Annual Report

for

CHOOSE RAIN, INC.

FINANCIAL STATEMENTS

as of DECEMBER 31, 2016 and 2015

(UNAUDITED)

105 Pine Creek Trail, Ormond Beach, FL 32174 OTC-PK: CHOS

CHOOSE RAIN, INC.

FINANCIAL STATEMENTS

FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2016 and 2015

(UNAUDITED)

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CHOOSE RAIN, INC.

Balance Sheet
As of December 31, 2016 and December 31, 2015
(Unaudited)

ASSETS

	December 31, 2016	December 31, 2015
CURRENT ASSETS		
Cash and cash equivalents	$ 376	$ 7,465
Accounts Receivable	-	2,290
Inventory	-	8,030
Note receivable	17,028	16,222
Note receivable - related party	22,897	21,963
Debt Discount	-	-
Other Current Assets	39,868	72,750
TOTAL CURRENT ASSETS	80,169	128,721
PROPERTY & EQUIPMENT		
Equipment	11,670	41,586
Accumulated Depreciation	-8,200	-21,006
NET PROPERTY AND EQUIPMENT	3,470	20,580
OTHER ASSETS		
License Agreement	120,230	-
Accumulated Amortization	-	-
NET OTHER ASSETS	120,230	-
TOTAL ASSETS	$ 203,869	$ 149,300
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	$ 36,426	$ 35,112
Due to Employees	26,130	49,356
Convertible notes payable - current portion	159,850	136,752
Derivative Liability	9,306	22,747
Other Current Liabilities	21,874	19,726
TOTAL CURRENT LIABILITIES	253,586	263,693
LONG-TERM LIABILITIES		
Convertible notes payable	25,444	24,944
TOTAL LONG-TERM LIABILITIES	25,444	24,944
TOTAL LIABILITIES	279,030	288,637
STOCKHOLDERS' (DEFICIT) / EQUITY		
Preferred stock, $0.001 par value, 200,000 authorized, none outstanding as of December 31, 2016 and 2015	-	-
Common stock, $0.001 par value, 500,000,000 shares authorized, 485,317,243 shares issued and outstanding at December 31, 2016 379,148,313 shares issued and outstanding at December 31, 2015	485,317	379,148
Additional paid in captial	(501,604)	(529,776)
Retained earnings (deficit)	(58,874)	11,291
TOTAL STOCKHOLDERS' (DEFICIT)	(75,161)	(139,337)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	$ 203,869	$ 149,300

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

CHOOSE RAIN, INC.

Statement of Operations
For the Quarters and Years Ended December 31, 2016 and 2015
(Unaudited)

	Quarter Ended Dec 31, 2016	Year Ended Dec 31, 2016	Year Ended Dec 31, 2015
Revenues			
Sales	-	13,332	49,541
Cost of sales	-	12,789	44,203
Gross profit	-	543	5,338
Operating expenses			
Selling, general and administrative expenses	5,918	72,610	86,094
Total Operating Expenses	5,918	72,610	86,094
Income (loss) from operation	(5,918)	(72,067)	(80,756)
Other income (expenses)			
Amortization of Debt Discount	-	-	(25,312)
Gain (Loss) on debt derivative	-	13,441	28,249
Other income/(loss)	(3,061)	(108)	(1,418)
Interest expense/ income	(3,411)	(11,430)	(10,406)
Total other (expenses)	(6,472)	1,903	(8,886)
Income (loss) before income taxes	(12,390)	(70,165)	(89,642)
Income taxes	-	-	-
Net income (loss)	$ (12,390)	$ (70,165)	$ (89,642)
Earnings per common share			
Basic	$ (0.0000)	$ (0.0002)	$ (0.0002)
Dilutive	$ (0.0000)	$ (0.0002)	$ (0.0002)
Weighted average common shares outstanding			
Basic	443,642,298	401,520,308	379,148,313
Dilutive	443,642,298	401,520,308	379,148,313

The accompanying notes are an integral part of the financial statements

CHOOSE RAIN, INC.

