RAINMAKER WORLDWIDE INC.(formerly GOLD AND SILVER MINING OF NEVADA, INC.)

(A Developmental Stage Company)

Interim Consolidated
Financial Statements For The
Three Month
Period Ended
September 30, 2017

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RAINMAKER WORLDWIDE INC. (FORMERLY GOLD AND SILVER MINING OF NEVADA, INC.)

(A Developmental Stage Company)
Interim Consolidated Balance Sheets (Unaudited)

September 30, 2017

Assets		
Current Assets		
Cash	$	9,070
Accounts receivable		50,718
Inventory (Note 10)		33,714
Prepaid expenses		70,945
Total Current Assets		164,447
Property & Equipment (Note 5)		112,384
Intellectual Property (Note 4)		7,370,602
Demonstration Equipment / Development		935,631
Total Assets	$	8,583,064
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$	626,623
Customer deposits		253,947
Current portion long term debt		128,341
Shareholder loan (Note 8)		56,281
Total Current Liabilities		1,065,192
Long Term Liabilities		
Convertible notes payable (Note 3)		20,900
Long term notes payable (Note 7)		1,169,837
Total Long Term Liabilities		1,190,737
Total Liabilities	$	2,255,929
Stockholders’ Equity		
Common stock - $0.001 par value; 200,000,000 authorized; 81,320,375 outstanding		81,320
Common Stock		-
Additional paid-in capital		14,523,470
Accumulated deficit		(8,244,161)
Accumulated other comprehensive (loss)		(33,494)
Total Stockholders' Equity	$	6,327,135
Total Liabilities and Stockholders' Equity	$	8,583,064

See accompanying notes to the interim consolidated financial statements.

RAINMAKER WORLDWIDE INC. (FORMERLY GOLD AND SILVER MINING OF NEVADA, INC.)

(A Developmental Stage Company)
Interim Consolidated Statement of Operations and Comprehensive Loss (Unaudited)

Quarter ended September 30, 2017

Expenses		
General and administrative expense	$	22,229
Consulting expense		409,866
Marketing, advertising and promotion costs (Note 9)		30,593
Stock options expense (Note 12)		1,627,754
Depreciation expense		6,121
Rent expense (Note 11)		23,251
Travel and entertainment expense		21,302
Patent expense		6,252
Total Expenses	$	2,147,368
Loss from Operations	$	(2,147,368)
Interest Expense	$	17,494
Net Loss	**$**	**(2,164,862)**
Other comprehensive income		
Foreign exchange translation gain (loss)		(33,494)
Net loss and comprehensive loss	**$**	**(2,198,356)**
Loss per share - basic	**$**	**(0.03)**

See accompanying notes to the interim consolidated financial statements.

RAINMAKER WORLDWIDE INC. (FORMERLY GOLD AND SILVER MINING OF NEVADA, INC.)

(A Developmental Stage Company)
Interim Consolidated Statements of Shareholders' Equity (Unaudited)
For the Period July 4, 2017 Through September 30, 2017

	Common Shares		Additional Paid In Stockholders Capital	Accumulated Deficit	Accumulated Comprehensive Income	Total
	Shares	Amount				
Balance at July 3, 2017	124,072,933	$ 124,073	$ 15,370,563	$ (6,079,300)	-	$ 9,415,336
Accrued interest contributed to note holders	-	-	21,431	-	-	21,431
Reverse split common	(123,940,021)	(123,940)	123,940	-	-	-
Reduction in paid up capital on spin off	-	-	(15,515,934)	-	-	(15,515,934)
Rounding difference on reverse split common	1,099	1	-	-	-	-
Reverse Merger with Gold and Silver Mining of Nevada, Inc.	9,029,562	9,030	1,627,754	-	-	1,636,783
Issuance of shares to Rainmaker shareholders	57,789,196	57,789	12,496,984	-	-	12,554,773
Restricted shares issued for services	1,000,000	1,000	209,000	-	-	210,000
Sale of shares in private placement	267,606	268	189,732	-	-	190,000
Shares issued for note convertible	13,100,000	13,100	-	-	-	13,100
Foreign exchange loss	-	-	-	-	(33,494)	(33,494)
Net Loss for 3 months ended Sept 30, 2017	-	-	-	(2,164,862)	-	(2,164,862)
Balance September 30, 2017	**81,320,375**	**$ 81,320**	**$ 14,523,470**	**$ (8,244,162)**	**$ (33,494)**	**$ 6,327,134**

See accompanying notes to the interim consolidated financial statements.

RAINMAKER WORLDWIDE INC. (FORMERLY GOLD AND SILVER MINING OF NEVADA, INC.)

