FORM 5  
  
QUARTERLY LISTING STATEMENT

Name of Listed Issuer: \_\_**RIFT VALLEY RESOURCES CORP.** (the “Issuer”).

Trading Symbol: **RVR**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

**General Instructions**

1. Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
2. The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

# There are three schedules which must be attached to this report as follows:

# SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

# SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. **Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

***See notes 5 and 6 to the attached 2018 Annual audited financial statements.***

1. A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient. ***On March 22, 2017 the Company entered into an arms-length LOI with Metrolink Solutions Inc. (Metrolink), with the intent to acquire 100% of the issued and outstanding shares of Metrolink Solutions Inc. for shares in the Company. At all times since the LOI and any subsequent extensions or revisions to date , Mr. Griffin Jones, has been a Director and officer of Metrolink. On June 12, 2018, Griffin Jones was elected to Rift Valley’s board of directors and appointed CEO.***

1. A description of the transaction(s), including those for which no amount has been recorded.
2. The recorded amount of the transactions classified by financial statement category.
3. The amounts due to or from Related Persons and the terms and conditions relating thereto. *See attached financial statements and MDA*
4. Contractual obligations with Related Persons, separate from other contractual obligations. *See attached Financial statements and MDA*
5. Contingencies involving Related Persons, separate from other contingencies.
6. **Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

1. summary of securities issued during the period,

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date of Issue** | **Type of Security (common shares, convertible debentures, etc.)** | **Type of Issue (private placement, public offering, exercise of warrants, etc.)** | Number | **Price** | **Total Proceeds** | **Type of Consideration (cash, property, etc.)** | **Describe relationship of Person with Issuer (indicate if Related Person)** | **Commission Paid** |
| N/A | Nil | Nil | Nil |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

1. summary of options granted during the period,

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | **Number** | **Name of Optionee** | **Generic description of other Optionees** | **Exercise Price** | **Expiry Date** | **Market Price on date of Grant** |
| N/A | Nil |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. **Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

1. description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

|  |  |  |
| --- | --- | --- |
| **Description** | **Number Authorized** | **Par Value** |
| Common voting shares | Unlimited | NPV |

1. number and recorded value for shares issued and outstanding,

|  |  |  |
| --- | --- | --- |
| **Description** | **Issued and Outstanding** | **Amount** |
| Common Shares | 26,527,798 | $2,999,793 |

1. description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Number outstanding** | **Exercise price** | **Expiry Date** |
| Stock Options | 1,300,000 | $0.10 | Sept. 07, 2022 |
| Stock Options | 500,000 | $0.07 | Aug. 02, 2023 |
| Stock Options | 700,000 | $0.085 | Dec. 12, 2020 |
| **Total** | **2,500,000** |  |  |
| Warrants | 1,882,334 | $0.10 | Aug. 1, 2020 |
| Warrants | 1,200,000 | $0.10 | Sept. 25, 2020 |
| Warrants | 837,400 | $0.15 | Nov. 29, 2020 |
| **Total** | **3,919,734** |  |  |

1. number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

|  |  |  |
| --- | --- | --- |
| **Description** | **Escrowed Shares** | **Number released during period** |
| Common Shares | NIL | Nil |

1. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

|  |  |  |
| --- | --- | --- |
| **Name** | **Positions Held** | **Since** |
| Griffin Jones | CEO and Director | June 12, 2018 |
| Craig Robson | Vice president  Director | June 12, 2018  Mar. 20, 2013 |
| Donald Gordon | CFO  Director | Feb. 29, 2016  Mar. 20, 2013 |
| Thomas Kennedy | Director | Dec. 12, 2016 |
| Nadwynn Singh | Director | Apr. 03, 2017 |

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated **June 05, 2019**

Griffin Jones   
Name of Director or Senior Officer

“*Griffin Jones”*  
Signature

CEO / Director   
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***  Name of Issuer  Rift Valley Resources Corp. | For Quarter Ended  March 31, 2019 | Date of Report  YY/MM/D  2019 / 06 /05 |
| Issuer Address  Suite 501 – 525 Seymour Street | | |
| City/Province/Postal Code  Vancouver, B.C. V6B 3H7 | Issuer Fax No.  ( )N/A | Issuer Telephone No.  ( 604 )682 7339 |
| Contact Name  Griffin Jones | Contact Position  CEO | Contact Telephone No.  604 682 7339 |
| Contact Email Address  gjones@metrolinksolutions.com | Web Site Address  Under construction | |

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

RIFT VALLEY RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2019 and 2018

(Unaudited)

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**UNAUDITED CONDENSED INTERIM 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 financial statements for the three months ended March 31, 2019.