Statements of Cash Flows
For the Quarters and Years Ended December 31, 2016 and 2015
(Unaudited)

	Quarter Ended Dec 31, 2016	Year Ended Dec 31, 2016	Year Ended Dec 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (12,390)	$ (70,165)	$ (89,642)
Adjustments to reconcile net income (loss) to			
net cash (used in) operating activities:			
Depreciation	1,252	7,620	10,624
Gain (Loss) on Derivative Liability	-	(13,441)	(2,937)
Changes in operating assets and liabilities:			
Accounts Receivable	-	2,290	(2,290)
Inventory	-	8,790	(137)
Deposit	-	-	2,976
Other Assets	(1,702)	31,517	47,151
Accounts Payable	5,150	1,314	1,617
Due to Employees	1,237	(2,132)	30,264
Other Current Liabilities	-	1,948	(2,721)
NET CASH (USED IN) OPERATING ACTIVITIES	(6,453)	(32,259)	(5,095)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase/disposition of equipment	3,377	9,489	3,941
Note receivable - related party	230	5,548	(1,069)
NET CASH PROVIDED (USED IN) INVESTING	3,607	15,037	2,872
CASH FLOWS FROM FINANCING ACTIVITIES:			
Contribution to additional paid in capital	-	28,172	-
Issuance of common Stock	70,230	106,169	-
Securing License Agreement	(70,230)	(120,230)	
Conversion of Convertible Debt		(14,358)	
Long Term Debt	2,566	10,380	9,664
NET CASH PROVIDED (USED IN) FINANCING	2,566	10,133	9,664
NET INCREASE (DECREASE) IN CASH	-279	-7,088	7,441
CASH AND CASH EQUIVALENTS:			
Beginning of period	656	7,465	23
End of period	$ 376	$ 376	$ 7,465
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ -	$ -	$ -
Cash paid for interest	$ 500	$ 2,000	$ 2,000

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

CHOOSE RAIN, INC.

Statement of Stockholder's Equity
As of December 31, 2016
(Unaudited)

	Preferred Stock $0.001 par value		Common Stock $0.001 par value		Additional Paid in Capital	Retained Earnings (Deficit)	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount			
Balance, December 31, 2014	-	$ -	379,148,313	379,148	(529,776)	100,931	(49,696)
Stock issued	-	-	-	-	-	-	-
Shareholders contribution	-	-	-	-	-	-	-
Net Income	-	-	-	-		(89,642)	(89,642)
Balance, December 31, 2015	-	$ -	379,148,313	$ 379,148	$ (529,776)	$ 11,291	$ (139,337)
Stock issued - License Agreement	-	-	25,000,000	25,000	25,000	-	50,000
Stock issued - Debt Conversion	-	-	10,938,930	10,939	3,172	-	14,111
Stock issued - License Agreement	-	-	70,230,000	70,230	-	-	70,230
Net Income	-	-	-	-		(70,165)	(70,165)
Balance, December 30, 2016	-	$ -	485,317,243	485,317	(501,604)	(58,874)	(75,161)

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

NOTE－1 ORGANIZATION AND BUSINESS BACKGROUND

Choose Rain, Inc. f/k/a Resolve Staffing Inc. (the "Company") was incorporated in the State of Nevada in 1998 in name of Columbialum Ltd. On January 22, 2002, the Company changed its corporate name to Columbialum Staffing Inc., which was subsequently changed to Resolve Staffing Inc. on May 29, 2002. The Company was administratively abandoned and reinstated in August 2010 through a court appointed guardian - custodian. In November 2013, the Company filed another reinstatement with the Secretary of State of Nevada to bring its status current with the State and changed its corporate name to Choose Rain Inc. The Company's common shares are quoted on the "Pink Sheets" quotation market under the symbol "CHOS".

On March 7, 2014, the Company completed an Agreement and Plan of Merger with Choose Rain LLC, a limited liability company organized under the laws of the State of Florida("Choose Rain LLC"), pursuant to which each unit of membership interest of Choose Rain LLC ("Member Interests") issued and outstanding immediately prior to the Closing shall be exchanged for and converted (without the surrender of certificates or any other action) into 90,000 fully-paid and non-assessable shares of common stock, par value $0.001 per share, of the Company (the "Common Stock"), or total 112,230,000 shares of Common Stock of the Company, with the same rights, powers and privileges as the Common Stock and all Member Interests were cancelled and retired and ceased to exist. Thus, Choose Rain LLC was merged with and into the Company, whereupon the separate existence of Choose Rain LLC terminated. The Company was the surviving corporation (the "Surviving Corporation") in the Merger and shall continue to be governed by the laws of the State of Nevada.

The transaction was accounted for as a reverse acquisition and recapitalization of the Company, whereby Choose Rain LLC was deemed to be the accounting acquirer (legal acquiree) and the Company to be the accounting acquiree (legal acquirer). The accompanying financial statements are in substance those of the Company and Choose Rain LLC, with the assets, liabilities, revenues and expenses of the Company being included effective from the date of transaction. Accordingly, the financial statements of the accounting acquirer are included for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree are included from the date of stock exchange transaction.

