RAINMAKER
RESOURCES LTD

FINANCIAL STATEMENTS
(RESTATED)

FOR THE NINE MONTH PERIOD ENDED JULY 31, 2017

(Expressed in Canadian Dollars)

NOTICE OF RESTATEMENT OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
Exploration and Evaluation Assets has been changed to reflect the reversal of impairment to the Dufferin Lake property.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
A reversal of impairment of the Exploration and Evaluation assets previously unrecognized has been added to Other Items. As well an amount of $4,770 previously recognized as a reversal to the Capital Surplus account has been restated as interest expense as per IFRS standards.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY) has been restated to show the appropriate comparable periods (previously showed balances at April 30, 2016 have been removed and balances at July 31, 2016 have been added). As a result the statement has been completely restated to correspond with the correct amounts for the appropriate corresponding periods. A previously unrecorded amount of $12,000 for Broker Warrants agreed upon but not yet issued was recognized.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
Accretion of long term debt previously recognized as an adjustment to Capital Surplus has been added. A reversal of impairment to the Exploration and Evaluation assets previously unrecognized has been added. Extinguishment of convertible debentures and Extinguishment of equity portion of convertible debentures have been restated to better reflect IFRS principles.

Changes made in the restated interim financial statements:

		After Restatement		Before Restatement
Condensed Interim Statement of Financial Position				
Exploration and Evaluation Assets	$	83,331	$	-
Condensed Interim Statement of Loss				
Reversal of impairment of exploration and evaluation assets	$	83,331	$	-
Interest expense	$	4,770	$	-
Condensed Interim Statements of Changes In Equity (Deficiency)				
All Line Items (See Above)				
Condensed Interim Statement of Cash Flows				
Accretion of long term debt		4,406		-
Reversal of impairment of exploration and evaluation assets		(83,330)		-
Extinguishment of equity portion of convertible debentures		-		(4,770)
Extinguishment of convertible debentures		(72,770)		(68,364)

Other:
On the Interim Statement of Cash Flows the line item “Share based compensation” has been moved from financing activities to operating activities

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Restated)

		JULY 31, 2017		OCTOBER 31, 2016
ASSETS				
Current Assets				
Cash	**$**	**57,209**	$	40,201
Prepaid expenses		**8,250**		8,250
Total Current Assets		**65,459**		48,451
Exploration and Evaluation Assets (Note 5)		**83,331**		209,434
Total Assets	**$**	**148,790**	$	257,885
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)	**$**	**17,902**	$	80,835
Convertible debenture (Note 7)		**-**		68,364
Total Liabilities		**17,902**		149,199
Shareholders' Equity				
Share capital (Note 7)		**11,797,380**		11,549,380
Contributed surplus (Notes 7 and 8)		**1,805,044**		1,738,947
Accumulated deficit		**(13,471,536)**		(13,179,641)
Total Shareholders' Equity		**130,888**		108,686
Total Liabilities and Shareholders' Equity	**$**	**148,790**	$	257,885

These restated financial statements were approved and authorized for issue on behalf of the Board of Directors on November 29, 2017 by:

"Chris Healey"
Chief Executive Officer

"Isaac Maresky"
Director

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Restated)

	THREE MONTHS ENDED JULY 31		NINE MONTHS ENDED JULY 31	
	2017	2016	**2017**	2016
Expenses				
Advertising and shareholder relations	**$ 1,423**	$ 1,561	**$ 2,622**	$ 1,561
Consulting fees (Notes 9)	**26,203**	34,500	**83,433**	116,310
Filing and transfer fees	**5,200**	261	**7,700**	10,627
Foreign exchange loss	**-**	282	**-**	290
Impairment of exploration and evaluation assets	**209,433**	-	**209,433**	-
Management fees	**-**	6,000	**-**	6,000
Office and sundry	**2,518**	512	**7,314**	2,696
Professional fees (Note 9)	**113**	(2,055)	**5,856**	16,576
Share-based payments (Note 8)	**-**	-	**54,097**	63,200
Travel and promotion	**-**	6,411	**-**	9,912
Total expenses	**244,890**	47,472	**370,455**	227,172
Loss before other items	**(244,890)**	(47,472)	**(370,455)**	(227,172)
Other items				
Accretion of debt discount	**-**	(176)	**-**	(6,779)
Reversal of impairment of exploration and evaluation assets	**83,330**	-	**83,330**	-
Interest income	**-**	-	**-**	20
Interest expense	**(4,770)**	(375)	**(4,770)**	(2,130)
	78,560	(551)	**(4,770)**	(8,889)
Net Loss and Comprehensive Loss For The Period	**$ (166,330)**	$ (48,023)	**$ (291,895)**	$ (236,061)
Basic and Diluted Loss Per Share	**$ (0.01)**	$ (0.01)	**$ (0.03)**	$ (0.04)
Weighted Average Number Of Shares Outstanding	**14,504,033**	7,042,275	**11,037,366**	5,690,770

