
RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

CONDENSED FINANCIAL STATEMENTS

For the Interim Three Months Ended

March 31, 2015 and 2014

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, 2015.

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, 2014 \$	December 31, 2013 \$
ASSETS			
Current Assets			
Cash		45,540	61,268
Deposits		-	-
Amounts receivable		985	1,503
		46,525	62,771
Deposits	4	26,968	26,968
Mineral property interests	5	436,528	433,028
		510,021	522,767
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	6	46,876	42,213
SHAREHOLDERS' EQUITY			
Share capital	7	1,491,882	1,491,882
Shares subscriptions received	13	117,000	117,000
Contributed surplus	8	37,000	37,000
Deficit		(1,182,327)	(1,165,328)
		463,145	480,554
		510,021	522,767
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Approved on behalf of the Board:

"Craig Robson"

Craig Robson, CEO, Director

"Bill Grossholz"

Bill Grossholz, 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)

	Note	Three Months Ended	
		March 31, 2015	March 31, 2014
		\$	\$
Expenses			
Professional fees		10,000	—
Rent	6	4,013	3,000
Transfer agent		1,701	1,699
Exchange fees		1,500	1,500
Office and miscellaneous		196	80
Net loss and comprehensive loss		(17,410)	(6,279)
Loss per share, basic and diluted		(0.00)	(0.00)
Weighted average common shares outstanding		20,591,652	20,491,652

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, 2013		1,490,882	-	37,000	(1,099,572)	428,310
Comprehensive loss		-	-	-	(6,279)	(6,279)
Balance, March 31, 2014		1,490,882	-	37,000	(1,105,851)	422,031
Shares issued for property	7	1,000	-	-	-	1,000
Shares subscriptions received	13(a)	-	117,000	-	-	117,000
Comprehensive loss		-	-	-	(59,477)	(59,477)
Balance, December 31, 2014		1,491,882	117,000	37,000	(1,165,328)	480,554
Comprehensive loss		-	-	-	(65,756)	(65,756)
Balance, March 31, 2015		1,491,882	117,000	37,000	(1,165,328)	480,554

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)

		<u>Three Months Ended</u>	
	Note	March 31, 2015	March 31, 2014
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(17,408)	(6,279)
Changes in non-cash working capital balances:			
Amounts recoverable		517	298
Accounts payable and accrued liabilities		4,663	(3,855)
Cash used in operating activities		(12,228)	(9,836)
INVESTING ACTIVITIES			
Exploration costs and option payment		(3,500)	–
Cash provided by (used in) investing activities		(3,500)	–
FINANCING ACTIVITIES			
		–	–
Cash provided by financing activities		–	–
Decrease in cash		(15,728)	(9,836)
Cash, beginning		61,268	93,532
Cash, ending		45,540	83,696
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		–	–
Cash paid for income taxes		–	–
NON CASH FLOW SHARE TRANSACTION INFORMATION:		–	–

For the supplemental disclosures for non-cash investing and financing transactions, see Notes 2(b), 5, and 7.

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, 2015 AND 2014

(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 500-900 West Hastings 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 is the acquisition, exploration and development of mineral properties in British Columbia, Canada. As of March 31, 2015 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, 2015, the Company reported a net loss of \$17,410, negative cash flow from operating activities of \$12,228 and an accumulated deficit of \$1,182,738. 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, 2014.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 29, 2015.

b) Amalgamation of Rift Valley Resources Corp. and Avatar

On March 20, 2013, Rift Valley amalgamated with Avatar, a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. Effective on that date, a total of 20,391,652 common shares were allotted to the former shareholders of Avatar and Rift Valley pursuant to the Amalgamation Agreement. 1,999,985 common shares were issued to the former shareholders of Avatar who received one (1) share of the Company for every three and one-half (3.5) shares of Avatar, and 18,391,667 common shares were issued to the shareholders of the Company. The Company continued under the name of Rift Valley Resources Corp. following the amalgamation.

This transaction is considered to be outside the scope of IFRS 3 *Business Combinations* ("IFRS 3") since Avatar does not meet the requirement of a business under IFRS 3. For accounting purposes, the transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby Rift Valley is deemed to have issued shares in exchange for obtaining the reporting issuer status of Avatar and ultimately, a listing on a stock exchange.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014***(Expressed in Canadian Dollars) (Unaudited)*

2. BASIS OF PRESENTATION (continued)**b) Amalgamation of Rift Valley Resources Corp. and Avatar (continued)**

The fair value of the 1,999,985 shares issued to the former shareholders of Avatar was determined to be \$399,997, based on a value of \$0.20 per share realized by the Company in a private placement issued on March 11, 2013. In addition, the Company also incurred listing expenses of \$74,438 for this amalgamation. As at March 20, 2013, Avatar did not have any identifiable assets or liabilities, as a result, the total amount of the consideration of \$474,435 given was recorded as listing expense in the financial statements.

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, 2015, 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, 2014. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2015 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

	2015	2014
	\$	\$
Mineral property security deposits	20,301	20,301
Rental deposit (long-term)	6,667	6,667
Rental deposit (current)	-	-
	26,968	26,968

5. MINERAL PROPERTY INTERESTS

Expenditures on interests in mineral properties are considered exploration and evaluation ("E&E") assets.