NOTE－2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting. The Company has adopted a year end of December 31.

Use of estimates - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. These accounts and estimates include, but are not limited to, the valuation of accounts receivables, inventories, income taxes and the estimation on useful lives of property, plant and equipment. Actual results could differ from these estimates.

Cash and cash equivalents - The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of December 31, 2016, the Company had no cash

or cash equivalent balances more than the federally insured amounts. The Company's policy is to invest excess funds in only well capitalized financial institutions.

Fixed assets - Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold, or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

Fair value for financial assets and financial liabilities - The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and short term notes payable approximate their fair values because of the short maturity of these instruments.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2016 nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the period ended December 31, 2016.

Net loss per share - Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Convertible debentures are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share. Therefore, no diluted loss per share figure is presented.

The Company has not issued any options or warrants or similar securities since inception.

Stock based compensation - The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 *"Compensation - Stock Compensation"* ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the

grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued, to other than employees, are recorded based on the fair value of the instruments, as required by FASB Accounting Standards Codification 505, *Equity Based Payments to Non-Employees.* In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each grant as defined in the FASB Accounting Standards Codification.

Income taxes - The Company adopts the ASC Topic 740, "*Income Taxes*" regarding accounting for uncertainty in income taxes, which prescribes the recognition threshold, and measurement attributes for financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. In addition, the guidance requires the determination of whether the benefits of tax positions will be more likely than not sustained upon audit based upon the technical merits of the tax position. For tax positions that are determined to be more likely than not sustained upon audit, a company recognizes the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement in the financial statements. For tax positions that are not determined to be more likely than not sustained upon audit, a company does not recognize any portion of the benefit in the financial statements. The guidance provides for de-recognition, classification, penalties and interest, accounting in interim periods and disclosure.

For the period ended December 31, 2016, the Company did not have any interest and penalties associated with tax positions. As of December 31, 2016, the Company did not have any significant unrecognized uncertain tax positions.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company can realize their benefits, or that future deductibility is uncertain.

Dividends - The Company has adopted a policy regarding the payment of dividends. Dividends may be paid to shareholders once all divisions are fully operational and profitable. The Board may also pay dividends to counter any short selling or undermining of the entity.

Related parties - Parties, which can be a corporation or individual, are considered to be related if the Company 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. Companies are also considered to be related if they are subject to common control or common significant influence. A material related party transaction has been identified in Note 3 in the financial statements.

Subsequent events - The Company evaluated for subsequent events through the issuance date of the Company's financial statements. See Note 8.

Recently issued accounting standards - The Company has reviewed all recently issued, but not yet effective, accounting pronouncements up to ASU 2014-08, and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

Embedded Conversion Features - Notes that are convertible at a discount to market are considered embedded derivatives. The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion features.

Derivative Financial Instruments - The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of it financial instruments, including stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income.

For option-based simple derivative financial instruments, the Company uses the Black-Scholes option-pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

Beneficial Conversion Feature - For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

Debt Issue Costs and Debt Discount - The Company may record debt issue costs and/or debt discounts in connection with raising funds through the issuance of debt. These costs may be paid in the form of cash, or equity (such as warrants). These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Original Issue Discount - For certain convertible debt issued, the Company may provide the debt holder with an original issue discount. The original issue discount would be recorded to debt discount, reducing the face amount of the note and is amortized to interest expense over the life of the debt.

Extinguishments of Liabilities - The Company accounts for extinguishments of liabilities in accordance with ASC 860-10 (formerly SFAS 140) "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". When the conditions are met for extinguishment accounting, the liabilities are derecognized and the gain or loss on the sale is recognized.

NOTE－3 NOTES RECEIVABLE

Notes Receivable – Related Party- As of December 31, 2016, the Company had note receivable due from related party in amount of $22,897, for a Purchase Agreement, dated February 14, 2014, between the Company and Gabriel's Ventures LLC, a limited liability company organized under the laws of the State of Florida owned and controlled by Larry Curran, the Company's President ("Gabriel's Ventures"). Pursuant to the Purchase Agreement, Gabriel's Ventures purchased 200,000 Series B Preferred Shares from the Company for a Promissory Note of

$20,000, due on February 13, 2018, with annual interest at a rate of 5% per annum. Accordingly, the Company recorded interest income of $1,127 during the Year ended December 31, 2016 in connection with the note receivable.