RAINMAKER RESOURCES LTD

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

FOR THE PERIOD FROM OCTOBER 31, 2015 TO JULY 31, 2017

(Expressed in Canadian Dollars)

(Restated)

	SHARE CAPITAL		SUBSCRIPTIONS	CONTRIBUTED		TOTAL SHAREHOLDERS'
	SHARES	AMOUNT	RECEIVABLES	SURPLUS	DEFICIT	EQUITY
Balance October 31, 2015	4,985,508	$ 11,426,212	$ (39,502)	$ 1,520,744	$ (12,863,682)	$ 43,772
Share subscriptions received	-	-	39,502	-	-	39,502
Units issued for cash at $0.07	2,885,200	105,039	-	96,925	-	201,964
Share issue costs	-	(31,244)	-	7,099	-	(24,145)
Share based compensation	-	-	-	63,200	-	63,200
Shares issued for exploration and evaluation property	500,000	42,500	-	-	-	42,500
Net loss for the period	-	-	-	-	(236,061)	(236,061)
Balance July 31, 2016	8,370,708	11,542,507	-	1,687,968	(13,099,743)	130,732
Share subscriptions received	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-
Units issued for cash at $0.09	933,325	43,845	-	40,155	-	84,000
Share issue costs	-	(36,972)	-	6,054	-	(30,918)
Convertible debentures issued for cash	-	-	-	4,770	-	4,770
Net loss for the period	-	-	-	-	(79,898)	(79,898)
Balance October 31, 2016	9,304,033	11,549,380	-	1,738,947	(13,179,641)	108,686
Shares issued for cash at $0.05	5,200,000	260,000	-	-	-	260,000
Warrants to be issued	-	(12,000)	-	12,000	-	-
Share based compensation	-	-	-	54,097	-	54,097
Net loss for the period	-	-	-	-	(291,895)	(291,895)
Balance July 31, 2017	**14,504,033**	**$ 11,797,380**	**$ -**	**$ 1,805,044**	**$ (13,471,536)**	**$ 130,888**

The accompanying notes form an integral part of these financial statements.

RAINMAKER RESOURCES LTD
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Restated)

	NINE MONTHS ENDED JULY 31 2017	2016
Cash Flows Used In Operating Activities		
Net loss for the period	**$ (291,895)**	$ (236,061)
Items not affecting cash:		
Accrued interest income	**-**	-
Accrued interest expense	**-**	(1,594)
Accretion of long term debt	**4,406**	6,779
Depreciation	**-**	-
Share-based compensation	**54,097**	63,200
Impairment of exploration and evaluation assets	**209,433**	-
Reversal of impairment of exploration and evaluation assets	**(83,330)**	-
Changes in non-cash working capital items:		
Amounts recoverable	**-**	(3,621)
Prepaid expenses	**-**	20,000
Accounts payable and accrued liabilities	**(62,933)**	(67,080)
Cash (used in) Operating Activities	**(170,222)**	(218,377)
Cash Flows Provided by Financing Activities		
Share subscriptions receivable	**-**	39,502
Shares issued for cash	**260,000**	201,964
Share issuance costs	**-**	(24,145)
Repayment of loan payable	**-**	(55,000)
Extinguishment of convertible debentures	**(72,770)**	
Cash provided by (used in) Financing Activities	**187,230**	162,321
Cash Flows Provided by (Used in) Investing Activities		
Exploration and evaluation assets	**-**	(43,706)
Proceeds on sale of short term investment	**-**	-
Cash provided by (used in) Investing Activities	**-**	(43,706)
Increase (Decrease) In Cash For The Period	**17,008**	(99,762)
Cash, Beginning Of Period	**40,201**	145,259
Cash, End Of Period	**$ 57,209**	$ 45,497

