



**Raindrop Ventures
Inc.**

Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2021 and 2020

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

As at	Note	April 30, 2021	January 31, 2021
ASSETS			
Current assets			
Cash		\$ 1,781,853	\$ 65,640
Receivables		8,634	8,419
Prepays		27,692	37,272
Total current assets		1,818,179	111,331
Non-current assets			
Exploration and evaluation assets	4	971,701	239,530
Reclamation bond	4	30,072	30,072
Total assets		\$ 2,819,952	\$ 380,933
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 53,334	\$ 15,828
Due to related parties	5	6,666	341
Loan payable		9,200	9,200
Total current liabilities		69,200	25,369
Shareholders' equity			
Share capital	6	3,506,441	849,786
Equity reserves	6	301,791	162,979
Deficit		(1,057,480)	(657,201)
Total shareholders' equity		2,750,752	355,564
Total liabilities and shareholders' equity		\$ 2,819,952	\$ 380,933

Going concern (Note 2)

Approved and authorized for issuance by the Board of Directors on June 28, 2021:

"Alexander Kunz"

Director

"Scott Davis"

Director

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

RAINDROP VENTURES INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three Months Ended April 30,	
	2021	2020
OPERATING EXPENSES		
Accounting and audit (Note 5)	\$ 15,000	\$ 15,000
Consulting fees (Note 5)	70,446	15,000
Legal fees	41,712	-
Management fees (Note 5)	15,000	15,000
Marketing	75,014	2,800
Office and administration (Note 5)	26,200	9,448
Share-based payments (Notes 5, 6)	156,907	52,233
Travel and accomodation	-	7,675
Write-down of exploration and evaluation assets (Note 4)	-	15,000
Loss and comprehensive loss for the period	\$ (400,279)	\$ (132,156)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted	37,471,404	23,651,900

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

RAINDROP VENTURES INC.

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

	Number of Shares	Share Capital	Equity Reserves	Deficit	Total
Balance, January 31, 2020	23,651,900	\$ 828,555	\$ 44,010	\$ (151,457)	\$ 721,108
Share-based payments	-	-	52,233	-	52,233
Loss for the period	-	-	-	(132,156)	(132,156)
Balance, April 30, 2020	23,651,900	\$ 828,555	\$ 96,243	\$ (283,613)	\$ 641,185
<hr/>					
Balance, January 31, 2021	23,777,700	\$ 849,786	\$ 162,979	\$ (657,201)	\$ 355,564
Issuance of common shares	12,500,000	2,000,000	-	-	2,000,000
Share issuance costs	-	(28,768)	-	-	(28,768)
Shares issued for exploration and evaluation assets	4,013,406	642,145	-	-	642,145
Exercise of warrants	213,500	36,032	(14,682)	-	21,350
Exercise of stock options	38,332	7,246	(3,413)	-	3,833
Share based payments	-	-	156,907	-	156,907
Loss for the period	-	-	-	(400,279)	(400,279)
Balance, April 30, 2021	40,542,938	\$ 3,506,441	\$ 301,791	\$ (1,057,480)	\$ 2,750,752

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

RAINDROP VENTURES INC.

Condensed Consolidated Interim Statement of Cash Flows

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Three months ended April 30, 2021 and 2020

	Three months ended April 30,	
	2021	2020
OPERATING ACTIVITIES		
Loss for the period	\$ (400,279)	\$ (132,156)
Items not involving cash:		
Share-based payments	156,907	52,233
Write-down of exploration and evaluation assets	-	15,000
Changes in non-cash operating working capital:		
Receivables	(215)	(2,376)
Prepays	9,580	-
Accounts payable and accrued liabilities	37,506	(24,273)
Due to related parties	6,325	(553)
	(190,176)	(92,125)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	2,000,000	-
Share issuance costs	(28,768)	-
Proceeds from exercise of warrants	21,350	-
Proceeds from stock options exercised	3,833	-
	1,996,415	-
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(90,026)	-
	(90,026)	-
Change in cash	1,716,213	(92,125)
Cash, beginning of the period	65,640	583,254
Cash, end of the period	\$ 1,781,853	\$ 491,129

Supplemental Cash Flow Information:

During the period ended April 30, 2021, the Company:

- Issued 4,013,406 common shares at a fair value of \$642,145 for exploration and evaluation assets
- Transferred \$14,682 from equity reserves to share capital on the exercise of agent's warrants.
- Transferred \$3,413 from equity reserves to share capital on the exercise of stock options.

During the year ended January 31, 2021, the Company:

- Transferred \$8,651 from equity reserves to share capital on the exercise of agent's warrants.

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

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

RAINDROP VENTURES INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three months ended April 30, 2021 and 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared using accounting policies in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

These condensed consolidated 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 consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed consolidated 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 consolidated interim financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated 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 Consolidated Interim Financial Statements

Three months ended April 30, 2021 and 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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.

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.

Going concern

These condensed consolidated 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 April 30, 2021, the Company has an accumulated deficit of \$1,057,480 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 consolidated 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.

RAINDROP VENTURES INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three months ended April 30, 2021 and 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Raindrop Ventures USA, Inc. which is incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest April 30, 2021	Interest January 31, 2021
Raindrop Ventures USA, Inc.	Nevada, USA	100%	Nil

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 for the year ended January 31, 2021. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2021.