Notes Receivable – Unrelated Party- As of December 31, 2016, the Company had note receivable due from David Phelps, an unrelated third party ("Phelps") in amounts of $17,055, in connection with the purchase of Shares in Choose Rain LLC, dated February 3, 2014. Phelps issued the Company a Promissory Note of $15,000, due in varying monthly installments, with annual interest at a rate of 5% per annum. Accordingly, the Company recorded interest income of $832 during the Year ended December 31, 2016 for this note receivable.

NOTE－4 NOTES PAYABLE

The Company had outstanding notes payable of the following amounts as of December 31, 2016:

Notes Payable Summary	As of Dec 31, 2016
Guardian Registrar & Transfer, Inc., 5% interest rate, due on demand, Convertible [1]	$ -
Black Creek Financial LLC, 12% interest rate, due on demand, Convertible [2]	34,646
Better Firearms Designs, Inc, 8% interest rate, due on demand, Convertible [3]	12,876
NuView IRA, Inc., 8% interest rate, due on March 31, 2019, Convertible [4]	25,444
MT Development, Inc., 5% interest rate, due on demand, Convertible [5]	56,418
IncitoLabs, 5% interest rate, due on demand, Convertible [6]	28,334
Shareholder Loan, 5% interest rate, due on demand, Not Convertible [7]	27,576
Total notes payable	$ 185,294
Less: Current portion of notes payable	(159,850)
Total long-term notes payable	$ 25,444

(1) On June 30, 2016, the Company has a loan payable to Guardian Registrar & Transfer, Inc., an unrelated third party ("Guardian") at an interest rate of 5% per annum and due on April 4, 2015. Pursuant to the loan agreement, Guardian had the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into shares of the Company's common stock at 50% of the average bid prices for the five days prior to notice of conversion. On September 8, 2016, Guardian Registrar & Transfer, Inc., instructed CHOS that they were converting their Note Payable into common stock resulting in a reduction of debt, an increase in equity and the elimination of the derivative liability related to their note. The balance of this loan was $14,111 as of September 8, 2016, the date of the conversion. The Company recorded interest expenses of $478 thru September 8, 2016. This note had been subject to the Embedded Derivatives rules, see below.

(2) The Company has a loan payable to Black Creek Financial LLC, an unrelated third party ("BCF") at an interest rate of 12% per annum. The loan is due on demand. Pursuant to the loan agreement, BCF has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into 900,000 shares of the Company's common stock. The balance of this loan was $34,646 as of December 31, 2016, which was classified as short-term loan payable. The Company recorded interest expenses of $3,960 during the Year ended December 31, 2016.

(3) The Company has a loan payable to Better Firearms Designs, Inc., an unrelated third party("BFD") at an interest rate of 8% per annum and due on demand. BFD has the right to convert all or any portion of the accrued interest and unpaid principal balance of this note for 720,000 shares of the Company's common stock. The balance of

this loan was $12,876 as of December 31, 2016, which was classified as short-term loan payable. The Company recorded interest expenses of $989 during the Year ended December 31, 2016.

(4) The Company also has a loan payable to NuView IRA, Inc., an unrelated third party("NuView") at an interest rate of 8% per annum and due on March 31, 2019. Pursuant to the Promissory Note, NuView has the right to exchange each $1,000 principal outstanding for .80 Class B units of Choose Rain LLC, up to a cap of 20 Class B units. The balance of this loan was $25,444 as of December 31, 2016, which was classified as long-term loan payable. The Company recorded interest expenses of $2,000 during the Year ended December 31, 2016.

(5) The Company has a loan payable to MT Development, Inc., an unrelated third party ("MTD") at an interest rate of 5% per annum and due on Demand. MTD has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into shares of the Company's common stock at the higher of $0.02 or 75% of the weighted average of the combined trading prices or the ten days prior to notice of conversion. The balance of this loan was $56,418 as of December 31, 2016, which was classified as short-term loan payable. The Company recorded interest expenses of $2,753 during the Year ended December 31, 2016.

(6) The Company has a loan payable to Incito Labs, an unrelated third party ("Incito Labs") at an interest rate of 5% per annum and due on December 2, 2015. Incito Labs has the right at any time after Year from the Effective Date, and in whole or in part, to convert the outstanding principal amount of this Note, or any portion of the principal amount hereof, and any accrued Interest, into shares of common stock of the Company. Any amounts a Holder elects to convert will be converted into common stock at a conversion price equal to the lower of $0.01 or seventy-five percent (75%) of the weighted average of the combined trading prices for Common Stock for the ten (10) trading days immediately prior to the date a conversion notice is delivered to Company. The balance of this loan was $28,334 as of December 31, 2016, which was classified as short-term loan payable. The Company recorded interest expenses of $2,177 during the Year ended December 31, 2016. This note is subject to the Embedded Derivatives rules, see below.

