



**Raindrop Ventures  
Inc.**

Condensed Interim Financial Statements

For the nine months ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**RAINDROP VENTURES INC.**

Condensed Interim Statements of Financial Position  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

<b>As at</b>	<b>Note</b>	<b>October 31, 2020</b>	<b>January 31, 2020</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 214,537	\$ 583,254
Receivables	4	8,663	9,780
<b>Total current assets</b>		<b>223,200</b>	<b>593,034</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	5	239,197	163,169
Reclamation Bond		30,072	-
<b>Total assets</b>		<b>\$ 492,469</b>	<b>\$ 756,203</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 3,906	\$ 24,644
Due to related parties	6	17,532	1,251
Loans payable	6	9,200	9,200
<b>Total current liabilities</b>		<b>30,638</b>	<b>35,095</b>
<b>Shareholders' equity</b>			
Share capital	7	849,786	828,555
Equity reserves	7	87,592	44,010
Deficit		(475,547)	(151,457)
<b>Total shareholders' equity</b>		<b>461,831</b>	<b>721,108</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 492,469</b>	<b>\$ 756,203</b>

Going concern (Note 2)

Subsequent events (Note 10)

Approved and authorized for issuance by the Board of Directors on December 21, 2020:

*"Satvir Dhillon"*

Director

*"Scott Davis"*

Director

(The accompanying notes are an integral part of these condensed interim financial statements)

**RAINDROP VENTURES INC.**

Condensed Interim Statements of Operations and Comprehensive Loss

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>October 31,</b>		<b>October 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>OPERATING EXPENSES</b>				
Accounting and audit (Note 6)	\$ 15,000	\$ -	\$ 51,400	\$ 1,479
Consulting fees (Note 6)	24,938	-	54,938	30,929
Legal fees	8,963	-	19,570	4,469
Management fees (Note 6)	15,000	-	45,000	27,000
Office and administration (Note 6)	5,751	154	26,678	12,762
Project investigation	33,063	-	33,063	-
Rent	-	1,200	-	7,200
Share-based payments (Note 6)	-	-	52,233	-
Travel and promotion	9,528	1,390	26,208	12,001
Write-down of exploration and evaluation assets (Note 5)	-	-	15,000	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (112,243)</b>	<b>\$ (2,744)</b>	<b>\$ (324,090)</b>	<b>\$ (95,840)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>	<b>23,756,135</b>	<b>15,651,900</b>	<b>23,694,664</b>	<b>15,614,369</b>

(The accompanying notes are an integral part of these condensed interim financial statements)

**RAINDROP VENTURES INC.**

Condensed Interim Statement of Changes in Shareholders' Equity  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Share Subscriptions Receivable</b>	<b>Equity Reserves</b>	<b>Deficit</b>	<b>Total</b>
Balance, January 31, 2019	15,433,900	\$ 274,678	\$ (56,625)	\$ -	\$ (16,999)	\$ 201,054
Issuance of common shares	118,000	11,800	-	-	-	11,800
Share subscriptions received	-	-	56,625	-	-	56,625
Share issuance costs – shares	100,000	10,000	-	-	-	10,000
Share issuance costs	-	(11,155)	-	-	-	(11,155)
Loss for the period	-	-	-	-	(95,840)	(95,840)
Balance, October 31, 2019	15,651,900	\$ 285,323	\$ -	\$ -	\$ (112,839)	\$ 172,484
Balance, January 31, 2020	23,651,900	\$ 828,555	\$ -	\$ 44,010	\$ (151,457)	\$ 721,108
Exercise of warrants	125,800	21,231	-	(8,651)	-	12,580
Share-based payments	-	-	-	52,233	-	52,233
Loss for the period	-	-	-	-	(324,090)	(324,090)
Balance, October 31, 2020	23,777,700	\$ 849,786	\$ -	\$ 87,592	\$ (475,547)	\$ 461,831

