100%

c) Measurement basis

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated 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.

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 June 15, 2020, 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, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

	March 31, 2020	December 31, 2019
	\$	\$
Mineral property security deposits	21,100	21,050
	21,100	21,050

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the three-month periods ended March 31, 2020 and 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 three-month period ended March 31, 2020.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$27,411(2019 - \$24,450).

As at March 31, 2020, included in accounts payable is \$1,050 (2019 – \$2,700) due to an officers and directors of the Company.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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

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.

On June 14, 2019, the Company issued 6,185,400 units for total proceeds of \$463,905, \$30,927 of which was allocated to the residual value of the 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 March 5, 2020, the Company announced that it has arranged a private placement for total proceeds of \$1,400,000 at \$0.05 per unit. Each unit consists of one common share in the capital stock of the Company and a one-half share purchase warrant. Each whole warrant permits the holder to purchase an additional share at \$0.15 per common share for 2 years. As at March 31, 2020, the Company had received \$677,655 in subscription proceeds pursuant to this financing.

On March 11, 2020, the Company issued 3,500,000 units for total proceeds of \$175,000, \$17,500 of which was allocated to the residual value of the 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.

(c) Warrants

Each warrant is exercisable for a period of two years at an average exercise price of \$0.13 per common share. As at March 31, 2020, there were 8,762,434 warrants outstanding with a weighted average remaining contractual life of 1.02 years.

Warrants outstanding and exercisable	Number of Warrants	Exercise Price	Expiry Date
December 31, 2019	7,012,434	\$0.13	
Issued March 11, 2020	1,750,000	\$0.15	March 11, 2022
March 31, 2020	8,762,434	\$0.13	

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6. SHARE CAPITAL (continued)

(d) Stock Options

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

The Company has a stock option plan under which it is authorized to grant options to its directors, officers, employees, management companies and consultants enabling them to acquire up to 10% of the issued and outstanding shares of the Company. Under the Plan, the exercise price of options granted is determined by the board of directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the board of directors and may not exceed five years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of the Company. Any options granted pursuant to the Plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employees, or consultant.

Options outstanding and exercisable	Number of options	Exercise Price	Expiry Date
December 31, 2019	2,425,000	\$0.10	
March 31, 2020	2,425,000	\$0.10	

As at March 31, 2020, the options have a weighted average remaining contractual life of 2.00 years and a weighted average exercise price of \$0.096.

	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%

(e) Shares held in escrow

As at March 31, 2020 and December 31, 2019, there were no shares held in escrow.

7. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2019	304,927
Residual value of warrants	17,500
Balance, March 31, 2020	322,427

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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, 2020, 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, 2020:			
Cash	31,844	–	–
Investment in private company	–	–	237,148
As at December 31, 2019:			
Cash	403	–	–
Investment in private company	–	–	186,595

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash, accounts receivable 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 and government receivables. To minimize the credit risk on cash the Company places the instrument with a financial institution.

(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 CEO. The agreement provides for a consulting fee of \$3,500 per month for a fixed five (5) year period, commencing June 12, 2017.

On February 1, 2020, the Company executed a consulting agreement with a Director. The agreement provides for a consulting fee of \$1,000 per month, commencing September 16, 2016.

12. METROLINK LETTER OF INTENT

On March 22, 2017, the Company entered into a non-binding letter of intent ("LOI") 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 LOI that replaces all the previous LOI. 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. On April 28, 2020, the Company provided Metrolink Solutions Inc. notice of termination the LOI.

In connection with the ongoing negotiations, the Company had advanced \$996,465 to Metrolink as at December 31, 2018. As at December 31, 2018, the Company determined that the advances were unlikely to be collected and recorded a write-off of \$996,465. During the year ended December 31, 2019, the Company advanced an additional \$58,230. The Company determined that the advances were unlikely to be collected and recorded a write-off of \$58,230.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(Expressed in Canadian Dollars)

13. INVESTMENT IN PRIVATE COMPANY

Ruralink Broadband Inc. ("RBI"), is an arm' length United States registered corporation. RBI was created to design, license, build and operate telecom projects in the United States.

In November 2019, the Company acquired 2,914,287 common shares of RBI for \$0.064 per share, with a total cost of \$186,595.

In the three-month period ended March 31, 2020, the Company acquired 770,204 common shares of RBI for \$0.066 per share, with a total cost of \$50,553.

As at March 31, 2020, as there was no active market for the investments, the investment continues to be carried at the initial cost of \$237,148.

14. SUBSEQUENT EVENTS

As at June 15, 2020, the Company had received an additional \$64,900 in subscription proceeds pursuant to the financing.