The accompanying unaudited condensed interim 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 INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(unaudited)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Note | |  | | | March 31, 2019 | December 31, 2018 | |
|  | |  | |  | $ | | $ |
| **ASSETS** | |  | |  |  | |  |
|  | |  | |  |  | |  |
| Current Assets | |  | |  |  | |  |
|  | |  | |  |  | |  |
| Cash | |  | |  | 5,500 | | 30,286 |
| Amounts receivable | |  | |  | 19,558 | | 10,542 |
|  | |  | |  |  | |  |
|  | |  | |  | 25,058 | | 40,828 |
|  | |  | |  |  | |  |
| Deposits | | 4 | |  | 20,900 | | 20,850 |
|  | |  | |  |  | |  |
|  | |  | |  | 45,958 | | 61,678 |
|  | |  | |  |  | |  |
|  | |  | |  |  | |  |
| **LIABILITIES** | |  | |  |  | |  |
|  | |  | |  |  | |  |
| Current Liabilities | |  | |  |  | |  |
| Accounts payable and accrued liabilities | | 5 | |  | 128,200 | | 79,522 |
|  | |  | |  |  | |  |
| Decommissioning liabilities | | 4 | |  | 20,900 | | 20,850 |
|  | |  | |  |  | |  |
|  | |  | |  | 149,100 | | 100,372 |
|  | |  | |  |  | |  |
| **SHAREHOLDERS’ EQUITY** | |  | |  |  | |  |
|  | |  | |  |  | |  |
| Share capital | | 5, 6 | |  | 2,999,793 | | 2,999,793 |
| Subscriptions received in advance | | 6(b) | |  | 361,900 | | 156,000 |
| Contributed surplus | | 7 | |  | 274,000 | | 274,000 |
| Deficit | |  | |  | (3,738,835) | | (3,468,487) |
|  | |  | |  |  | |  |
|  | |  | |  | (103,142) | | (38,694) |
|  | |  | |  |  | |  |
|  | |  | |  | 45,958 | | 61,678 |
|  | |  | |  |  | |  |
| NATURE AND CONTINUANCE OF OPERATIONS | | 1 | |  |  | |  |
| COMMITMENT | | 11 | |  |  | |  |
|  | |  | |  |  | |  |

Approved on behalf of the Board:

|  |
| --- |
| *“Griffin Jones”* |
| Griffin Jones, CEO, Director |
|  |
|  |
| *“Donald Gordon”* |
| Donald Gordon, CFO, Director |

**RIFT VALLEY RESOURCES CORP.**

*(An Exploration Stage Company)*

**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  |  | Three Months Ended | | | |  |
|  | Note | |  | March 31, 2019 | |  | March 31, 2018 | | |
|  |  | |  | $ | |  | $ | | |
| Expenses |  | |  |  | |  |  | | |
|  |  | |  |  | |  |  | | |
| Project Costs | 12 | |  | 108,085 | |  | – | | |
| Consulting fees | 5 | |  | 106,765 | |  | 34,325 | | |
| Travel and promotion |  | |  | 38,794 | |  | 3,113 | | |
| Rent and occupancy |  | |  | 11,922 | |  | – | | |
| Office and miscellaneous |  | |  | 2,582 | |  | 975 | | |
| Exchange fees |  | |  | 2,200 | |  | 1,950 | | |
| Stock based compensation | 6(d), 7 | |  | – | |  | 42,500 | | |
| Professional fees |  | |  | – | |  | 986 | | |
| Transfer agent |  | |  | – | |  | 145 | | |
| Filing Fees |  | |  | – | |  | – | | |
| Net loss and comprehensive loss for the period | |  |  | (270,348) | |  | (83,994) | | |
|  | |  |  |  | |  |  | | |
| Loss per share, Basic and Diluted | |  |  | (0.01) | |  | (0.00)\* | | |
|  | |  |  |  | |  |  | | |
| Weighted average common shares outstanding | |  |  | 26,527,798 | |  | 17,480,775 | | |
|  | |  |  |  |  | | |  | |