(A Developmental Stage Company)
Interim Consolidated Statement of Cash Flows (Unaudited)

September 30, 2017

Cash Flows From Operating Activities:		
Net loss and comprehensive loss		(2,198,356)
Adjustments to reconcile net loss to cash provided (used) by operations:		
Stock option expense		1,627,754
Depreciation		6,121
Foreign exchange loss		33,494
Change in assets and liabilities:		
Decrease in accounts receivable		7,819
Decrease in inventory		519
Increase in prepaid expenses		(56,682)
Increase in accounts payable		144,013
Convertible notes payable forgiven		180,500
Convertible notes converted to common shares		13,100
Net Cash Used in Operating Activities	$	(241,718)
Cash Flows From Investing Activities:		
Purchase demonstration equipment		(8,527)
Decrease in notes payable		(15,181)
Issuance of common stock		190,000
Net Cash Provided by Financing Activities		166,292
Net Decrease in Cash		(75,426)
Cash at Beginning of Period		84,496
Cash at End of Period	$	9,070

See accompanying Notes to the Consolidated Financial Statements.

Note 1: Nature of Operations and Reverse Merger

Nature of Operations

Rainmaker Worldwide Inc. ("Rainmaker" or the "Company") is a Nevada company which currently operates through two wholly owned subsidiaries; Rainmaker Worldwide Inc. (Ontario) ("RWI") which hosts the Company's worldwide head office in Peterborough, Ontario, Canada, and Rainmaker Holland B.V. ("RHBV") which functions as the Company's innovation and manufacturing center in Rotterdam, Netherlands. The Company's patented water technology provides economical drinking water wherever it's needed and at scale. The Company builds two types of energy-efficient, fresh water-producing technologies: (1) Air-to-Water, which harvests fresh water from humidity in the atmosphere. (2) Water-to-Water, which transforms seawater or polluted water into drinking water. The technology is both wind and solar powered, is deployable anywhere, and leaves no carbon traces.

Reverse Merger

RWI was incorporated on July 21, 2014 under the Ontario Business Corporations Act. On July 3, 2017, RWI shareholders completed a share exchange with the Company (the "Merger") pursuant to a share exchange agreement dated June 28, 2017 (the "Share Exchange Agreement") among the Company, RWI and RWI's 45 shareholders. Upon completion of the Merger, and in accordance with the terms and provisions of the Share Exchange Agreement, the Company acquired an aggregate of 9,029,562 common shares in the capital of RWI from the RWI Shareholders (being all of the issued and outstanding shares in the capital of RWI) in exchange for an aggregate of 66,818,759 restricted shares of the Company's common stock, or 7.4 shares for each share of RWI. As a consequence, RWI became a wholly owned subsidiary of the Company effective July 3, 2017. The Company's former name, Gold and Silver Mining of Nevada, Inc. ("CJT") was changed on April 24, 2017 in expectation of and conditional upon completion of the Merger. The Merger was accounted for as a reverse acquisition. RWI was considered the accounting acquirer since the former RWI shareholders remained in control of the combined entity after the transaction. As a result of the Merger the Company now trades on the OTC Pink Sheet under the trading symbol RAKR.

Note 2: Significant Accounting Policies

Basis of Preparation

The interim consolidated financial statements presented are for the entity Rainmaker and its wholly owned subsidiaries, Rainmaker Holland B.V. and Rainmaker Worldwide Inc. (Ontario) as a consolidated entity. The interim consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles.

The interim consolidated financial statements have been prepared on an accruals basis and are based on historical cost which is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The preparation of the interim consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Significant Accounting Policies (Continued)

All accounting policies are chosen to ensure the resulting financial information satisfies the concepts of relevance and reliability.

Foreign Currency Translation

The reporting currency of the Company is the United States dollar. The financial statements of subsidiaries located outside of the United States are measured in their functional currency, which is the local currency. Monetary assets and liabilities of these subsidiaries are translated at the exchange rates at the balance sheet date. Income and expense items are translated using end of month exchange rates. Non-monetary assets are translated at their historical exchange rates. Translation adjustments are included in accumulated other comprehensive loss in the consolidated balance sheets.

Transactions in currencies other than the functional currency are recorded at the rates of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the historical date of the transaction. The impact from the translation of foreign currency denominated items are reflected in the statement of income.

Going Concern

There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs and required debt service. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned product development, which could harm its financial condition and operating results, or it may not be able to continue to fund its ongoing operations. These conditions raise substantial doubt about the Company’s ability to continue ongoing operations. These financial statements do not include any adjustments that might result from the outcome of these uncertainties.

