
RIFT VALLEY RESOURCES CORP.

CONDENSED FINANCIAL STATEMENTS

For the Interim Six Months Ended

June 30, 2017 and 2016

UNAUDITED 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 auditors have not reviewed the unaudited financial statements for the year ended June 30, 2017.

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

RIFT VALLEY RESOURCES CORP.
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	Note	June 30, 2017 \$	December 31, 2016 \$
ASSETS			
Current Assets			
Cash		143,564	1,924
Advances receivable		132,800	–
Amounts receivable		12,199	360
		288,563	2,284
Deposits	4	20,301	20,301
		308,864	22,585
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	10,862	32,782
Decommissioning Liabilities		20,301	20,301
		31,163	53,083
SHAREHOLDERS' EQUITY			
Share capital	6	2,009,382	1,609,382
Contributed surplus	7	37,000	37,000
Deficit		(1,768,681)	(1,676,880)
		277,701	(30,498)
		308,864	22,585
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.
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

		Six Months Ended		Three Months Ended	
	Note	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
				\$	\$
Expenses					
Consulting fees	5	52,000	–	19,912	–
Professional fees		18,932	7,000	11,432	–
Office and miscellaneous		6,326	55	5,371	40
Transfer agent		5,595	1,617	3,348	–
Exchange fees		3,500	3,150	1,500	1,500
Filing Fees		2,768	5,292	2,768	5,292
Travel and promotion		2,680	–	2,680	–
<hr/>					
Net loss and comprehensive loss for the period		(91,801)	(17,114)	(47,011)	(6,832)
<hr/>					
Loss per share, Basic and Diluted		(0.00)	(0.00)	(0.00)	(0.00)
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Weighted average common shares outstanding		6,280,761	4,918,330	7,628,221	4,918,330

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

RIFT VALLEY RESOURCES CORP.
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		–	–	–	(17,114)	(17,114)
Balance, June 30, 2016		1,609,382	–	37,000	(1,661,812)	(15,430)
Comprehensive loss		–	–	–	(15,068)	(15,068)
Balance, December 31, 2016		1,609,382	–	37,000	(1,676,880)	(30,498)
Shares issued for cash	6	411,000	–	–	–	411,000
Share issue costs	6	(11,000)	–	–	–	(11,000)
Comprehensive loss		–	–	–	(91,801)	(91,801)
Balance, June 30, 2017		2,009,382	–	37,000	(1,768,681)	277,701

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

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

		<u>Six Months Ended</u>	
	Note	June 30, 2017	June 30, 2016
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(91,801)	(17,114)
Changes in non-cash working capital balances:			
Advances receivable		(132,800)	
Amounts receivable		(11,839)	(241)
Accounts payable and accrued liabilities	5	(21,920)	7,082
Cash used in operating activities		(258,360)	(10,273)
INVESTING ACTIVITIES			
Exploration costs and option payment		-	-
Cash provided by (used in) investing activities		-	-
FINANCING ACTIVITIES			
Share capital received	6	400,000	-
Cash provided by financing activities		400,000	-
Decrease in cash		141,640	(10,273)
Cash, beginning		1,924	13,442
Cash, ending		143,564	3,169
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		-	-
Cash paid for income taxes		-	-
NON CASH FLOW TRANSACTION INFORMATION:			
Shares issued for asset acquisition		-	-

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

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 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 June 30, 2017 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 six months ended June 30, 2017, the Company reported a net loss of \$91,801, negative cash flow from operating activities of \$250,360 and an accumulated deficit of \$1,768,681. 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 August 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.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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

	June 30, 2017	December 31, 2016
	\$	\$
Mineral property security deposits	20,301	20,301
	<u>20,301</u>	<u>20,301</u>

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the six month period ended June 30, 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 June 30, 2017 and December 31, 2016.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$18,500 (2016 - \$nil).

As at June 30, 2017, included in accounts payable is \$1,247 (2016 – \$nil) due to an officer and director of the Company.

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	4,918,330	1,609,382
Issued for cash at \$0.05 per share	8,220,000	411,000
Share issue costs	–	(11,000)
Balance, June 30, 2017	<u>13,138,330</u>	<u>2,009,382</u>

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

During the six month period ended June 30, 2017, the Company incurred share issue costs of \$11,000 (2016 – nil).

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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6. SHARE CAPITAL (continued)

(c) Stock Options

As at June 30, 2017 and December 31, 2016, the Company had not issued any stock options.

(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	780,000	\$0.25
Expired during the period	780,000	–
Outstanding, June 30, 2017	–	\$0.25

As at June 30, 2017 there were no warrants outstanding.

(e) Shares held in escrow

As at June 30, 2017 there were no shares held in escrow (2016 – 358,470 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 1,500,000 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.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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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 June 30, 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:

	June 30, 2017	December 31, 2016
	\$	\$
FVTPL (i)	143,564	1,924
Other financial liabilities (ii)	10,862	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 June 30, 2016:				
Cash	143,564	–	–	143,564
As at December 31, 2015:				
Cash	1,924	–	–	1,924

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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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. 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 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. SUBSEQUENT EVENTS

On July 13, 2017, the Company authorized and approved the creation and issuance of up to 4,000,000 common shares at a price of \$0.075 per share. To date, the Company has received subscription proceeds of \$18,000.