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**RIFT VALLEY RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED FINANCIAL STATEMENTS**

For the Interim Three Months Ended

March 31, 2016 and 2015

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### **UNAUDITED CONDENSED 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 unaudited condensed financial statements for the three months ended March 31, 2016.

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

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

(Expressed in Canadian Dollars)

(Unaudited)

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	Note	March 31, 2016	December 31, 2015
		\$	\$
<b>ASSETS</b>			
Current Assets			
Cash		10,563	13,442
Deposits		—	—
Amounts receivable		528	516
		11,091	13,958
Deposits	4	20,301	20,301
		31,392	34,259
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued liabilities		19,689	12,274
Decommissioning Liabilities		20,301	20,301
		32,990	32,575
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	1,609,382	1,609,382
Contributed surplus	7	37,000	37,000
Deficit		(1,654,980)	(1,644,698)
		(1,598)	1,684
		31,392	34,259
NATURE AND CONTINUANCE OF OPERATIONS	1		

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.

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**RIFT VALLEY RESOURCES CORP.***(An Exploration Stage Company)***CONDENSED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

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	Note	<u>Three Months Ended</u>	
		March 31, 2016	March 31, 2015
		\$	\$
Expenses			
Professional fees		7,000	10,000
Exchange fees		1,650	1,500
Transfer agent		1,617	1,701
Office and miscellaneous		15	196
Rent		–	4,013
<hr/>			
Net loss and comprehensive loss		(10,282)	(17,410)
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Loss per share, basic and diluted		(0.00)	(0.00)
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Weighted average common shares outstanding		24,591,652	20,591,652

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

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

(Expressed in Canadian Dollars)

(Unaudited)

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	Note	Amount	Shares Subscriptions Received	Contributed Surplus	Accumulated Deficit	Total
		\$	\$	\$	\$	\$
Balance, December 31, 2014		1,491,882	117,000	37,000	(1,165,328)	480,554
Comprehensive loss		–	–	–	(17,410)	(17,410)
Balance, March 31, 2015		1,491,882	117,000	37,000	(1,182,738)	463,144
Shares issued for property		500	–	–	–	500
Shares issued for cash	6	117,000	(117,000)	–	–	–
Comprehensive loss		–	–	–	(461,960)	(461,960)
Balance, December 31, 2015		1,609,382	–	37,000	(1,644,698)	1,684
Comprehensive loss		–	–	–	(10,282)	(10,282)
Balance, March 31, 2016		1,609,382	–	37,000	(1,654,980)	(8,598)

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

**RIFT VALLEY RESOURCES CORP.**  
*(An Exploration Stage Company)*  
**CONDENSED STATEMENTS OF CASH FLOWS**  
 (Expressed in Canadian Dollars)  
 (Unaudited)

	Note	<u>Three Months Ended</u>	
		March 31, 2016	March 31, 2015
		\$	\$
<b>CASH PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Net loss		(10,282)	(17,410)
Changes in non-cash working capital balances:			
Amounts recoverable		(12)	515
Accounts payable and accrued liabilities		7,415	4,663
<b>Cash used in operating activities</b>		<b>(2,879)</b>	<b>(12,228)</b>
<b>INVESTING ACTIVITIES</b>			
Cash provided by (used in) investing activities		–	(3,500)
<b>FINANCING ACTIVITIES</b>			
Cash provided by financing activities		–	–
Decrease in cash		(2,879)	(15,728)
Cash, beginning		13,442	61,268
Cash, ending		10,563	45,540
<b>SUPPLEMENTAL DISCLOSURES:</b>			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
<b>NON CASH FLOW SHARE TRANSACTION INFORMATION:</b>			
		–	–

There are no supplemental disclosures for non-cash investing and financing transactions.

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

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# RIFT VALLEY RESOURCES CORP.

*(An Exploration Stage Company)*

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

(Expressed in Canadian Dollars) (Unaudited)

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### 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 is the acquisition, exploration and development of mineral properties in British Columbia, Canada. As of March 31, 2016 the Company was in the exploration stage.

The Company has never generated revenue or positive cash flows from operations. For three months ended March 31, 2016, the Company reported a net loss of \$10,282, negative cash flow from operating activities of \$2,879 and an accumulated deficit of \$1,654,980. 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, 2015.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 29, 2016.

#### 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 (n) and (o) to the Company's financial statements for the year ended December 31, 2015. 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.

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**RIFT VALLEY RESOURCES CORP.**

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015**

(Expressed in Canadian Dollars) (Unaudited)

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**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, 2016, 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, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

**4. DEPOSITS**

	2016	2015
	\$	\$
Mineral property security deposits	20,301	20,301
	20,301	20,301

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**5. RELATED PARTY TRANSACTIONS AND BALANCES**

During the three month period ended March 31, 2016, the Company incurred the following related party transactions:

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, 2016. Short-term key management compensation paid to directors and senior officers or companies controlled by them consisted of consulting fees in the amount of \$Nil (\$Nil).

**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, 2015	24,591,652	1,609,382
Changes during the period	—	—
Balance, March 31, 2016	24,591,652	1,609,382

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**(c) Stock Options**

As at March 31, 2016 and December 31, 2015, the Company had not issued any stock options.



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FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015**

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**6. SHARE CAPITAL (continued)****(d) Warrants**

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

	Number of Warrants	Weighted Average Exercise price
Outstanding, December 31, 2015	3,900,000	\$0.05
Changes during the period	—	—
Outstanding, March 31, 2016	3,900,000	\$0.05

The following warrants were outstanding and exercisable as of March 31, 2016:

Expiry Date	Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (Years)
April 30, 2017	\$0.05	3,900,000	1.08

**(e) Shares held in escrow**

As at March 31, 2016, the Company has 1,792,351 common shares held in escrow (December 31, 2015 – 3,584,969 common shares). These escrow shares are subject to escrow trading restrictions pursuant to the escrow agreement whereby 10% of the escrow shares were released on the date the Company's shares were listed on the CSE (August 27, 2013) and an additional 15% of the original escrowed shares are released at six-month intervals thereafter.

**7. CONTRIBUTED SURPLUS**

On March 13, 2013, the founders contributed an additional \$37,000 to increase the cash paid for 2,466,667 of the 7,500,000 common seed shares issued on September 20, 2011 from \$0.005 to \$0.02 per share. The contribution has been recorded as contributed surplus.

**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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**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, 2016, 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:

	March 31, 2016	December 31, 2015
	\$	\$
FVTPL (i)	10,563	13,443
Other financial liabilities (ii)	19,689	12,274

- (i) Cash  
(ii) Accounts payable

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 March 31, 2016:				
Cash	10,563	–	–	10,563
As at December 31, 2015:				
Cash	13,443	–	–	13,443

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FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015**

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**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. 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.

**11. COMMITMENT**

The Company does not have any commitments at March 31, 2016.