The Company’s ability to continue its operations and to pay its obligations when they become due is contingent upon the Company obtaining additional financing. Management’s plans include seeking to procure additional funds through debt and equity financings to enable it to meet its operating needs including current and future sales orders.

Research and Development

The Company is in the development phase of its operations thus research and development costs relating to its demonstration equipment development and assembly are capitalized. The Company will perform an impairment test at December 31, 2017 and at the end of each subsequent reporting period to reconfirm the carrying value of these assets.

Intangible Assets

The Company has acquired patents, knowhow and technology that has been determined to have indefinite lives due to the nature of our business. The Company evaluates a number of factors to determine whether an indefinite life is appropriate, including the competitive environment, product life cycles, operating plans and the macroeconomic environment of the countries in which the products have been or will be sold.

Indefinite-lived intangible assets are not amortized, but will be evaluated for impairment at the end of each reporting period. The evaluation for impairment of indefinite-lived intangibles will be based on valuation models that incorporate assumptions and internal projections of expected future cash flows and operating plans. The Company believes such assumptions will be comparable to those that would be used by other marketplace participants.

Note 2: Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Company follows the ASC Topic 360, which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the assets' carrying amounts may not be recoverable, or in the case of intangible assets having an indefinite useful life. The Company will review and evaluate its long-lived assets for impairment at December 31, 2017 and at the end of each subsequent reporting period to reconfirm the carrying value of these assets. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimated future cash flows or upon an estimate of fair value that may be received in an exchange transaction. Future cash flows are estimated based on forecast sales of Company products, expected prices (considering current and historical prices, trends and related factors), planned production levels and expected operating costs.

Property and Equipment

Property, plant and equipment excluding land are stated at cost less accumulated depreciation and any recognized impairment loss. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates estimated to write off the cost of the relevant assets less their estimated residual values by equal annual amounts over their expected useful lives. Residual values and expected useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Depreciation periods for the Company’s property and equipment are as follows:

Leasehold Improvements – 10 years

Office Furniture & Equipment – 5 years

Manufacturing Equipment – 5 years

Related Party Transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. 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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Revenue Recognition

The Company recognizes revenues when production has been completed and the product has been received by the customer. There must also be persuasive evidence of an agreement with acceptance approved by the Company’s customers, the price is fixed or determinable based on the completion of stated terms and conditions and the collection of any related receivable is reasonably assured.

Note 2: Significant Accounting Policies (Continued)

Share-based payment expense

The Company follows the fair value method of accounting for stock awards granted to employees, directors, officers and consultants. Share-based awards to employees are measured at the fair value of the related share-based awards. Share-based payments to others are valued based on the related services rendered or goods received or if this cannot be reliably measured, on the fair value of the instruments issued. Issuances of shares are valued using the fair value of the shares at the time of grant; issuances of options are valued using the Black-Scholes model with assumptions based on historical experience and future expectations.

Segment Reporting

ASC 280-10, "Disclosures about Segments of an Enterprise and Related Information", establishes standards for the way that public business enterprises report information about operating segments in the Company's consolidated financial statements. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the Chief Executive Officer in deciding how to allocate resources and in assessing performance. The Company has reportable segments in the United States and The Netherlands. Intellectual property is domiciled in the United States while all the Company’s development and assembly is in the Netherlands. Revenues to date have been earned in the Netherlands.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The accounting standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is not permitted. The impact on the unaudited interim condensed consolidated financial statements of adopting ASU 2014-09 will be assessed by management.

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes," which requires that deferred tax liabilities and assets be classified on our Consolidated Balance Sheets as noncurrent based on an analysis of each taxpaying component within a jurisdiction. ASU No. 2015-17 is effective for the fiscal year commencing after December 15, 2017. The Company does not anticipate that the adoption of ASU No. 2015-17 will have a material effect on the consolidated balance sheet or the consolidated results of operations.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 740): Recognition and Measurement of Financial Assets and Financial Liabilities. This ASU is effective for annual and interim reporting periods beginning after December 15, 2017. ASU 2016-01 enhances the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The Company is currently assessing the impact of ASU 2016-01.

In February 2016, the FASB issued ASU 2016-02, Leases. This update requires organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosure about the amount, timing and uncertainty of cash flows arising from leases. The provisions of this update are effective for annual and interim periods beginning after December 15, 2018. The Company is still assessing the impact that the adoption of ASU 2016-02 will have on the consolidated balance sheet and the consolidated results of operations.

Note 2: Significant Accounting Policies (Continued)

Current Income Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the date of the statement of financial position.