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

**RIFT VALLEY RESOURCES CORP.**

*(An Exploration Stage Company)*

**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Note | | Amount | Subscriptions Received in Advance | Contributed Surplus | Accumulated Deficit | Total |
|  |  | | $ | $ | $ | $ | $ |
|  |  | |  |  |  |  |  |
| Balance, December 31, 2017 |  | | 2,331,208 | 3,375 | 167,000 | (1,997,567) | 504,016 |
|  |  | |  |  |  |  |  |
| Shares issued for cash | 6 | | 92,625 | – | – | – | 92,625 |
| Subscriptions received in advance |  | | – | (3,375) | – | – | (3,375) |
| Stock based compensation | 6, 7 | | – | – | 42,500 | – | 42,500 |
| Net loss |  | | – | – | – | (83,994) | (83,994) |
|  |  | |  |  |  |  |  |
| Balance, March 31, 2018 |  | | 2,423,833 | – | 209,500 | (2,081,561) | 582,802 |
|  |  | |  |  |  |  |  |
| Shares issued for cash | 6(b) | | 575,960 | – | 12,000 | – | 587,960 |
| Subscriptions received in advance |  | | – | 156,000 | – | – | 156,000 |
| Stock based compensation | 7 | | – | – | 52,500 | – | 52,500 |
| Net loss |  | | – | – | – | (1,386,926) | (1,386,926) |
|  |  | |  |  |  |  |  |
| Balance, December 31, 2018 |  | | 2,999,793 | 156,000 | 274,000 | (3,468,487) | (38,694) |
|  |  | |  |  |  |  |  |
| Subscriptions received in advance |  | | – | 205,900 | – | – | 205,900 |
| Net loss |  | | – | – | – | (270,348) | (270,348) |
| Balance, March 31, 2019 | |  | 2,999,793 | 361,900 | 274,000 | (3,738,835) | (103,142) |

**RIFT VALLEY RESOURCES CORP.**

*(An Exploration Stage Company)*

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | | |  | Three Months Ended | |  |
|  | Note | | | |  | March 31, 2019 | March 31, 2018 | |
|  |  | | | |  | $ | $ | |
| CASH PROVIDED BY (USED IN): |  | | | |  |  |  | |
|  |  | | | |  |  |  | |
| OPERATING ACTIVITIES |  | | | |  |  |  | |
|  |  | | | |  |  |  | |
| Net loss |  | | | |  | (270,348) | (83,994) | |
| Adjustments to Reconcile Net Loss to Net Cash used in Operations: | | | | |  |  |  | |
| Stock based compensation | 6(d), 7 | | | |  | – | 42,500 | |
|  |  | | | |  |  |  | |
| Changes in non-cash working capital balances: | | | | |  |  |  | |
| Amounts receivable |  | | | |  | (9,016) | (11,322) | |
| Accounts payable and accrued liabilities | 5 | | | |  | 48,678 | 1,715 | |
|  |  | | | |  |  |  | |
| Cash used in operating activities | | | | |  | (230,686) | (61,645) | |
|  | | | |  |  |  |  | |
| INVESTING ACTIVITIES | | | |  |  |  |  | |
|  |  | | | |  | – | – | |
|  |  | | | |  |  |  | |
| Cash used in investing activities |  | | | |  | – | – | |
|  |  | | | |  |  |  | |
| FINANCING ACTIVITIES |  | | | |  |  |  | |
| Share capital received | 6(b) | | | |  | – | 102,750 | |
| Subscriptions received in advance | 13 | | | |  | 205,900 | (3,375) | |
|  |  | | | |  |  |  | |
| Cash provided by financing activities |  | | | |  | 205,900 | 99,375 | |
|  |  | | | |  |  |  | |
| Increase in cash |  | | | |  | (24,786) | 9,749 | |
|  |  | | | |  |  |  | |
| Cash, beginning |  | | | |  | 30,286 | 21,517 | |
|  |  | | | |  |  |  | |
| Cash, ending |  | | | |  | 5,500 | 31,266 | |
|  |  | | | |  |  |  | |
|  |  | | | |  |  |  | |
| SUPPLEMENTAL DISCLOSURES: |  | | | |  |  |  | |
| Cash paid for interest |  | | | |  | – | – | |
| Cash paid for income taxes |  | | | |  | – | – | |
|  | | |  | |  |  |  | |
| NON CASH TRANSACTION INFORMATION: | | |  | |  |  |  | |
| Stock based compensation | 6(d), 7 | | | |  | – | 42,500 | |
| Subscriptions receivable |  | | | |  | – | 10,125 | |
|  | | | |  |  |  |  | |