Supplemental Cash flow information – (Note 13)

1. NATURE OF OPERATIONS

Rainmaker Resources Ltd.'s (the "Company" or "Rainmaker") business activity is the exploration and evaluation of mineral properties. The Company was incorporated as "Thunder Sword Resources Inc." on September 13, 1979 in British Columbia. On November 20, 2009, the Company changed its name to Rainmaker Mining Corp. and on May 8, 2014 as part of the Company's rebranding the Company again changed its name to Rainmaker Resources Ltd. On September 4, 2015, the Company consolidated its common shares on a 1 new share for 8.5 old shares basis and changed its symbol from RMG-V to RIR.V.

The address and the place of business of the Company is 1 Adelaide East, Suite 801, Toronto, Ontario, Canada.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown for exploration and evaluation assets and property and equipment is dependent upon the Company obtaining the necessary financing to complete the exploration and evaluation properties, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and noncompliance with regulatory, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors on November 29, 2017.

The Company prepares its unaudited condensed interim financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended October 31, 2016.

2. BASIS OF PRESENTATION (Continued)

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

b) Basis of Measurement (Continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

c) Going Concern of Operations

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

As of July 31, 2017, the Company has not achieved profitable operations, has an accumulated deficit of $13,471,536, a working capital surplus of $47,557, and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. As the Company is in the exploration stage, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties is dependent upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

a) Foreign Currency Transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at a fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

b) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. As of July 31, 2017, the Company had no cash equivalents.

c) Mineral Exploration and Evaluation Expenditures

Pre-exploration costs

Pre-exploration costs are expensed in the year they are incurred.

Exploration and Evaluation Expenditures

Once a legally binding contract to explore a property has been executed with an effective date finalized, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Mineral Exploration and Evaluation Expenditures (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration for an agreement by the transferee to meet certain expenditures during the exploration phase. The Company does not record any expenditures made by the farmee on its behalf. Any cash considerations received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have a commercially viable prospect to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets.

d) Financial Instruments

Financial Assets

Financial assets are classified based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy is as follows:

Loans and Receivables

Loans and receivables are comprised of cash and other amounts receivable excluding GST. These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade and other payables and accrued liabilities, convertible debentures, and loan payable. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

e) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

As at July 31, 2017 and October 31, 2016, there were no material rehabilitation provisions to be recognized.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure to settle the obligation at the reporting date.

f) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

g) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, on the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for relevant year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive common shares related to warrants, finder's warrants and options outstanding totaling 7,853,438 at July 31, 2017 (July 31, 2016 – 5,769,107) were not included in the computation of loss per share because their effect was anti-dilutive.

i) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, together with any consideration paid.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

j) New Standards, Amendments and Interpretations

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on November 1, 2017 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted. The Company is currently assessing the impact of IAS 12 on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Exploration and Evaluation Expenditures

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 will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates,

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

iv) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-base payment transactions are disclosed in these financial statements.

5. EXPLORATION AND EVALUATION ASSETS

	BALANCE OCTOBER 31 2016	ADDITIONS	IMPAIRMENT REVERSALS (WRITE-OFFS)	**BALANCE JULY 31, 2017**
Property Acquisition Costs				
Dufferin Lake Property (Sask) (a)	$ 1	$ -	$ 83,330	**$ 83,331**
Sarcobatus Flats Lithium Property (Nevada) (b)	177,035	-	(177,035)	**-**
	177,036	-	(93,705)	**83,331**
Deferred Exploration Expenditures				
Sarcobatus Flats Lithium Property (Nevada) (b)	32,398	-	(32,398)	**-**
	32,398	-	(32,398)	**-**
Total	$ 209,434	$ -	$ (126,103)	**$ 83,331**

a) Dufferin Lake Property (Saskatchewan)

The Company has a 12.5% interest in the five claims.