(7) The Company has a loan payable to shareholder at an interest rate of 5% per annum and due on demand. The note is not convertible. The balance of this short-term loan was $27,576 as of December 31, 2016. The Company recorded interest expenses of $1,292 during the Year ended December 31, 2016.

Embedded Derivatives - Under Financial Accounting Standard Board ("FASB"), U.S. GAAP, Accounting Standards Codification, "Derivatives and Hedging", ASC Topic 815 ("ASC 815") requires that all derivative financial instruments be recorded on the balance sheet at fair value. Fair values for exchange traded securities and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and judgment.

The Company issued convertible Notes and has evaluated the terms and conditions of the conversion features contained in the Notes to determine whether they represent embedded or freestanding derivative instruments under the provisions of ASC 815. The Company determined that the conversion features contained in two Notes represent freestanding derivative instruments that meet the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instruments in the Notes is reflected in the Company's balance sheet as a liability. The fair value of the derivative financial instruments of the convertible Notes and warrants was measured at the inception date of the Notes and warrants and each subsequent balance sheet date. Any changes in the fair value of the derivative financial instruments are recorded as non-operating, non-cash income or expense.

The Company valued the conversion features in its convertible Notes using the Black-Scholes model. The Black-Scholes model values the embedded derivatives based on a risk-free rate of return ranging from 0.12% to 0.25%, grant dates of Notes, the term of the Notes, conversion prices of 50% to 75% of the closing stock prices on

the measurement date ranging from $0.0011 to $0.20 and the computed measure of the Company's stock volatility, ranging from 0.001% to 298%.

Included in the December 31, 2016 Balance Sheet is a Derivative Liability in the amount of $9,306 and $22,747 for December 31, 2016 and 2015. It arose in the 2nd quarter 2014 with Guardian Registrar & Transfer, Inc., and 4th quarter of 2014 with Incito Labs. See the Convertible Note descriptions above for information on these convertible notes. The derivative Liability balance is revalued quarterly, henceforth, and adjusted as a gain or loss to the statements of operations depending on its value at that time. On September 8, 2016, Guardian Registrar & Transfer, Inc., instructed CHOS that they were converting their Note Payable resulting in an increase in equity and the elimination of the derivative liability related to their note. Included in our Statements of Operations for the Year ended December 31, 2016 is a profit of $13,764 in non-cash income due to the elimination of the Derivative Liability and the the note conversion.

Convertible Debt – See the following table for the Convertible Debt Balances at December 31, 2016 and the share conversion balances.

Convertible Note Holdings			
	Effective Conversion Price	**NP Balance @ 12-31-16**	**Shares if Converted**
Share Price December 31, 2016	**0.00180**		
Black Creek Financial LLC. at an interest rate of 12% per annum and due on October 31, 2012. The loan is due on demand. BCF has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into 900,000 CHOS Shares at 12-31-16.	0.0385	34,646	900,000
Better Firearms Designs, Inc. at an interest rate of 8% per annum and due on October 31, 2013. The loan is due on demand. BFD has the right to convert all or any portion of the accrued interest and unpaid principal balance of This note together with interest payable thereon may be converted pro-rata into Choose Rain, Inc. shares at a conversion price of $0.0135 per share, 812,990 CHOS Shares at 12-31-16.	0.0135	12,876	812,990
NuView IRA, Inc., an unrelated third party ("NuView") at an interest rate of 8% per annum and due on March 31, 2019. Pursuant to the Promissory Note, NuView has the right to exchange each $1,000 principal outstanding for .80 Class B units of Choose Rain LLC, up to a cap of 20 Class B units, 1,800,000 CHOS Shares at 12-31-16.	0.0141	25,444	1,800,000
MT Development, Inc. at an interest rate of 5% per annum and due on June 30, 2015. MTD has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into shares of the Company's common stock at the higher of $0.02 or 75% of the weighted average of the combined trading prices for the ten days prior to notice of conversion, 2,820,924 CHOS Shares at 12-31-16.	0.0200	56,418	2,820,924
Incito Labs at an interest rate of 5% per annum and due on December 2, 2015. Pursuant to the agreement, Incito Labs has the right at any time after six months from the Effective Date, and in whole or in part, to convert the outstanding principal amount of this Note, or any portion of the principal amount hereof, and any accrued Interest, into shares of common stock of the Company. Any amounts a Holder elects to convert will be converted into common stock at a conversion price equal to the lower of $0.01 or seventy-five percent (75%) of the weighted average of the combined trading prices for Common Stock for the ten (10) trading days immediately prior to the date a conversion notice is delivered to Company. 20,988,437 CHOS Shares at 12-31-16.	0.0014	28,334	20,988,437
		157,718	27,322,351

