RAIN CITY RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2019

AND MARCH 31, 2018

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

RAIN CITY RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
ASSETS		
Current		
Cash	$ 6,219	$ 5,143
Amounts receivables	2,526	5,826
	8,745	10,969
Deferred financing cost	20,000	20,000
Exploration and evaluation assets (Note 5)	83,901	83,413
	$ 112,646	$ 114,382
LIABILITIES		
Current		
Accounts payable	$ 138,229	$ 66,823
Loan payable	4,000	–
	142,229	66,823
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	119,501	119,501
Contributed surplus	37,500	37,500
Deficit	(186,584)	(109,442)
	(29,583)	47,559
	$ 112,646	$ 114,382

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on April 26, 2019:

"Richard Penn" Director

"Roman Rubin" Director

RAIN CITY RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended March 31, 2019	Three months ended March 31, 2018	Six months ended March 31, 2019	Six month ended March 31, 2018
EXPENSES				
Management fees	$ 13,500	$ 4,500	$ 27,000	$ 4,500
Office and miscellaneous	442	18	898	36
Professional fees	13,709	3,075	24,909	3,075
Rent	7,769	1,500	13,598	1,500
Transfer agent and filing fees	384	–	8,454	–
Travel and promotion	2,283	–	2,283	–
Net loss and comprehensive loss, end of period	$ 38,087	$ 9,093	$ 77,142	$ 9,111
Loss per share (basic and diluted)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common share outstanding	7,850,000	6,500,001	7,850,000	6,500,001

RAIN CITY RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Common Shares					
	Number of Shares	Amount	Subscription Receivable	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance September 30, 2018	7,850,001	119,501	–	37,500	(109,442)	47,559
Comprehensive loss for the period	–	–	–	–	(77,142)	(77,142)
Balance March 31, 2019	7,850,001	119,501	–	37,500	(186,584)	(29,583)
Balance September 30, 2017	6,000,001	82,501	20,000	37,500	(52,411)	87,590
Shares issued for cash	1,000,000	20,000	(20,000)	–	–	–
Comprehensive loss for the period	–	–	–	–	(9,111)	(9,111)
Balance March 31, 2018	7,000,001	102,501	–	37,500	(61,552)	78,479

RAIN CITY RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended March 31, 2019	Three months ended March 31, 2018	Six months ended March 31, 2019	Six month ended March 31, 2018
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$ (38,087)	$ (9,093)	$ (77,142)	$ (9,111)
Items not involving cash:				
Stock - based payments	–	–	–	–
	(38,087)	(9,093)	(77,142)	(9,111)
Changes in non-cash working capital balances:				
Other receivable	4,600	4,224	3,300	4,224
Accounts payable and accrued liabilities	39,070	4,857	71,406	4,857
Loan payable	–	–	4,000	–
Cash used in operating activities	5,583	(12)	1,564	(30)
INVESTING ACTIVITY				
Mineral property acquisition and exploration costs	–	–	(488)	–
Cash used in investing activity	–	–	(488)	–
FINANCING ACTIVITIES				
Shares issued for cash	–	–	–	20,000
Share subscriptions	–	–	–	(20,000)
Cash used in by financing activity	–	–	–	–
INCREASE IN CASH DURING THE PERIOD	5,583	(12)	1,076	(30)
CASH, BEGINNING OF PERIOD	636	28,706	5,143	28,724
CASH, END OF PERIOD	$ 6,219	$ 28,694	$ 6,219	$ 28,694
SUPPLEMENTAL DISCLOSURES				
Interest paid	$ –	$ –	$ –	$ –
Income taxes paid	$ –	$ –	$ –	$ –
Shares issued for and evaluation and exploration costs	$ –	$ –	$ –	$ –

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

1. NATURE OF OPERATIONS

Rain City Resources Inc. ("the Company") was incorporated on June 23, 2015 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2019, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had deficit of $186,584 as at March 31, 2019, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these c financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended September 30, 2018.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on April 26, 2019.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's September 30, 2018 annual financial statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 2 *Share-based Payment* - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

The Company does not expect the adoption of these standards to have significant impact on the financial statements.

The standard is effective for annual periods beginning on or after January 1, 2019:

(Expressed in Canadian Dollars) UNAUDITED

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE - continued

IFRS 16 – *Leases*

In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	**Exploration Costs**	**Total**
	$	$	$
Balance, September 30, 2015 and 2016	-	-	-
Acquisition and exploration costs	5,000	78,413	83,413
Balance, September 30, 2017 and 2018 and March 31, 2019	5,000	78,413	83,413

Northern Champion Project

Pursuant to an option agreement (the "Agreement") dated October 25, 2016, the Company was granted an option to acquire a 100% undivided interest in the Northern Champion Project (the "Property") located near Champion Creek, south-west of Tulameen, Princeton area British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 700,000 common shares of the Company to the Optionors, making cash payments totaling $130,000, and incurring a total of $650,000 in exploration expenditures as follows:

	Number of Common Shares	**Cash**	**Exploration Expenditures**
		$	$
Upon execution of the Agreement (paid and incurred)	-	5,000	75,000**
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing")	100,000	5,000	-
On or before the first anniversary of the Listing	100,000	10,000	75,000
On or before the second anniversary of the Listing	100,000	20,000	100,000
On or before the third anniversary of the Listing	200,000	40,000	200,000
On or before the fourth anniversary of the Listing	200,000	50,000	200,000
Total	700,000	130,000	650,000

** the $75,000 is for the first year from the execution date.

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. At March 31, 2019, there were 4,000,000 common shares held in escrow.

c) Issued and Outstanding:

As at March 31, 2019 there were 7,850,001 common shares issued and outstanding.

During the period ended March 31, 2019, the Company did not have any capital transactions.

d) Warrants

	Number of warrants	**Exercise price**	**Expiry date**
Balance, September 30, 2017	2,500,000	$ 0.005	
Expired	(2,500,000)	$ 0.005	
Balance, September 30, 2018 and March 31, 2019	–	–	–

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	March 31, 2019	**September 31, 2018**
	$	$
Accounts payable and accrued liabilities	39,000	21,000

The amounts are due to a company controlled by the Chief Executive Officer ("CEO") of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions for the three month period ended:

	March 31, 2019	**March 31, 2018**
	$	$
Management fees	18,000	4,500

7. RELATED PARTY BALANCES AND TRANSACTIONS - continued

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer. Management fees were provided by a company owned or controlled by the CEO.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit 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. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at March 31, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	6,219	–	–	6,219

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

11. SUBSEQUENT EVENT

The Company entered into an agency agreement whereby the Agent (the "Agent") has agreed to raise on commercially reasonable efforts $400,000 in the initial public offering ("IPO") by the issuance of 4,000,000 common shares of the Company at a price of $0.10 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a commission of 8% of the gross proceeds of the IPO. The Company has also agreed to grant to the Agent options (the "Agent's Options") which will entitle the Agent to purchase up to 8% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's options are exercisable until 24 months from the Listing Date. In addition, the Company has agreed to pay a corporate finance fee and has also agreed to pay the Agent's legal fees incurred pursuant to the IPO, and any other reasonable expenses of the Agent. As at September 30, 2018, the Company has paid $20,000 to the Agent as a retainer. The amount has been recorded on the Statements of Financial Position as deferred financing costs. The Company received regulatory approval during the period and completed the financing subsequent to March 31, 2019.