(The accompanying notes are an integral part of these condensed interim financial statements)

**RAINDROP VENTURES INC.**

Notes to the Condensed Consolidated Interim Statement of Cash Flows  
 Unaudited – Prepared by Management  
 (Expressed in Canadian Dollars)

	<b>Nine months ended</b>	
	<b>2020</b>	<b>October 31, 2019</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (324,090)	\$ (95,840)
Items not involving cash:		
Share-based payments	52,233	-
Write-down of exploration and evaluation assets	15,000	-
Changes in non-cash operating working capital:		
Receivables	1,117	2,336
Accounts payable and accrued liabilities	(29,966)	(5,220)
Due to related parties	16,281	494
Net cash used in operating activities	(269,425)	(98,230)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	-	68,425
Share issuance costs	-	(1,155)
Proceeds from exercise of warrants	12,580	-
Loans payable	-	23,000
Deferred financing costs	-	(48,675)
Net cash provided by financing activities	12,580	41,595
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets expenditures	(81,800)	(160)
Reclamation bond	(30,072)	-
Net cash used in investing activities	(111,872)	(160)
Change in cash	(368,717)	(56,795)
Cash, beginning of period	583,254	57,172
Cash, end of period	\$ 214,537	\$ 377

**Supplemental Cash Flow Information:**

During the period ended October 31, 2020, the Company:

- Transferred \$9,228 from equity reserves to share capital on the exercise of agent's warrants.

During the period ended October 31, 2019, the Company:

- Issued 100,000 common shares at a fair value of \$10,000 for share issuance costs.
- Included in due to related parties is \$11,677 of exploration and evaluation assets.
- Included in accounts payable is \$27,171 of deferred financing costs.

Interest paid	\$	-	\$	-
Income taxes paid	\$	-	\$	-

(The accompanying notes are an integral part of these condensed interim financial statements)

## **RAINDROP VENTURES INC.**

Notes to the Condensed Interim Financial Statements  
Nine months ended October 31, 2020 and 2019  
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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Raindrop Ventures Inc. (the “Company”) is a resource exploration company focused on acquiring and exploring resource properties in Canada and the USA.

The Company was incorporated on February 14, 2018 under the laws of British Columbia. The Company’s head office is Suite 510, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 and the Company’s registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company is listed on the Canadian Securities Exchange under the symbol “RAYN” and the Frankfurt Stock Exchange (“FRA”) under the trading symbol RV0.

The condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

### **2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

- 1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
- 2) deferred income tax asset valuation allowances; and
- 3) the valuation of non-cash transactions.

## **RAINDROP VENTURES INC.**

Notes to the Condensed Interim Financial Statements  
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### **2. BASIS OF PREPARATION (continued)**

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

#### *Going concern*

These condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2020, the Company has an accumulated deficit of \$475,547 and has not generated any revenues since inception and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company's abilities to continue with any drilling program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.



## RAINDROP VENTURES INC.

Notes to the Condensed Interim Financial Statements  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at January 31, 2020. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2020.

### 4. RECEIVABLES

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	October 31, 2020	January 31, 2020
Goods and services tax ("GST") receivable	\$ 8,663	\$ 9,780
<b>Total</b>	<b>\$ 8,663</b>	<b>\$ 9,780</b>

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### 5. EXPLORATION AND EVALUATION ASSETS

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	Clover Mountain Property, USA	Silver Star Property, Canada	Total
<b>Balance, January 31, 2019</b>	<b>\$ 135,164</b>	<b>\$ 15,000</b>	<b>\$ 150,164</b>
Expenditures during the year:			
Claims, leases and permits	9,674	-	9,674
Consulting and professional	2,003	-	2,003
Geophysics and geology	1,328	-	1,328
Total expenditures	13,005	-	13,005
<b>Balance, January 31, 2020</b>	<b>148,169</b>	<b>15,000</b>	<b>163,169</b>
Expenditures during the period:			
Claims, leases and permits	9,290	-	9,290
Consulting and professional	54,838	-	54,838
Geophysics and geology	768	-	768
Trenching and sampling	26,132	-	26,132
Total expenditures	91,028	-	91,028
Write-down of exploration and evaluation assets	-	(15,000)	(15,000)
<b>Balance, October 31, 2020</b>	<b>\$ 239,197</b>	<b>\$ -</b>	<b>\$ 239,197</b>