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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”). The address of the Company’s corporate office and its principal place of business is 501-525 Seymour 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 March 31, 2019 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 interim three month period ended March 31, 2019, the Company reported a net loss of $270,348 (2018 – $83,994), negative cash flow from operating activities of $230,686 (2018 – $51,101) and an accumulated deficit of $3,738,835 (2018 – $2,081,561). 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 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

1. 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, 2018.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2019.

1. 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 paragraphs (l) and (m) to the Company’s financial statements for the year ended December 31, 2018. 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.

* 1. 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, 2019, 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, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEPOSITS

|  |  |  |
| --- | --- | --- |
|  | March 31, 2019 | December 31, 2018 |
|  | $ | $ |
| Mineral property security deposits | 20,900 | 20,850 |
|  | 20,900 | 20,850 |

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the interim three month period ended March 31, 2019, the Company incurred the following related party transactions:

* 1. The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the interim three month periods ended March 31, 2019 and 2018.

(b) The Company incurred consulting fees to officers and directors in the amount of $22,950 (2018 - $20,500).

(c) The Company incurred stock based compensation costs to executive officers and directors in the amount of $nil (2018 - $nil).

As at March 31, 2019, included in accounts payable is $2,700 (December 31, 2018 – $1,750) 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, 2017 | 17,453,329 | 2,331,208 |
| Issued for cash at $0.075 per share | 9,074,469 | 668,585 |
|  |  |  |
| Balance, December 31, 2018 and March 31, 2019 | 26,527,798 | 2,999,793 |

On March 29, 2018, the Company issued 1,235,000 common shares for total proceeds of $92,625.

On August 1, 2018, the Company issued 3,764,668 units for total proceeds of $282,350, $7,350 of which was applied to settle accounts payable. 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, 2018, the Company issued 2,400,001 units for total proceeds of $180,000, $12,000 of which was allocated to the residual value of 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 November 29, 2018, the Company issued 1,674,800 units for total proceeds of $125,610. 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 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. As at March 31, 2019, the Company had received $361,900 in subscription proceeds pursuant to this financing.

During the interim three month period ended March 31, 2019, the Company incurred share issue costs of $nil (December 31, 2018 – $nil).

(c) Warrants

Each warrant is exercisable for a period of two years at a price of $0.15 per common share. As at March 31, 2019, there were 3,919,733 warrants outstanding with a weighted average remaining contractual life of 1.46 years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of | Exercise | |  |
| Warrants outstanding and exercisable | Warrants | Price | Expiry Date | |
| December 31, 2017 | – |  |  | |
| Issued August 1, 2018 | 1,833,334 | $0.15 | August 1, 2020 | |
| Issued September 25, 2018 | 1,249,000 | $0.15 | September 25, 2020 | |
| Issued November 29, 2018 | 837,400 | $0.15 | November 29, 2020 | |
| March 31, 2019 and December 31, 2018 | 3,919,734 |  |  | |

6. SHARE CAPITAL

(d) Stock Options

On January 17, 2018, the Company granted an aggregate of 425,000 stock options to its consultants. Each stock option is exercisable for a period of five years at a price of $0.10 per common share. All stock options are vested and exercisable upon grant. The fair value of the options granted was $42,500 and was recorded as stock based compensation.