As of September 8, 2017 Rainmaker signed a purchase agreement to sell its remaining interest in Dufferin Lake to NexGen Energy Ltd.
NexGen Energy Ltd. issued 27,777 common shares valued at $83,331 - based on the quoted market value at the time of closing - in consideration for Rainmakers remaining interest in the Dufferin Lake property. As such, a reversal of impairment in that amount has been accrued. At July 31, 2017 Exploration and Evaluation assets were held for sale in accordance with IFRS 5.

Selling the property was a strategic decision by Rainmaker as part of its efforts to divest itself of its existing mining assets and ceasing its mining operations in order to shift its focus onto the Indiva RTO and carry on the medical cannabis business of Indiva.

b) Sarcobatus Flats Lithium Property (Nevada)

On June 8, 2016, the Company entered into an option agreement with Utah Mineral Resources LLC, to earn an undivided 100% interest in the Sarcobatus Flats lithium property, located in Nye County, Nevada.

Under the terms of the option agreement, Rainmaker could earn its 100% interest in the property by undertaking the following:

a) Issuing common shares of the Company valued at US$35,000 ($42,500) within seven days of the Company receiving all necessary approvals from the TSX-V – (issued during the year ended October 31, 2016)
b) Paying US$75,000 in cash or shares of the Company at the first anniversary,
c) Paying US$100,000 in cash or shares of the Company at the second anniversary,
d) Paying US$150,000 in cash or shares of the Company at the third anniversary,
e) Incurring no less than US$50,000 on exploration of the property in each of the first three years of the agreement,

The agreement was subject to a 2% Net Smelter Royalty, 50% of which could be purchased by the Company for US$1,000,000 before the fifth anniversary of the agreement. Additionally, during the year ended October 31, 2016, the Company acquired by staking additional 186 mineral claims adjacent to the underlying property for $134,535, and incurred exploration costs of $32,898.

As of July 31, 2017, Rainmaker had relinquished its option on the Sarcobatus Flat Lithium Project in Nevada by electing not to expend any more capital on the project.

Forfeiting the option on the Sarcobatus Flat Lithium project was a strategic decision by Rainmaker as part of its efforts to divest itself of its mining operations and to shift its focus onto the Indiva RTO.

6. LOAN PAYABLE

As at July 31, 2017 no loans were outstanding.

7. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value
Unlimited number of preference shares without par value
No preferred shares have been issued to date

b) Issued and Outstanding:

Common Shares

On September 4, 2015, the Company consolidated its common shares on a 1 new share for 8.5 old shares basis. All share and per share amounts have been revised on a retroactive basis to reflect the share consolidation.

On April 27, 2017, the Company closed a non-brokered private placement consisting of 5,200,000 common shares at a price of $0.05 per common share for aggregate gross proceeds of $260,000. No cash finder's fees were paid in connection with the private placement. The Company has agreed to issue another 325,712 broker warrants at a price of $0.05 for 5 years.

During the year ended October 31, 2016 Company undertook the following share transactions:

a) On September 27 2016, the Company completed a non-brokered private placement financings totaling $156,770. 933,325 units were sold at a price of $0.09 per unit, each Unit consisting of one common share and one share purchase warrant. Each share purchase warrant is exercisable to purchase one additional common share of the company, at an exercise price of $0.115 for a five-year period. The warrants have a fair value of $40,155, calculated using the Black-Scholes valuation model with the following assumptions: risk free interest rate of 0.76%; expected life of 5 years; expected volatility of 171%; expected dividend yield of 0% and expected forfeiture rate of nil.

Additionally, $72,770 was raised through convertible debentures exercisable into 632,782 common shares and 632,782 common share purchase warrants at $0.115 for a period of 5 years, with maturity being one year from issuance. The debentures bear a coupon of 12% payable in shares at the Company’s discretion. In accordance with IFRS, the Company has separated the convertible debentures into debt and equity components on the statements of financial position using the residual method. The equity component represents the value of the conversion feature and is the difference between the estimated fair value of the liability component and the proceeds received of $72,770. The net present value of the liability component of the convertible debentures has been estimated using an effective interest rate of 20%.

7. SHARE CAPITAL (Continued)

On April 27, 2017 the $72,770 of convertible debentures were extinguished.