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Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

## **RAINDROP VENTURES INC.**

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### **5. EXPLORATION AND EVALUATION ASSETS (continued)**

#### ***Clover Mountain Property, Idaho, USA***

On September 1, 2018, the Company entered into a purchase agreement with Daniel Kunz and Associates, LLC to purchase 100% of the Clover Mountain property consisting of 43 unpatented claims in Idaho, USA for 6,483,900 common shares of the Company at a fair value of \$129,678. Subsequent to the purchase agreement on September 1, 2018, Daniel Kunz became a director of the Company.

#### ***Silver Star Property, BC, Canada***

On June 14, 2018, the Company entered into an option agreement to acquire a 100% interest in the Silver Star property (the "Property") with Glacier Lake Resources Inc., a company with common directors and officers. Following the exercise of the option, the Property will remain subject to a 1.5% net smelter return royalty. The Company shall be entitled to purchase 1% of the royalty at any time through a one-time cash payment of \$1,000,000.

During the period ended October 31, 2020, the Company terminated its option to acquire the Silver Star Property and recorded a write-down of exploration and evaluation assets of \$15,000.

### **6. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the period ended October 31, 2020, the Company incurred the following charges with related parties that include officers, directors, key management or companies with common directors of the Company as follows:

- a) Incurred management fees of \$45,000 (2019 - \$27,000) to a company controlled by a director and officer of the Company. As at October 31, 2020, \$833 was owed to this company for expense reimbursements (January 31, 2020 - \$213).
- b) Incurred accounting fees of \$45,000 (2019 - \$1,000) and office and administration of \$3,252 (2019 - \$Nil) to a firm where a director and officer of the Company is a partner. As at October 31, 2020, \$252 was owed to this firm (January 31, 2020 - \$1,038).
- c) Incurred consulting fees of \$45,000 (2019 - \$Nil) and capitalized consulting and professional fees of \$54,838 (2019 - \$Nil) to a company controlled by a director of the Company. As at October 31, 2020, \$9,228 was owed to this company (January 31, 2020 - \$Nil).
- d) Incurred consulting fees of \$9,938 (2019 - \$Nil) to a former director of the Company. As at October 31, 2020, \$7,219 was owed to this former director (January 31, 2020 - \$Nil).

During the period ended October 31, 2020 the Company granted 1,255,000 stock options to its directors valued at \$111,738 of which \$37,246 was recognized during the period ended October 31, 2020 (Note 7).

During the year ended January 31, 2020, loans of \$21,650 were received from a related party and repaid during the year. The Company also received a loan from an arm's length party for \$9,200. All loans are unsecured, non-interest bearing with no terms of repayment.

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### **7. SHARE CAPITAL AND RESERVES**

Authorized: Unlimited common shares without par value

Escrowed shares: 3,825,000 common shares subject to the release schedule of 10% to be released upon the date of listing on the Canadian Securities Exchange (the "CSE") and an additional 15% are to be released every 6 months thereafter until all the escrowed shares have been released 36 months following the date of listing on the CSE. As at October 31, 2020 there were 2,868,750 common shares in escrow.

During the period ended October 31, 2020 the Company:

- (a) Issued 125,800 common shares from the exercise of warrants for proceeds of \$12,580.