On December 14, 2018, the Company granted an aggregate of 700,000 stock options to its consultants. Each stock option is exercisable for a period of two years at a price of $0.085 per common share. All stock options are vested and exercisable upon grant. The fair value of the options granted was $52,500 and was recorded as stock based compensation.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of | Exercise | |  |
| Options outstanding and exercisable | options | Price | Expiry Date | |
| December 31, 2017 | 1,300,000 |  |  | |
| Granted January 17, 2018 | 425,000 | $0.10 | January 17, 2023 | |
| Granted December 12, 2018 | 700,000 | $0.085 | December 12, 2020 | |
| March 31, 2019 and December 31, 2018 | 2,425,000 |  |  | |

As at March 31, 2019, the options have a weighted average remaining contractual life of 3.00 years.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | September 1, 2017 | January 17, 2018 | December 12, 2018 | |
|  | |  |  |  |
| Share price on grant date | $0.10 | $0.10 | $0.085 |
| Expected life (years) | 5 | 5 | 2 |
| Interest rate | 1.97% | 1.97% | 1.98% |
| Volatility | 318% | 318% | 220% |
| Dividend yield | 0.00% | 0.00% | 0.00% |

The Company grants incentive stock options as permitted pursuant to the Company’s Stock Option Plan which complies with the rules and policies of the Exchange.

(e) Shares held in escrow

As at March 31, 2019 and December 31, 2018, there were no shares held in escrow.

7. CONTRIBUTED SURPLUS

|  |  |  |
| --- | --- | --- |
|  | | $ |
| Balance, December 31, 2017 | 167,000 |
| Options granted to consultants in 2018 (see Note 6 (d)) | 95,000 |
| Residual value of warrants | 12,000 |
| March 31, 2019 and December 31, 2018 | 274,000 |

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 March 31, 2019, 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 hierarchyas 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 March 31, 2019: |  |  |  |
| Cash | 30,286 | – | – |
|  |  |  |  |
| As at December 31, 2018: |  |  |  |
| Cash | 30,286 | – | – |

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 government receivables and advances receivable. As at December 31, 2018 there was one counterparty who individually accounted for 100% of the total advances receivable balance. The maximum credit risk exposure associated with advances receivable is the total carrying value. As at December 31, 2018, the Company has recorded a write-off of $996,465 calculated using a lifetime expected credit loss assessment for specifically identifiable balances which are assessed to be impaired.

(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 former 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. METROLINK LETTER OF INTENT

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. (“Metrolink”) in exchange for 58,109,592 common shares of the Company.

On September 3, 2018, the Company and Metrolink entered into an amended letter of intent (the “LOI”) that replaces all previous letters of intent. 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.

In connection with the ongoing negotiations, the Company had advanced $996,465 to Metrolink (December 31, 2017 - $477,027). As at December 31, 2018, the Company determined that the advances were unlikely to be collected and recorded a write-off of $996,465.

**DISCLAIMER FOR FORWARD-LOOKING INFORMATION**

Certain statements in this report are forward-looking statements, which reflect our management’s expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions and speak only as of March 31, 2019. These assumptions, which include, management’s current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” below.

***1.1 – Date and Basis of Discussion & Analysis***

This management discussion and analysis (“MD&A”) is dated as of May 30, 2019 and should be read in conjunction with the unaudited financial statements of Rift Valley Resources Corp. for the three months ended March 31, 2019 (“Financial Statements”). The Financial Statements are prepared in compliance with International Financial Reporting 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. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

***1.2 – Overall Performance***

**Nature of Business**

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. The address of the Company’s corporate office and its principal place of business is 501-525 Seymour Street, Vancouver, British Columbia, Canada. The Company's registered and records office address is 804-750 West Pender Street, Vancouver, British Columbia, Canada. As of March 31, 2019 the Company’s principal business activity was the evaluation of a wireless service business and other business opportunities.