4. EXPLORATION AND EVALUATION ASSETS

	Nevada Gold Project, USA	Clover Mountain Property, USA	Silver Star Property, Canada	Total
Balance, January 31, 2020	\$ -	\$ 148,169	\$ 15,000	\$ 163,169
Expenditures during the year:				
Claims, leases and permits	-	9,290	-	9,290
Consulting and professional	-	54,838	-	54,838
Geophysics and geology	-	768	-	768
Trenching and sampling	-	26,465	-	26,465
Total expenditures	-	91,361	-	91,361
Write-down of exploration and evaluation assets	-	-	(15,000)	(15,000)
Balance, January 31, 2021	-	239,530	-	239,530
Expenditures during the period:				
Acquisition Costs	705,575	-	-	705,575
Consulting and professional	26,596	-	-	26,596
Balance, April 30, 2021	\$ 732,171	\$ 239,530	\$ -	\$ 971,701

RAINDROP VENTURES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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4. EXPLORATION AND EVALUATION ASSETS (continued)

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.

Nevada Gold Project, Nevada, USA

In March 2021, the Company closed the acquisition of an exploration portfolio consisting of three 100%-owned properties (Anchor, Stateline and Sandy) and three 49%-owned properties (Brik, Easter and Viper) (together, the "Properties") from Liberty Gold Corp. ("Liberty Gold"). In consideration for the Properties, the Company paid and issued to Liberty Gold \$63,430 (US\$50,000) in cash and 4,013,406 common shares of the Company at a fair value of \$642,145, representing 9.9% of the Company's issued and outstanding common shares on a post-closing basis. Liberty Gold also retained a 1.5% net smelter return royalty on certain of the Properties.

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 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.

The Company held a reclamation bond for \$30,072 at April 30, 2021.

5. 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 April 30, 2021, 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 consulting fees of \$70,446 (2020 - \$15,000) and capitalized consulting and professional fees of \$26,596 (2020 - \$Nil) to a company controlled by a director of the Company. As at April 30, 2021, \$6,144 was owed to this company (January 31, 2021 - \$Nil).
- b) Incurred management fees of \$15,000 (2020 - \$15,000) to a company controlled by a director and officer of the Company. As at April 30, 2021, \$186 was owed to this company (January 31, 2021 - \$Nil).
- c) Incurred accounting fees of \$15,000 (2020 - \$15,000) and office and administration of \$995 (2020 - \$Nil) to a firm where a director and officer of the Company is a partner. As at April 30, 2021, \$336 was owed to this firm (January 31, 2021 - \$341).

During the period ended April 30, 2021, the Company granted 300,000 (year ended January 31, 2021 - 1,370,000) stock options to its directors of which \$86,550 (year ended January 31, 2021 - \$99,340) was recognized during the period ended April 30, 2021 (Note 6).

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6. 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 April 30, 2021 there were 2,295,000 common shares in escrow (January 31, 2021 – 2,295,000 common shares).

During the period ended April 30, 2021 the Company:

- (a) Completed a private placement of 12,500,000 units of the Company at a price of \$0.16 per unit for gross proceeds of \$2,000,000. Each unit consists of one common share and one half of one non-transferable common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of \$0.27 per share expiring February 12, 2024. The Company paid \$28,768 of share issuance costs in relation to the financing.
- (b) Issued 4,013,406 common shares at a fair value of \$642,145 for exploration and evaluation assets.
- (c) Issued 213,500 common shares from the exercise of warrants for \$21,350.
- (d) Issued 38,332 common shares from the exercise of stock options for \$3,833.

During the year ended January 31, 2021 the Company:

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

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.

During the period ended April 30, 2021, the Company granted 600,000 (year ended January 31, 2021 - 1,760,000) incentive stock options exercisable at a price of \$0.20 (year ended January 31, 2021 - \$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, 2020	-	-
Granted	1,760,000	0.10
Balance, January 31, 2021	1,760,000	0.10
Granted	600,000	0.20
Exercised	(38,332)	0.10
Expired	(76,668)	0.10
Balance, April 30, 2021	2,245,000	0.13
Exercisable, April 30, 2021	1,845,000	0.11

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Notes to the Condensed Consolidated Interim Financial Statements
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6. SHARE CAPITAL AND RESERVES (continued)

As at April 30, 2021, the following options were outstanding:

Number of options outstanding	Exercise price \$	Expiry date
1,645,000	0.10	February 14, 2025
600,000	0.20	February 1, 2026
<u>2,245,000</u>		

The weighted average fair value of each stock option granted during the period ended April 30, 2021 was \$0.21 (year ended January 31, 2021 - \$0.09).

The share-based payments expense recognized during the period ended April 30, 2021 was \$156,907 (2020 - \$52,233) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

	Three months ended April 30, 2021	Year ended January 31, 2021
Risk-free interest rate	0.42%	1.37%
Expected life (in years)	5	5
Expected volatility	142%	142%
Dividend rate	0%	0%

Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, January 31, 2020	640,000	0.10
Exercised	(125,800)	0.10
Balance, January 31, 2021	514,200	0.10
Exercised	(213,500)	0.10
Issued	6,250,000	0.27
Balance, April 30, 2021	<u>6,550,700</u>	<u>0.26</u>

As at April 30, 2021, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
300,700	0.10	January 31, 2022
6,250,000	0.27	February 12, 2024
<u>6,550,700</u>		

RAINDROP VENTURES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

7. 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 April 30, 2021, the Company is not subject to externally imposed capital requirements.

(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 April 30, 2021, the Company had a cash balance of \$1,781,853 and current liabilities of \$69,200. 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.

RAINDROP VENTURES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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7. FINANCIAL INSTRUMENTS AND RISKS (continued)

(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.

8. 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 the United States.