The convertible debentures are accreted such that carrying amount of the convertible debenture will equal the face value of the convertible debenture at maturity. The accretion on the convertible debentures is included in interest expense in the statements of loss and comprehensive loss. The rate of 20% used in estimating the value of the liability component of the convertible debentures and used to apply the effective interest rate method to the convertible debentures is based on significant management estimation.

In settlement of finder's fees associated with this closing, the Company paid cash commissions aggregating $20,000 and issued 139,350 finder's warrants with a fair value of $6,054 calculated using the Black-Scholes valuation model with the following assumptions: risk free interest rate at 0.76%; expected life of 5 years; expected volatility of 171%; expected dividend yield 0% and expected forfeiture rate Nil. The finder's warrants are exercisable into one common share and one common share purchase warrant of the Company for $0.09 until September 27, 2021. The Company also incurred other share issuance costs comprising legal and regulatory fees aggregating $10,918.

b) On May 27, 2016, the Company completed a non-brokered private placement of 2,885,200 units at $0.07 per unit for gross proceeds of $201,964. Each unit consists of one common share of the company and one share purchase warrant. Each share purchase warrant is exercisable to purchase one additional common share of the company, at an exercise price of $0.08 per share until May 27, 2021. The Units are subject to a four month hold period expiring September 28, 2016.The warrants have a fair value of $96,925, calculated using the Black-Scholes valuation model with the following assumptions: risk free interest rate of 0.79%; expected life of 5 years; expected volatility of 172%; expected dividend yield of 0% and expected forfeiture rate of nil.

In settlement of finder's fees associated with this closing the Company paid cash commissions aggregating $16,157 and issued 210,344 Finder's Warrants with a fair value of $7,099 calculated using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate at 0.79%; expected life of 5 years; expected volatility of 172%; expected dividend yield of 0.00% and expected forfeiture rate of nil. The Company also incurred other share issuance costs comprising legal and regulatory fees aggregating $7,988.

c) On July 21, 2016, the Company issued 500,000 common shares with a fair value of $42,500 pursuant to the Sarcobatus Flats Lithium Property Agreement. (Note 5)

c) Share Purchase Warrants

A summary of changes in share purchase warrants for periods ended July 31, 2017 and October 31, 2016 is presented below:

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

	9 MONTHS ENDED JULY 31, 2017			YEAR ENDED OCTOBER 31, 2016		
	NUMBER		WEIGHTED AVERAGE EXERCISE PRICE	NUMBER		WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**5,705,349**	**$**	**0.10**	2,333,779	$	0.41
Issued	**-**		**-**	3,818,531		0.08
Expired	**-**		**-**	(446,961)		(1.70)
Balance, end of period	**5,705,349**	**$**	**0.10**	5,705,349	$	0.10

As at July 31, 2017, share purchase warrants were outstanding for the purchase of common shares as follows:

NUMBER OF WARRANTS	PRICE PER WARRANT		NUMBER EXERCISABLE AT JULY 31, 2017	EXPIRY DATE
1,886,818	$	0.10	1,886,818	October 28, 2020
2,885,200	$	0.08	2,885,200	May 27, 2021
933,331	$	0.115	933,331	September 27, 2021
5,705,349			5,705,349	

d) Finders Warrants

A summary of changes in finder's warrants for the periods ended July 31, 2017 and October 31, 2016 is presented below:

	9 MONTHS ENDED JULY 31, 2017			YEAR ENDED OCTOBER 31, 2016		
	NUMBER		WEIGHTED AVERAGE EXERCISE PRICE	NUMBER		WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	**498,539**	**$**	**0.08**	**158,074**	**$**	**0.19**
Issued	**-**		**-**	**349,894**		**0.08**
Expired	**-**		**-**	**(9,129)**		**(1.70)**
Balance, end of year	**498,539**	**$**	**0.08**	**498,539**	**$**	**0.08**

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

As at July 31, 2017 finder's warrants/units were outstanding for the purchase of common shares as follows:

NUMBER OF WARRANTS	PRICE PER WARRANT	NUMBER EXERCISABLE AT OCTOBER 31, 2016	EXPIRY DATE
148,945	$ 0.10	148,945	October 28, 2017
210,244	$ 0.07	210,244	May 27, 2021
139,350	$ 0.09	139,350	September 27, 2021
498,539		498,539	

An additional 325,712 warrants expiring April 27, 2022 were agreed to but not yet issued in connection with the financing described in Note 7(a). The estimated fair value of the broker warrants to be issued was $12,000 estimated using the Black-Scholes model with the following assumptions:

Risk free interest rate	**15%**
Expected life	**5 years**
Expected volatility	**100%**
Expected dividend yield	**Nil**
Fair value of options issued	**$0.047**

e) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus' and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share purchase warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings year to year.