***1.2 – Overall Performance (continued)***

**Nature of Business**

At March 31, 2019, the Company had not yet achieved profitable operations, had accumulated a deficit of $3,772,785 (2018 – $1,997,567) and had working capital of $137,092 (2018 – $504,016), consisting primarily of advances receivable, which may not be sufficient to sustain operations over the next twelve months, and the Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. However, it is expected that these funds are sufficient to complete its business as discussed in “Financing” below. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and to identify, evaluate and negotiate potential business acquisitions or participation agreements.

**Metrolink Letter of Intent**

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 common shares of the Company.  On September 3, 2018, the Company and Metrolink entered into an amended revised letter of intent (the “LOI”) that replaced all previous letters of intent between the companies. 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.

The Company is acquiring Metrolink Solutions Inc. a Vancouver and Seattle-based wireless broadband company, who build and operate fixed wireless broadband networks utilizing TV whitespace. Metrolink has also developed the QwikCom portable wireless network and surveillance product. QwikCom is suitable for a variety of applications such as disaster relief and remote communications, day and night surveillance for facilities, plants, and border control. QwikCom is self-sufficient in power and has satellite and wireless antennae as well as day and night-vision cameras. MetroLink Solutions Inc.’s (MetroLink) wholly owned US subsidiary, Ruralink Solutions Inc., which has completed construction of their first 7 “QwikCom” Modular Telecom Units (MTU’s) at its Idaho fabrication facility, which is able to manufacture 20 QwikCom MTU’s per month. QwikCom MTU’s are rapidly-deployed, modular telecom platforms which can be individually custom equipped to provide a varied range of communications and monitoring services including but not limited to: - Rural “last mile” wide area wi-fi coverage - High Throughput T.V. “White Space” systems for internet access over longer distances - Ability to be equipped with cameras monitors and sensors for reliable property and border surveillance. - Associated telecom system that can link video and other surveillance data by satellite to remote monitoring locations virtually anywhere in the world. Multiple MTU’s can be wirelessly interconnected to provide “Wide-area” coverage for communications, internet access or video surveillance. Rift Valley’s market research and feedback for the QwikCom units has shown interest from several industries and services applications for; disaster relief (FEMA) and first responder coordination (hurricane, floods, earthquakes), military communications, security and monitoring, border and property security, corporate social responsibility applications in remote areas, highway management, movie and festival industries.

As at December 31, 2018, the Company had expensed $996,465 to Metrolink.

**Financing**

During the year ended December 31, 2018, the Company authorized and approved the creation and issuance of 9,074,469 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 March 29, 2018, the Company issued 1,235,000 units for total proceeds of $92,625. On August 1, 2018, the Company issued 3,764,666 units for total proceeds of $282,350. On September 25, 2018, the Company issued 2,400,001 units for total proceeds of $180,000.

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.  On November 29, 2018, the Company issued 1,674,800 units for total proceeds of $125,610. As at May 30, 2019, the Company had received an additional $361,900 in subscription proceeds on the same terms as this financing. The Company has a total of $487,510 in subscription proceeds pursuant to terms of this financing.

***1.3 – Selected Annual Information* – NA**

***1.4 – Results of Operations***

Operations during the three months ended March 31, 2019 were primarily related to obtaining the necessary financing, as well as continuing the identification and evaluation of future potential projects. There were no investor relations arrangements entered into during the three months ended March 31, 2019. There were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the three months ended March 31, 2019.

During the three months ended March 31, 2019, the Company incurred operating expenses of $304,298 (2018 – $83,992), consisting of consulting fees of $140,715 (2018 – $34,325), project costs of $108,085 (2018 – $nil), stock based compensation of $nil (2018 – $42,500), travel and promotion of $38,794 (2018 – $3,113), rent of $11,922 (2018 – $nil), office and miscellaneous of $2,582 (2018 –$975), professional fees of $nil (2018 – $986), exchange fees of $2,200 (2018 – $1,950) and transfer agent of $nil (2018 – $145). There were options granted during the three months ended March 31, 2018. Consulting fees, project costs, travel and promotion and rent and occupancy were higher due to more activity in 2019 due to the Metrolink LOI. The remaining costs were generally consistent with the prior period.