Deferred Income Taxes

Deferred income taxes are provided using the liability method on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- taxable temporary differences associated with investments in subsidiaries, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become more likely than not that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at Balance Sheet date. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

Note 2: Significant Accounting Policies (Continued)

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Financial instruments

ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Included in the ASC Topic 820 framework is a three level valuation inputs hierarchy with Level 1 being inputs and transactions that can be effectively fully observed by market participants spanning to Level 3 where estimates are unobservable by market participants outside of the Company and must be estimated using assumptions developed by the Company. The Company discloses the lowest level input significant to each category of asset or liability valued within the scope of ASC Topic 820 and the valuation method as exchange, income or use. The Company uses inputs which are as observable as possible and the methods most applicable to the specific situation of each company or valued item.

The carrying amounts reported in the consolidated balance sheets for cash, cash in trust and customer deposits, accounts receivables, accounts payable and client funds approximate fair value because of the short period of time between the origination of such instruments and their expected realization. Per ASC Topic 820 framework these are considered Level 2 inputs where inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

The Company's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in the circumstances that caused the transfer. There were no such transfers during the year.

Note 3: Convertible Notes Payable

On June 30, 2017 CJT had convertible notes payable in the amount of $214,500. On July 3, 2017 and in conjunction with completion of the Merger, $180,500 of those convertible notes payable was forgiven and recorded against retained earnings. During the period from July 4, 2017 to September 30, 2017, in accordance with the respective terms of such notes, $13,100 was converted into shares at a conversion price of $0.001 per share for a total of 13,100,000 shares. As a result, $20,900 of convertible notes remain outstanding with a conversion price of $0.001 per share. The notes accrue interest at a rate of 5% per annum and mature on December 31, 2018.

Note 4: Intellectual Property

On December 21, 2015, the Company, through its now wholly owned subsidiary, RWI, agreed to purchase the assets of Wind En Water Technologie Holding B.V. ("WWT") and Dutch Rainmaker B.V. ("DRM") (collectively "WWT/DRM"), companies resident and incorporated in The Netherlands. WWT/DRM developed and exclusively owned all necessary know-how, patents and patent applications allowing for the manufacture and commercial sale of water treatment and processing systems using renewable energy. This know-how and technology was collectively known as the Dutch Rainmaker system and is now the core technology and know-how of the Company. The purchase price included stock and future royalty obligations. Fixed aggregate royalty obligations capped at $1,943,102 remain outstanding and will be paid based on revenues generated from the sale of Rainmaker products. As a result of the expansion of the core product offerings from two stock keeping units ("SKUs") to nineteen, the original royalty agreement specifying royalty payment based on a fixed dollar amount per machine is no longer applicable. Accordingly, negotiations are currently underway to revise the arrangement with the resulting agreement expected to be based on a percentage per unit, however, the existing dollar cap will be retained. At September 30, 2017 the value of this Intellectual Property was $7,370,602.

Note 5: Property and Equipment

For the period ended September 30, 2017

	Cost at Beginning Of Year	Additions	Disposals	Impairment	Cost at End of Year
Leasehold Improvements	$ 30,790	-	-	-	$ 30,790
Office Furniture & Equipment	21,677	-	-	-	21,677
Manufacturing Equipment	78,282	-	-	-	78,282
	$ 130,749				**$ 130,749**

	Accumulated Depreciation at Beginning of Year	Additions	Disposal/ Write-Off	Accumulated Depreciation at End of Year	Net Book Value
Leasehold Improvements	-	-	-	$ 2,429	$ 28,360
Office Furniture & Equipment	-	-	-	3,365	18,311
Manufacturing Equipment	-	-	-	12,569	65,713
				$ 18,363	**$ 112,384**

Note 6: Share Capital and other Equity Instruments

Preferred Stock

At the commencement of this reporting period, the Company had 4 shares of Series A Preferred stock issued with $0.50 par value. These shares were cancelled on August 20, 2017.

Common Stock

The Company has authorized 200 million shares of common stock with $0.001 par value. 81,320,375 shares were issued and outstanding as at September 30, 2017.

Note 7: Long Term Liabilities

The Company had long-term payables in the amount of $1,169,837 as at September 30, 2017. This long-term liability is comprised of two commitments:

1) Compensation due to certain members of the executive management team of $312,000. In support of the long term growth of the Company, those executive team members owed compensation have agreed to defer it to October 2018 when the Company is suitably positioned to pay it.