8. SHARE-BASED PAYMENTS

Stock Options

Effective March 31, 2014, the Company adopted a new stock option plan. The plan provides for the grant of non-transferable incentive stock options for up to 10% of the issued and outstanding common shares to employees, directors and officers of the Company. Options are granted for a term not to exceed five years from the date of grant.

Vesting of options and the right to adjust the exercise period of the options shall be at the complete discretion of the board. Unless otherwise stated, the options fully vest when granted. During the year ended October 31, 2016, the Company granted 498,550 options which vested immediately. The Company determined the estimated fair value of the options granted, using the Black –Scholes stock option valuation model to be $63,200.

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS (Continued)

On April 27, 2017, the Corporation also announced that it had issued 1,151,000 options to various executives, directors and consultants of the Corporation, in accordance with the Corporation's approved option plan. Each option is exercisable into one Common Share at $0.07 per Common Share for a period of 5 years.

There were no stock options granted during the year ended October 31, 2015.

A summary of changes in stock options for the periods ended July 31, 2017 and October 31, 2016 is presented below:

	9 MONTHS ENDED JULY 31, 2017		YEAR ENDED OCTOBER 31, 2016	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	**498,550**	**$ 0.135**	47,060	$ 1.275
Granted	**1,151,000**	**0.07**	498,550	0.135
Forfeited	**(199,360)**	**0.135**	(47,060)	(1.275)
Balance, end of year	**1,450,190**	**$ 0.09**	498,550	$ 0.135

As at July 31, 2017, options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARES	**PRICE PER SHARE**	**NUMBER EXERCISABLE AT July 31, 2017**	**EXPIRY DATE**
299,190	$ 0.135	299,190	November 19, 2020
1,151,000	0.07	1,151,000	April 27, 2022
1,450,190		1,450,190	

At July 31, 2017, the weighted average remaining life of the above options is 4.22 years.

(Expressed in Canadian Dollars)

The fair value of each stock option issued is estimated on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions:

	9 MONTHS ENDED JULY 31, 2017	YEAR ENDED OCTOBER 31 2016
Risk free interest rate	**0.094%**	0.094%
Expected life	**5 years**	5 years
Expected volatility	**174%**	174%
Expected forfeiture	**Nil**	Nil
Expected dividend yield	**Nil**	Nil
Fair value of options issued	**$0.047**	$0.13

9. 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.

At July 31, 2017, accounts payable includes $8,575 (October 31, 2016 - $14,700) owing to Healex Consulting Ltd. a company controlled by Chris Healey, a director, for services rendered. The amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

During the nine month period ended July 31, 2017 and July 31, 2016, the Company also incurred the following expenses charged by directors, officers or companies controlled by the directors or officers:

a) Paid or accrued expense reimbursements for mining conference fees and advertisements of $2,621 (2016 - $24,450) to Chris Healey and/or Healex Consulting Ltd, a company controlled by Chris Healey.

b) Paid or accrued consultancy fees of $1,500 (2016- $8000) to Bev Funston, a Director.

c) Paid or accrued consultancy fees of $1,575 (2016 - $4,000) to Daniel Caamano, a director.

d) Recorded share based payments in the amount of $54,097 (2016 - $nil) being the valuation of options granted to directors and officers in the year.

e) Paid or accrued professional fees of $3,000 (2016: - $7,850) to M.G. Wright Inc, a company controlled by Matthew Wright, a former officer of the Company.

f) Paid or accrued consultancy fees of $7,068 (2016 - $8,000) to Isaac Maresky, a director.

g) Accrued Broker Warrants of $6,000 (2016 – Nil) to Isaac Maresky, a director.

(Expressed in Canadian Dollars)

10. CAPITAL DISCLOSURES

The Company's primary purpose is to complete the RTO with Indiva. The directors have not established a quantitative return on capital criteria for capital management.