***1.5 – Summary of Quarterly Results (Unaudited)***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **As at** | **31-Mar-19** | **31-Dec-18** | **30-Sep-18** | **30-Jun-18** | **31-Mar-18** | **31-Dec-17** | **30-Sep-17** | **30-Jun-17** |
|  | $ | $ | $ | $ | $ | $ | $ | $ |
| Current Assets | | 25,058 | 40,828 | 13,330 | 6,426 | 46,600 | 35,653 | 69,092 | 155,763 |
| Deferred Acq Costs | | - | - | 867,487 | 713,317 | 515,552 | 477,027 | 296,373 | 132,800 |
| Other Assets | | 20,900 | 20,850 | 20,850 | 20,849 | 20,650 | 20,625 | 20,625 | 20,301 |
| Total Assets | | 45,958 | 61,678 | 901,667 | 740,592 | 582,802 | 533,505 | 386,090 | 308,864 |
|  | |  |  |  |  |  |  |  |  |
| Current Liabilities | | 128,200 | 79,522 | 25,722 | 31,680 | 10,380 | 8,664 | 4,917 | 10,862 |
| Decommission Liability | | 20,900 | 20,850 | 20,850 | 20,849 | 20,650 | 20,625 | 20,625 | 20,301 |
| Shareholders' Equity | | 3,635,693 | 3,429,793 | 3,115,683 | 2,853,333 | 2,633,333 | 2,501,583 | 2,302,382 | 2,046,382 |
| Deficit | | (3,738,835) | (3,468,487) | (2,260,638) | (2,165,270) | (2,081,561) | (1,997,567) | (1,941,834) | (1,768,681) |
| Total Liabilities and Shareholders' Equity | | 45,958 | 61,678 | 901,667 | 740,592 | 582,802 | 533,505 | 386,090 | 308,864 |
| Quarters ended | | **31- Mar-19** | **31-Dec-18** | **30-Sep-18** | **30-Jun-18** | **31- Mar-18** | **31-Dec-17** | **30-Sep-17** | **30-Jun-17** |
| Revenue | | - | - | - | - | - | - | - | - |
| Operating Expenses | | 270,348 | 1,207,849 | 95,368 | 83,709 | 83,994 | 55,733 | 173,153 | 47,011 |
| Loss and Comprehensive Loss for Period | | 270,348 | 1,207,849 | 95,368 | 83,709 | 83,994 | 55,733 | 173,153 | 47,011 |
| Basic and diluted loss per share | | (0.01) | (0.07) | (0.01) | (0.00)\* | (0.00)\* | (0.01) | (0.02) | (0.00)\* |
| Weighted average number of common shares outstanding | | 26,527,798 | 20,759,858 | 19,184,171 | 18,087,888 | 17,480,775 | 13,113,707 | 13,138,500 | 7,628,221 |

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

***1.6 – Liquidity and Capital Resources***

The Company is evaluating new business opportunities and therefore has incurred losses and negative cash flows from operations. The Company’s sole source of funding has been the issuance of common shares for cash, through private placement. The Company’s ability to raise cash depends on various capital market conditions. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors, including evaluation of new business opportunities.

There can be no certainty that the Company’s existing cash balances or that the proceeds from the issuance of its common shares will provide sufficient funds for all of the Company’s cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of funds required to evaluate any acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require to sustain operations or that the terms of any financing obtained will be acceptable.

The Company's business premises are currently located at 501-525 Seymour Street, Vancouver, British Columbia. As at March 31, 2019, the Company had cash and cash equivalents on hand of $5,500 (December 31, 2018 – $30,286).