2) A loan from the City Development Fund ("SOFIE") in Rotterdam, The Netherlands of $986,180. SOFIE is an initiative of the municipality of Rotterdam and is made possible through funds from the European Regional Development Fund. The SOFIE fund was created in the summer of 2013 with the goal of making the Rotterdam city ports more attractive to new entrepreneurship. The note was approved on October 26, 2015 in the amount of $1,091,428 (1,000,000 (EUR)) and bears interest at a rate of 6.5% compounded annually. The first drawdown of the note occurred on March 1, 2016. Until January 2018, the note requires interest only payments. For the period ended September 30, 2017, interest payments totaled $16,757. For the nine month period beginning January 31, 2018, $19,296 per month is payable.

Note 8: Related Party Transactions

The Company has an outstanding loan payable to members of the executive management team in the amount of $56,281. The loan is expected to be repaid within one year.

Note 9: Marketing, Advertising and Promotion Costs

Advertising and marketing costs (including website construction and hosting) are expensed as incurred and totaled $30,593.29 for the period ended September 30, 2017.

Note 10: Inventories

Inventory is stated at the lower of cost or market. Cost is recorded at standard cost, which approximates actual cost, on the first-in first-out basis.

Note 11: Commitments and Contingencies

The Company is currently leasing its head office in Peterborough, Ontario, Canada and its Innovation/Manufacturing and administrative office facilities in The Netherlands. The head office lease contract is annual while The Netherlands lease contracts run to August 31, 2019. The following amounts are due under these contracts.

	2017 (Q4)	2018	2019
Innovation/Manufacturing Facility, The Netherlands	$ 23,437	$ 93,747	$ 54,686
Administration Office, The Netherlands	1,950	7,800	4,550
Head Office , Canada	12,000	48,000	48,000
Total	$ 37,387	$ 149,547	$ 107,236

Note 12: Employee Stock Option Plan

The Rainmaker 2017 Equity Incentive Plan (the "Option Plan") was established to attract, retain, incentivize and motivate officers and employees of, consultants to, and non-employee directors providing services to the Company and its subsidiaries and affiliates and to promote the success of the Company by providing such participating individuals with a proprietary interest in the performance of the Company. Effective July 3, 2017, at the time of completion of the Merger, the Board adopted the Option Plan under which up to twenty percent of the outstanding shares of common stock of the Company ("Shares") may be reserved for the issuance of options to purchase Shares ("Options"). The Option Plan is administered by the Board, which shall have all of the powers necessary to enable it to carry out its duties under the Option Plan, including the power and duty to construe and interpret the Option Plan and to determine all questions arising under it. Under the Option Plan, "Eligible Individuals" includes officers, employees, consultants, advisors and non-employee directors providing services to the Company and its subsidiaries and affiliates. The Board will determine which Eligible Individuals will receive grants of options.

On July 3, 2017, in fulfillment of conditions contained in the share exchange agreement with RWI and its shareholders, the Board authorized the grant of the following Options:

(i) 3,996,000 Options to four individuals who are officers and/or directors as compensation for the termination of certain RWI stock option rights; these options are fully vested, expire on July 2, 2022 and are exercisable at a price of $0.15 per Share;

(ii) 8,625,000 Options to seven individuals who are officers and/or directors or contractual service providers; one third of these Options vested on July 3, 2017 while the balance vest monthly over a period of 24 months; they have a term of 5 years and are exercisable at a price of $0.15 per Share;

(iii) 500,000 Options to a director; 100,000 of these Options vested on July 3, 2017 while the balance vest monthly over a period of 24 months; they have a term of 5 years and are exercisable at a price of $0.25 per Share; and

(iv) 1,300,000 Options to an officer; 150,000 of these options vested on October 10, 2017; 283,334 will vest on January 13, 2018 while the balance will vest monthly over a period of 24 months thereafter; they have a term of 5 years and are exercisable at a price of $0.25 per Share.

On August 9, 2017, the Board authorized the grant of 625,000 Options to the five members of the Company's Strategic Advisory Board; they vest monthly over a period of 24 months, have a term of 5 years and are exercisable at a price of $0.40 per Share.

Under normal market conditions, the Company will use the Black-Scholes option-pricing model to determine the grant date fair value of stock-based awards under ASC 718. Due to the recent listing of the Company's shares on the OTC, trading activity was light and liquidity limited, therefore, for this reporting period the Company used its most recent equity raise price ($1.50) divided by the reverse merger share split ratio (7.4:1) to value options at $0.21.

Note 13: Subsequent Event

On October 11, 2017 the OTC Markets issued a Caveat Emptor against the Company. The Caveat Emptor could have a material impact on the Company's ability to sustain its operations. Communication with the OTC is ongoing while the Company seeks resolution to this matter. The Company expects to have it resolved in the near future.