The Company considers the items included in the Statement of Changes in Equity as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company did not make any changes to the Company's approach to capital management during the 9 months ended July 31, 2017 and the year ended October 31, 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of July 31, 2017, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Financial assets measured at fair value on a recurring basis:

	FAIR VALUE INPUT LEVEL	**AS AT JULY 31, 2017**		AS AT OCTOBER 31, 2016	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	**1**	**$ 57,209**	**$ 57,209**	$ 40,201	$ 40,201

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Due to the relatively short term liquidity of accounts payable and accrued liabilities and loan payable, the fair value of these instruments approximate their carrying values.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash. Cash is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

c) Market Risk

i) Interest Rate Risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes. The Company has determined its foreign exchange risk at July 31, 2017 is immaterial.

The Company held an interest in an exploration and evaluation property comprising 234 placer mining claims located in Nevada USA and the consideration pursuant to the agreement is denominated in the US Dollar ("USD$"). As a result, the Company was subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

As at July 31, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

12. SEGMENT REPORTING

The Company is organized into business units and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

13. SUPPLEMENTAL CASH FLOW INFORMATION

	9 MONTHS ENDED July 31 2017	9 MONTHS ENDED July 31 2016
Supplemental Disclosure Of Cash Flow Information		
Interest paid	**$ -**	$ 1,621
Income taxes paid	**$ -**	$ -
Supplementary disclosures for Non-Cash Financing and Investing Activities		
Fair value of Finders warrants issued as share issue costs	**$ 12,000**	$ -
Fair value of common shares issued for exploration and evaluation property	**$ -**	$ -

14. COMMITMENTS

Other

The Company had an expired commitment as per a fiscal advisory agreement dated November 1, 2015, which was extended until November 1, 2016. As at this point, the Company expects to incur ongoing expenses to an advisor in the amount of $4,000 per month, in addition to a fee of $1,500 per month in rent. The Company also intends to pay certain directors monthly fees.

On November 1, 2015, the Company executed a Fiscal Advisory Services Agreement in which the Company is to receive financial and other general advice. The agreement initially has an effective duration of 6 months and includes the following consideration and commitments:

- a retainer fee of $20,000
- a monthly fee of $10,000
- a right of first refusal in respect of any debt, convertible debt or equity offering undertaken by the Company for a period of 60 months
- a 1% fee override on any third party financing raised by the Company for a period of 60 months
- a fee equal to one-third of any fee paid to other advisors in connection with the sale of the Company or a substantial portion of its assets and Inclusion in any directors' option plan or bonus pool.

On May 15, 2016 the Company agreed to extend the Financial Advisory Agreement pursuant to the same terms and conditions for an additional six months ending November 15, 2016. On November 15, 2016 the agreement expired.

15. SUBSEQUENT EVENTS

A binding Letter of Intent has been signed with INDIVA Corporation. ("INDIVA"), a London, Ontario based cannabis company focused on obtaining its Cultivation License pursuant to Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"), pursuant to which the parties plan to complete a reverse takeover and change of business transaction (the "Transaction") on the TSX Venture Exchange (the "Exchange").

The Transaction is expected to be accompanied by a $15 million equity financing (see below) which is intended, in part, to fund the expansion of INDIVA's facility by an additional 26,000 sq. ft. Upon completion, INDIVA's facility will comprise 36,000 sq. ft. inclusive of 23,000 sq. ft. of grow space, subject to receipt of necessary Health Canada approvals.

Pursuant to the Transaction, Rainmaker will acquire 100% of the issued and outstanding shares of INDIVA for an aggregate purchase price of approximately $30.5 million, to be satisfied through the issuance of Rainmaker common shares at an ascribed value of $0.75 (post a proposed 10.88: 1 consolidation of Rainmaker shares).