During the year ended January 31, 2020 the Company:

- (a) Completed its initial public offering ("IPO") consisting of 8,000,000 shares at \$0.10 per share for gross proceeds of \$800,000. The Company issued 640,000 non-transferable and non-assignable warrants at a fair value of \$44,010 to purchase common shares of the Company, each agent's warrants exercisable to purchase one common share for a price of \$0.10 per common share until January 31, 2022. The Company paid \$212,758 in cash share issuance costs in relation to the IPO.
- (b) Issued 118,000 special warrants subscribed through an equity crowdfunding at \$0.10 per special warrants for proceeds of \$11,800. The special warrants were converted into common shares of the Company on a one to one basis. The Company issued 100,000 common shares at a fair value of \$10,000 as a compensation fee and incurred \$1,155 of share issuance costs in relation to the equity crowdfunding.

#### **Stock Options**

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's shares on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

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### 7. SHARE CAPITAL AND RESERVES (continued)

During the period ended October 31, 2020, the Company granted 1,760,000 incentive stock options exercisable at a price of \$0.10 for five years from the date of grant. The incentive stock options were granted to officers, directors and consultants of the Company.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price \$
Balance, January 31, 2019 and January 31, 2020	-	-
Granted	1,760,000	0.10
Balance, October 31, 2020	1,760,000	0.10

As at October 31, 2020, the following options were outstanding:

Number of options outstanding	Exercise price \$	Expiry date
1,760,000	0.10	February 14, 2025
1,760,000		

The share-based payments expense recognized during the period ended October 31, 2020 was \$52,233 (2019 - \$Nil) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

	Nine months ended October 31, 2020
Risk-free interest rate	1.37%
Expected life (in years)	5
Expected volatility	141.56%
Dividend rate	0%

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### 7. SHARE CAPITAL AND RESERVES (continued)

#### Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, January 31, 2019	-	-
Granted	640,000	0.10
Balance, January 31, 2020	640,000	0.10
Exercised	(125,800)	0.10
Balance, October 31, 2020	514,200	0.10

As at October 31, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
514,200	0.10	January 31, 2022
514,200		

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted during the year ended January 31, 2020 assuming no expected dividends:

	Year ended January 31, 2020
Risk-free interest rate	1.43%
Expected life (in years)	2
Expected volatility	141.56%
Dividend rate	0%
Weighted average fair value per warrant	\$0.07

### 8. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### (a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at October 31, 2020, the Company is not subject to externally imposed capital requirements.

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### 8. FINANCIAL INSTRUMENTS AND RISKS (continue)

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at October 31, 2020, the Company had a cash balance of \$214,537 and current liabilities of \$30,638. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

#### (c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Receivables are comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

#### (d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

#### (e) Interest rate risk

The Company is not exposed to interest rate risk.

#### (f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

#### (g) Fair values

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

*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 or indirectly; and

*Level 3* – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including receivables, due to related parties, loans payable and accounts payable and accrued liabilities, are equal to their carrying values due to the short-term nature of these instruments.

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### **9. SEGMENTED INFORMATION**

#### **Industry information**

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

#### **Geographic information**

The Company operates in both Canada and the United States. The Company's exploration and evaluation assets are located in Canada and the United States.

### **10. SUBSEQUENT EVENTS**

Subsequent to October 31, 2020, the Company entered into an arms-length definitive asset purchase agreement to acquire Liberty Gold Corp.'s ("Liberty") remaining Nevada exploration portfolio consisting of three 100% owned properties (Anchor, Stateline, and Sandy) and three 49% owned properties (Brik, Easter, and Viper). The acquisition price is US\$50,000 in cash, 9.9% of Raindrop's issued and outstanding share capital after completion of the planned concurrent private placement, and a 1.5% net smelter return royalty on certain of the properties.

The Company also announced its intention to complete a private placement (the "Private Placement") of up to 13,000,000 units (the "Units") of the Company at a price of \$0.16 per Unit for gross proceeds of approximately \$2,080,000. Each Unit will consist of one share of common stock in the Company (a "Common Share") and one half of one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of \$0.27 per Common Share until the third anniversary of closing of the Private Placement.