	2015	2014
	\$	\$
Mineral Properties or Rights		
Opening balance	111,000	75,000
Option payment made	-	10,000
Option payment made by shares (see Note 7)	-	20,000
Ending balance	111,000	105,000
E&E Expenditures		
Opening balance	236,066	307,927
Geological and geophysical	3,500	14,887
Mining Tax Credit	-	(86,748)
Ending balance	239,566	236,066
Total	344,566	341,066

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014***(Expressed in Canadian Dollars) (Unaudited)*

The impairment assessment of exploration and evaluation assets did not result in any impairment provisions on the Company's properties.

Cat Mountain Claims, British Columbia

In September 2011, the Company entered into a memorandum of understanding to acquire an option to acquire an undivided 75% right, title and interest to twenty contiguous mineral claims located in west central British Columbia, except for a 2% net smelter royalty (the "NSR"), comprised of approximately 5,984 hectares. The memorandum of understanding was extended into an Option Agreement (the "Agreement") on November 30, 2011. The agreement was amended on January 9, 2013 (with a correction on April 30, 2013 and an extension on November 25, 2013), for the purpose of deferral of the terms of cash payments and share issuances. The consideration for the amendment was a cash payment of \$10,000 (paid) to the optionors. The agreement was further amended for another extension on November 19, 2014 for no consideration.

Pursuant to the agreement, the Company may purchase 1% of the two percent 2% NSR at any time for \$2,000,000. The Company can maintain its option to acquire the 75% interest in the claims by issuing an aggregate of 1,000,000 common shares of Rift Valley, paying \$500,000 in cash and incurring \$1,500,000 in expenditures on the property within five years. The payments are due as follows:

	Share Issuance	Cash Payment	Exploration Expenditures
		\$	\$
On signing memorandum of understanding (paid)	-	50,000	-
On first day of execution of Agreement (issued)	500,000	-	-
On or before March 30, 2013 (issued)	100,000	-	-
On or before March 30, 2014 (issued)	100,000	-	-
On or before October 31, 2014 (paid)	-	-	350,000
On or before November 21, 2014 (paid)	-	5,000	-
On or before March 30, 2015	100,000	-	-
On or before October 31, 2015	-	145,000	400,000
On or before March 30, 2016	100,000	-	-
On or before October 31, 2016	-	100,000	-
On or before March 30, 2017	100,000	-	-
On or before October 31, 2017	-	100,000	750,000
On or before October 31, 2018	-	100,000	-
	1,000,000	500,000	1,500,000

After acquiring the 75% interest in the property, the Company can acquire an additional 15% undivided interest upon completing an additional \$3,500,000 in expenditures on the property within three years. The Company can acquire the final 10% undivided interest upon funding the property until commercial production has begun.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014***(Expressed in Canadian Dollars) (Unaudited)*

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended March 31, 2015, the Company incurred the following related party transactions:

- (a) \$Nil (2014 - \$3,000) in rent fees to companies controlled by the Chief Financial Officer.
- (b) 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, 2015. 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).
- (c) As at March 31, 2015, included in accounts payable is \$2,678 (2013 - \$27) due to officers and directors of the Company.

7. 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, 2013	20,491,652	1,490,882
Shares issued for Cat Mountain Claims	100,000	1,000
Balance, March 31, 2015 and December 31, 2014	20,591,652	1,491,882

(c) Stock Options

As at March 31, 2015 and December 31, 2014, the Company had not issued any stock options.

(d) Shares held in escrow

As at March 31, 2015, the Company has 5,377,320 common shares held in escrow (December 31, 2014 – 7,169,761 common shares). These escrow shares are subject to escrow trading restrictions pursuant to the Escrow agreement and are released on a straight line basis, with one tenth released on the date the Company's securities are listed on a Canadian exchange (listing date - released), one sixth of remaining escrow securities released 6 months after the listing date (released), one fifth of remaining escrow securities released 12 months after the listing date (released), one fourth of remaining escrow securities released 18 months after the listing date, one third of remaining escrow securities released 24 months after the listing date, one half of remaining escrow securities released 30 months after the listing date and remainder released 36 months after the listing date.

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014**

(Expressed in Canadian Dollars) (Unaudited)

8. 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.

9. 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.

10. 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, 2015, 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.

RIFT VALLEY RESOURCES CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014***(Expressed in Canadian Dollars) (Unaudited)*

11. 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, 2014	December 31, 2013
	\$	\$
FVTPL (i)	45,540	61,268
Other financial liabilities (ii)	46,876	42,213

(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, 2015:				
Cash	45,540	-	-	45,540
As at December 31, 2014:				
Cash	61,268	-	-	61,268

RIFT VALLEY RESOURCES CORP.

(An Exploration Stage Company)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

(Expressed in Canadian Dollars) (Unaudited)

11. 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.

12. COMMITMENT

Pursuant to the option agreement entered on November 30, 2011 and amended on January 9, 2013, November 23, 2013 and November 19, 2014, (with a correction on April 30, 2013), the Company is committed to the payments, share issuance and exploration expenditure required to maintain the option to acquire the 75% undivided interest on the Cat Mountain properties as described in Note 5.

13. SUBSEQUENT EVENTS

- (a) Subsequent to the period end, the Company closed a private placement of 3,900,000 shares at \$0.03 per share for total proceeds of \$117,000, which was received and recorded as subscriptions prior to March 31, 2015 on the Statement of Changes in Equity.
- (b) Subsequent to the period ended March 31, 2015, pursuant to the Cat Mountain property purchase Option Agreement (Note 5), the Company issued 100,000 common shares at \$0.005 each for the \$500 option obligation.