In conjunction with its proposed Exchange listing, INDIVA plans to conduct a concurrent financing for $15 million of subscription receipts at a price of $0.75 per subscription receipt

15. SUBSEQUENT EVENTS (Continued)

(the “Offering”), which will be automatically converted into 20,000,000 common shares of the resulting issuer (post-consolidation) upon closing of the Transaction, subject to certain conditions including INDIVA’s receipt of a Cultivation License from Health Canada. Sunel Securities has been engaged as lead agent and is expected to form a syndicate of investment banks to participate in the Offering. Subject to receipt of shareholder approval at a special meeting to be called in connection with the Transaction, Rainmaker intends to (a) change its name to "INDIVA Corporation" (or such other name as may be designated by INDIVA and accepted by the Exchange), (b) consolidate its outstanding common shares on a 10.88 : 1 basis, and (c) complete a continuance from British Columbia to Ontario under the Business Corporations Act (Ontario) as its business will be headquartered in London, Ontario.

Rainmaker intends to seek an exemption from sponsorship in reliance on the Offering. There is no assurance that such exemption will be granted. Trading in the shares of Rainmaker is presently halted. It is anticipated that shares of Rainmaker will remain halted until the conclusion of the Transaction.

In connection with the RTO, subject to receipt of shareholder approval at a special meeting, Rainmaker announced that it intends to (a) change its name to "Indiva Corporation" (or such other name as may be designated by Indiva and accepted by the Exchange), (b) complete the Consolidation, and (c) complete a continuance from British Columbia to Ontario under the Business Corporations Act (Ontario). Upon closing of the RTO, Rainmaker is expected to cease any further investment in the mineral resource sector, divest of its existing mining interests where practicable, and carry on the medical cannabis business of Indiva.

Subscription Receipt Offering
On August 28, 2017, the company closed the first tranche of the Offering in support of the RTO. Under the first tranche of the Offering, Rainmaker issued 7,674,609 subscription receipts (each, a "Subscription Receipt") at a price of $0.75 per Subscription Receipt for aggregate gross proceeds of $5,755,956.75.

Upon satisfaction of certain escrow release conditions, each Subscription Receipt will automatically convert into one common share in the capital of Rainmaker and one half of one common share purchase warrant (each whole warrant, a "Warrant"), each Warrant exercisable into one common share at a price of $0.90 for 24 months following closing of the RTO (references to common shares issued in connection with the Offering are on a post-consolidation basis).

On November 2, 2017 Rainmaker issued 2,774,527 subscription receipts at a price of $0.75 per subscription receipt for gross proceeds of $2,080,895.25 in connection with the closing of the second tranche of the subscription receipt offering, resulting in an aggregate of 10,449,136 subscription receipts issued for aggregate proceeds of $7,836,852.00 under the first and second tranches of the subscription receipt offering.

(Expressed in Canadian Dollars)

16. RESTATEMENT OF FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
Exploration and Evaluation Assets has been changed to reflect the reversal of impairment to the Dufferin Lake property.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
A reversal of impairment of the Exploration and Evaluation assets previously unrecognized has been added to Other Items. As well an amount of $4,770 previously recognized as a reversal to the Capital Surplus account has been restated as interest expense as per IFRS standards.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY) has been restated to show the appropriate comparable periods (previously showed balances at April 30, 2016 have been removed and balances at July 31, 2016 have been added). As a result the statement has been completely restated to correspond with the correct amounts for the appropriate corresponding periods. A previously unrecorded amount of $12,000 for Broker Warrants agreed upon but not yet issued was recognized.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
Accretion of long term debt previously recognized as an adjustment to Capital Surplus has been added. A reversal of impairment to the Exploration and Evaluation assets previously unrecognized has been added. Extinguishment of convertible debentures and Extinguishment of equity portion of convertible debentures have been restated to better reflect IFRS principles.

Changes made in the restated interim financial statements:

		After Restatement		Before Restatement
Condensed Interim Statement of Financial Position				
Exploration and Evaluation Assets	$	83,331	$	-
Condensed Interim Statement of Loss				
Reversal of impairment of exploration and evaluation assets	$	83,331	$	-
Interest expense	$	4,770	$	-
Condensed Interim Statements of Changes In Equity (Deficiency)				
All Line Items (See Above)				
Condensed Interim Statement of Cash Flows				
Accretion of long term debt		4,406		-
Reversal of impairment of exploration and evaluation assets		(83,330)		-
Extinguishment of equity portion of convertible debentures		-		(4,770)
Extinguishment of convertible debentures		(72,770)		(68,364)

Other:
On the Interim Statement of Cash Flows the line item “Share based compensation” has been moved from financing activities to operating activities