
RIFT VALLEY RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2020 and 2019

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED 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 consolidated financial statements for the nine months ended September 30, 2020.

The accompanying unaudited condensed interim consolidated 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	September 30, 2020 \$	December 31, 2019 \$
ASSETS			
Current Assets			
Cash		96,241	403
Amounts receivable		24,741	22,359
		120,982	22,762
Investment in private company	13	591,560	186,595
Deposits	4	21,200	21,050
		733,742	230,407
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	79,537	221,480
Decommissioning liabilities	4	21,200	21,050
		100,737	242,530
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	5,052,746	3,432,771
Subscriptions received in advance	14	72,780	473,155
Contributed surplus	7	526,927	304,927
Deficit		(5,019,448)	(4,222,976)
		633,005	(12,123)
		733,742	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 Muncie"
Ward Muncie, 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	Nine Months Ended		Three Months Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		\$	\$	\$	\$
Expenses					
Consulting fees	5	505,736	184,868	252,864	47,279
Stock based compensation		204,500	–	204,500	–
Rent and occupancy		31,527	35,723	8,478	11,925
Office and miscellaneous		17,244	7,904	6,185	3,180
Travel and promotion		18,058	67,562	7,499	22,419
Professional fees		6,434	17,460	895	–
Exchange fees		6,650	6,100	2,250	1,950
Filing Fees		2,783	–	–	–
Transfer agent		3,540	–	1,860	–
Project costs		–	103,938	–	7,615
Write-off of advances receivable	12	–	58,230	–	–
Net loss and comprehensive loss for the period		(796,472)	(481,786)	(481,819)	(94,369)
Loss per share, Basic and Diluted		(0.02)	(0.02)	(0.01)	(0.00)*
Weighted average common shares outstanding		40,638,500	27,355,655	51,931,758	32,713,198

* Denotes a loss of less than \$(0.01) per share.

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		26,527,798	2,999,793	156,000	274,000	(3,468,487)	(38,694)
Shares issued for cash	6(b)	6,185,400	432,978	(156,000)	30,927	–	307,905
Subscriptions received in advance		–	–	115,100	–	–	115,100
Net loss		–	–	–	–	(481,786)	(481,786)
Balance, September 30, 2019		32,713,198	3,432,771	115,100	304,927	(3,950,273)	(97,465)
Subscriptions received in advance		–	–	358,055	–	–	358,055
Net loss		–	–	–	–	(272,703)	(272,703)
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)	32,941,500	1,629,575	–	17,500	–	1,647,075
Share issue costs		–	(9,600)	–	–	–	(9,600)
Subscriptions received in advance		–	–	(400,375)	–	–	(400,375)
Stock based compensation		–	–	–	204,500	–	204,500
Net loss		–	–	–	–	(796,472)	(796,472)
Balance, September 30, 2020		65,654,698	5,052,746	72,780	526,927	(5,019,448)	633,005

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	Nine Months Ended	
		September 30, 2020	September 30, 2019
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss for the period		(796,472)	(437,628)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation		204,500	–
Changes in non-cash working capital balances:			
Amounts receivable		(2,381)	(90)
Accounts payable and accrued liabilities	5	(141,943)	(15,156)
Cash used in operating activities		(439,800)	(452,874)
INVESTING ACTIVITIES			
Investment in private company	13	(404,965)	–
Cash used in investing activities		(404,965)	–
FINANCING ACTIVITIES			
Share capital received		1,637,475	463,905
Subscriptions received in advance		(400,375)	(40,890)
Cash provided by financing activities		1,237,100	423,015
(Decrease) Increase in cash during the period		95,838	(29,859)
Cash, beginning of the period		403	30,286
Cash, end of the period		96,241	427
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON-CASH TRANSACTION INFORMATION:			
Residual value of warrants		17,500	–

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

RIFT VALLEY RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30, 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 nine month periods ended September 30, 2020 and 2019, the Company reported a net loss of \$841,972 (2019 – \$481,786), negative cash flow from operating activities of \$736,297 (2019 – \$497,032) and an accumulated deficit of \$5,064,948 (2019 – \$3,950,273). 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 condensed interim 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 condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance

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

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 30, 2020.