During the three months ended March 31, 2019, cash used in operating activities was $230,686 (2018 – $51,101), cash used in investing activities was $nil (2018 – $38,525), cash provided by financing activities was $205,900 (2018 – $72,500). The decrease in cash used in operating activities is primarily related to increased operating expenses related to the Metrolink LOI. The increase in cash used in investing activities is primarily related to advances to Metrolink Solutions Inc. The cash provided by financing activities is primarily related to proceeds received from private placements.

Shareholder's deficit as at March 31, 2019 was $137,092 (December 31, 2018 – $43,713). The Company will need to raise additional capital to maintain operations at the current level. Although the Company has been successful in the past in raising the necessary funding to continue operations, there can be no certainty it will be able to do so in the future.

***1.7 –*** ***Off Balance Sheet Arrangements***

As at March 31, 2019, there were no off-balance sheet arrangements to which the Company was committed.

***1.8 – Transactions with Related Parties***

The Company had the following balances and transactions with executive officers or companies controlled by these officers for the three months ended March 31, 2019:

|  |  |  |
| --- | --- | --- |
|  | March 31, 2019 | March 31, 2018 |
| Transactions: |  |  |
| Fees paid to Griffin Jones | $ 30,000 | $ Nil |
| Fees paid to Craig Robson | $ 10,500 | $ 7,000 |
| Fees paid to Thomas Robertson | $ Nil | $ 8,000 |
| Balances: |  |  |
| Accounts Payable: Craig Robson | $ 2,700 | $ 400 |
| Accounts Payable: Thomas Robertson | $ Nil | $ 1,750 |

***2.0 – Proposed Transactions***

The Company has signed a Letter of Intent to acquire the Metrolink Solutions Inc., more fully described in section 1.2 above.

***2.1 – Critical Accounting Estimates***

The Company has outlined the basis of its critical accounting estimates in Note 3 of the December 31, 2018 Financial Statements.

***2.2 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)***

**Future Changes in Accounting Policies**

New accounting standards adopted by the Company:

N/A

New accounting standards issued but not yet effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

***2.2 – Changes in Accounting Policies* – continued**

*IFRS 16 Leases -*On January 13, 2016 the IASB issued IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, “Revenue from contracts with customers” at or before the date of initial adoption of IFRS 16.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standards, however, there may be enhanced disclosure requirements.

***2.3 – Financial Instruments and Other Instruments***

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, 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.

***2.4 – Other MD&A Requirements***

**Share Capital**

The authorized share capital consists of an unlimited number of common shares without par value.

The total number of common shares issued and outstanding as at March 31, 2019 and at May 30, 2019 was 26,527,798.

As at March 31, 2019 and May 30, 2019 there were 2,425,000 stock options outstanding with an average exercise price of $0.096 and a weighted average term to expiry of 3.00 years.

As at March 31, 2019 and May 30, 2019 there were 3,919,733 warrants outstanding with an exercise price of $0.15 and a weighted average term to expiry of 1.46 years.

**RISK FACTORS AND UNCERTAINTIES**

The Company is pursuing the evaluation of a wireless service business and other business opportunities. Due to the nature of the Company’s business and the present stage of its activities, many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

**Going Concern and Financing Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it to sustain operations. Although the Company has been successful in the past in obtaining financing through the issuance of common shares, there can be no assurance that it will be able to obtain the necessary financing and raise capital sufficient to cover its operating costs.

**Permits and Licenses**

The operations of the Company will require radio frequency licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out its projects, on reasonable terms, or at all. Delays, or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

**Dependence on Others and Key Personnel**

The success of the Company’s operations will depend upon numerous factors, many of which are beyond the Company’s control, including the ability to design, construct and operate telecom activities. There can be no assurance of success with any or all of these factors on which the Company’s operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

**RISK FACTORS AND UNCERTAINTIES (continued)**

**General Economic Conditions**

The recent events in global financial markets have had a profound impact on the global economy. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company’s growth and profitability. These factors could have a material adverse effect on the Company’s financial condition and results of operations

**Share Price Volatility**

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

**Dilution to the Company’s Existing Shareholders**

The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this MD&A on May 30, 2019.