
RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

CONDENSED FINANCIAL STATEMENTS

For the Interim Three Months Ended

March 31, 2017 and 2016

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, 2017.

The accompanying unaudited condensed 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 STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

| | Note | March 31, 2017 | December 31, 2016 |
|--|-----------|----------------|-------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash | | 12,779 | 1,924 |
| Amounts receivable | | 1,408 | 360 |
| | | 14,187 | 2,284 |
| Deposits | | 20,301 | 20,301 |
| | | 34,488 | 22,585 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accrued liabilities | | 16,975 | 32,782 |
| Decommissioning Liabilities | 4 | 20,301 | 20,301 |
| | | 37,276 | 53,083 |
| SHAREHOLDERS' EQUITY (DEFICIENCY) | | | |
| Share capital | 6 | 1,609,382 | 1,609,382 |
| Subscriptions received | 6, 11, 12 | 72,500 | — |
| Contributed surplus | 7 | 37,000 | 37,000 |
| Deficit | | (1,721,670) | (1,676,880) |
| | | (2,788) | (30,498) |
| | | 34,488 | 22,585 |
| NATURE AND CONTINUANCE OF OPERATIONS | 1 | | |
| SUBSEQUENT EVENTS | 12 | | |

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 STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

| | | <u>Three Months Ended</u> | |
|--|-------|---------------------------|----------------|
| | Note | March 31, 2017 | March 31, 2016 |
| | | \$ | \$ |
| Expenses | | | |
| Consulting fees | 5 | 32,088 | – |
| Professional fees | | 7,500 | 7,000 |
| Transfer agent | | 2,248 | 1,617 |
| Exchange fees | | 2,000 | 1,650 |
| Office and miscellaneous | | 954 | 15 |
| | | | |
| Net loss and comprehensive loss | | (44,790) | (10,282) |
| | | | |
| Net loss per share, basic and diluted | 12(a) | (0.01) | (0.00) |
| Weighted average common shares outstanding | 12(a) | 4,918,330 | 4,918,330 |

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

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***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 | | – | – | – | (10,282) | (10,282) |
| Balance, March 31, 2016 | | 1,609,382 | – | 37,000 | (1,654,980) | (8,598) |
| Comprehensive loss | | – | – | – | (21,900) | (21,900) |
| Balance, December 31, 2016 | | 1,609,382 | – | 37,000 | (1,676,880) | (30,498) |
| Subscriptions received | 12(b) | – | 72,500 | – | – | 72,500 |
| Comprehensive loss | | – | – | – | (44,790) | (44,790) |
| Balance, March 31, 2017 | | 1,609,382 | 72,500 | 37,000 | (1,721,670) | (2,788) |

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 | Three Months Ended | |
|---|--------|--------------------|----------------|
| | | March 31, 2017 | March 31, 2016 |
| | | \$ | \$ |
| CASH PROVIDED BY (USED IN): | | | |
| OPERATING ACTIVITIES | | | |
| Net loss | | (44,790) | (10,282) |
| Changes in non-cash working capital balances: | | | |
| Amounts receivable | | (1,048) | (12) |
| Accounts payable and accrued liabilities | | (15,807) | 7,415 |
| Cash used in operating activities | | (61,645) | (2,879) |
| INVESTING ACTIVITIES | | | |
| Cash provided by investing activities | | – | – |
| FINANCING ACTIVITIES | | | |
| Share subscriptions received | 11, 12 | 72,500 | – |
| Cash provided by investing activities | | 72,500 | – |
| Decrease in cash | | 10,855 | (2,879) |
| Cash, beginning | | 1,924 | 13,442 |
| Cash, ending | | 12,779 | 10,563 |
| SUPPLEMENTAL DISCLOSURES: | | | |
| Cash paid for interest | | – | – |
| Cash paid for income taxes | | – | – |
| NON CASH FLOW TRANSACTION INFORMATION: | | | |
| | | – | – |

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

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 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 is the acquisition, exploration and development of mineral properties in British Columbia, Canada. As of March 31, 2017 the Company was in the exploration stage; however it had impaired its mineral property during the year ended December 31, 2015.

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 three months ended March 31, 2017, the Company reported a net loss of \$44,790, negative cash flow from operating activities of \$61,645 and an accumulated deficit of \$1,721,670. 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 May 29, 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.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 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 May 29, 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

| | March 31, 2017 | December 31, 2016 |
|------------------------------------|----------------|-------------------|
| | \$ | \$ |
| Mineral property security deposits | 20,301 | 20,301 |
| | 20,301 | 20,301 |

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended March 31, 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 March 31, 2017 and December 31, 2016.
- (b) The Company incurred consulting fees to an officer in the amount of \$7,000 (2016 - \$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, 2016 and 2015 | 4,918,330 | 1,609,382 |
| Changes during the period | — | — |
| Balance, March 31, 2017 | 4,918,330 | 1,609,382 |

(c) Stock Options

As at March 31, 2017 and December 31, 2016, the Company had not issued any stock options.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016***(Expressed in Canadian Dollars) (Unaudited)*

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, 2016 and 2015 | 780,000 | \$0.05 |
| Changes during the period | — | — |
| Outstanding, March 31, 2017 | 780,000 | \$0.05 |

The following warrants were outstanding and exercisable as of March 31, 2017:

| Expiry Date | Exercise Price | Number of Warrants | Weighted Average Remaining Contractual Life (Years) |
|----------------|-------------------|-----------------------|--|
| April 30, 2017 | \$0.05 | 780,000 | 0.08 |

(e) Shares held in escrow

As at March 31, 2017, the Company has no common shares held in escrow (2016 – 1,792,351 common shares held in escrow).

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.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016***(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, 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:

| | March 31, 2017 | December 31, 2016 |
|----------------------------------|----------------|-------------------|
| | \$ | \$ |
| FVTPL (i) | 12,779 | 1,924 |
| Other financial liabilities (ii) | 16,974 | 32,782 |

- (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, 2017: | | | | |
| Cash | 12,779 | – | – | 12,779 |
| As at December 31, 2016: | | | | |
| Cash | 1,924 | – | – | 1,924 |

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

(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. 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. 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 March 22, 2017, the Company authorized and approved the creation and issuance of up to 8,000,000 common shares at a price of \$0.05 per share. As of March 31, 2017, the Company has received subscription proceeds of \$158,000.

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

(Expressed in Canadian Dollars) (Unaudited)

12. SUBSEQUENT EVENTS

- (a) On April 13, 2017, the Company enacted a five for one share consolidation. The weighted average number of common shares outstanding as at March 31, 2017 and March 31, 2016 has been adjusted to give effect to the five for one share consolidation because it is considered a change in the number of shares outstanding without a corresponding change in resources. Accordingly the weighted average number of common shares outstanding for the three month period ended March 31, 2017 of 4,918,330 (December 31, 2016 of 4,918,330) has been used to compute and present net loss per share.

- (b) As disclosed in Note 11 (b), the Company authorized and approved the creation and issuance of up to 8,000,000 common shares at a price of \$0.05 per share. As of financial statement release date, the Company has received subscription proceeds of \$158,000.