RIFT VALLEY RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

b) Basis of consolidation

These condensed interim 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 condensed interim consolidated financial statements have been prepared on the historical cost basis. In addition, these condensed interim 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 consolidated financial statements are based on IFRS issued and outstanding as of November 30, 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 consolidated 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

	September 30, 2020	December 31, 2019
	\$	\$
Mineral property security deposits	21,200	21,050
	21,200	21,050

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the nine-month periods ended September 30, 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 nine-month period ended September 30, 2020.
- (b) The Company incurred consulting fees to officers and directors in the amount of \$104,858 (2019 – \$134,071).
- (c) The Company incurred stock-based compensation to officers and directors in the amount of \$37,500 (2019 – \$nil).

As at September 30, 2020, included in accounts payable is \$nil (2019 – \$24,150) due to officers and directors of the Company.

RIFT VALLEY RESOURCES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Canadian Dollars)

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 September 30, 2020, the Company had received \$877,355 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.

On July 23, 2020, the Company issued 20,950,000 units for total proceeds of \$1,047,500. 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, 2020, the Company issued 8,491,500 units for total proceeds of \$424,575. 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.

During nine-month period ended September 30, 2020, the Company incurred share issue costs of \$9,600 (2019 – \$nil).

As at September 30, 2020, had 65,654,698 (December 31, 2019 – 32,713,198) issued and outstanding common shares for net proceeds of \$5,052,746 (December 31, 2019 – \$3,432,771).

(c) Warrants

Each warrant is exercisable for a period of two years at an average exercise price of \$0.15 per common share. As at September 30, 2020, there were 21,792,850 warrants outstanding with a weighted average remaining contractual life of 1.55 years.

Warrants outstanding and exercisable	Number of Warrants	Exercise Price	Expiry Date
December 31, 2019	7,012,434	\$0.15	
Issued March 9, 2020	1,542,000	\$0.15	March 9, 2022
Issued March 11, 2020	400,000	\$0.15	March 11, 2022
Issued July 23, 2020	10,475,000	\$0.15	July 23, 2022
Issued September 25, 2020	4,245,750	\$0.15	September 25, 2022
Extended September 27, 2020	1,200,000	\$0.15	September 27, 2021
Expired	(3,082,334)		
September 30, 2020	21,792,850	\$0.15	

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in Canadian Dollars)

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
September 7, 2017	1,300,000	\$0.10	September 7, 2022
January 17, 2018	425,000	\$0.10	January 17, 2023
August 2, 2018	500,000	\$0.10	August 2, 2023
December 31, 2019	2,225,000		
August 27, 2020	3,850,000	\$0.10	August 27, 2025
Terminated	(750,000)	\$0.10	
September 30, 2020	5,325,000		

As at September 30, 2020, the options have a weighted average remaining contractual life of 4.23 years and a weighted average exercise price of \$0.073.

The following amounts were used in the Black Scholes calculation of warrant extensions and options.

	September 27, 2020	August 27, 2020	August 2, 2018	January 17, 2018	September 7, 2017
Share price on grant date	\$0.06	\$0.06	\$0.10	\$0.10	\$0.10
Expected life (years)	1	5	5	5	5
Interest rate	1.97%	1.97%	1.97%	1.97%	1.97%
Volatility	110%	160%	318%	318%	318%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%

(e) Shares held in escrow

As at September 30, 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
Stock based compensation on warrant extension	12,000
Stock based compensation on options	192,500
Balance, September 30, 2020	526,927

RIFT VALLEY RESOURCES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Canadian Dollars)

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 September 30, 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 September 30, 2020:			
Cash	96,241	–	–
Investment in private company	–	–	591,560
As at December 31, 2019:			
Cash	403	–	–
Investment in private company	–	–	186,595

RIFT VALLEY RESOURCES CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Canadian Dollars)

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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 nine-month period ended September 30, 2020, the Company acquired 770,204 common shares of RBI for \$0.066 per share, with a total cost of \$50,553.

In the nine-month period ended September 30, 2020, the Company advanced \$354,412 to RBI.

As at September 30, 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 November 30, 2020, the Company had received an additional \$304,275 in subscription proceeds pursuant to a October 29, 2020 financing.