NOTE－5 CAPITAL STRUCTURE

The Company was authorized to issue 500,000,000 shares of Common Stock, par value $0.001, of which 485,317,243 shares were issued and outstanding as of December 31, 2016 and 379,148,313 shares were issued and outstanding as of December 31, 2015.

The Company is authorized to issue 200,000 shares of Preferred Stock, par value $0.001with a conversion ratio of 1 to 1,000 shares of common stock, of which no shares were issued and outstanding as of December 31, 2016. On February 26, 2014, 200,000 shares of Convertible Series B Preferred Stock were converted into 200,000,000 shares of common stock of the Company at a conversion ratio of 1 to 1,000 upon the notice of the holder of preferred stock and the approval of the Company's Board of Directors.

NOTE－6 NET PROFIT (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless they reduce a loss or increase earnings per share. Convertible debentures are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share. Therefore, no diluted loss per share figure is presented.

As of December 31, 2016, all shares of Convertible Series B Preferred Stock of the Company and the original convertible notes payable had been converted. The remaining convertible promissory notes may dilute future earnings per share.

The following table sets forth the computation of basic and dilutive net income (loss) per share for the Years ended December 31, 2016 and 2015.

Weighted Average	For the Quarter ended December 31, 2016	For the Year ended December 31, 2016	For the Year ended December 31, 2015
Numerator:			
- Net income (loss)	(12,390)	(70,165)	(89,642)
Denominator:			
- Weighted average shares outstanding - basic	443,642,298	401,520,308	379,148,313
- Weighted average shares outstanding - dilutive	443,642,298	401,520,308	379,148,313
Net income (loss) per share – basic	(0.0000)	(0.0002)	(0.0002)
Net income (loss) per share – dilutive	(0.0000)	(0.0002)	(0.0002)

NOTE－7 GOING CONCERN

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

Through December 31, 2016, the Company had a Negative Net Worth of $75,161 and continuing operating losses although these losses have been significantly reduced. Aside from a $40,000 bad debt incurred from the

refusal of a vendor to honor a barter contract in the first quarter, the remaining loss of $35,161 consists mainly of Interest ($11,430), DTC & Stock Transfer Fees ($9,784), Legal Fees ($5,530) and Depreciation ($7,620) offset by income from unclaimed property ($3,300) and the $13,441 gain on the elimination of the derivative liability for converted debt.

The CEO draws no salary nor any other compensation. To maintain cash flow, he has routinely loaned funds to the company to cover the ongoing costs associated with being a public company.

Management has taken definitive action and continues to implement changes designed to improve the Company's financial results and operating cash flows. The actions involve cost-saving initiatives and growth strategies including the expansion of the Choose Rain, Inc. business model into new markets and an equity capital infusion. Management believes that these actions will enable the Company to improve future profitability and cash flow in its continuing operations through 2017 and beyond. Therefore, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company's ability to continue as a going concern.

Press Releases during the third quarter on License Agreements and revenues therefrom set the stage for significant growth in the future. CHOS recently announced the signing of an Exclusive License Agreement with Cloudburst Distribution Pty Ltd (Cloudburst) where all their USA revenues for any products manufactured and/or sold in the USA, will flow through CHOS with CHOS retaining a fee of 10% of all revenues. Management believes that these and other financial initiatives should provide solid revenues and profits in the upcoming years. Part of this Agreement requires that all liabilities be repaid before the profits can be used for future opportunities.

NOTE－8 SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations after December 31, 2016 to the date these financial statements were issued. The following paragraphs detail what has happened and what may happen in 2017 pursuant to the License Agreement and Change of Control.

A news release was issued July 1, 2016 - Choose Rain, Inc., (CHOS), announced that it has reached an Agreement in Principle with Cloudburst Distribution Pty Ltd (Cloudburst) to move the company forward. The Agreement in Principle grants CHOS an Exclusive License for all Cloudburst products manufactured or sold in North America in exchange for Restricted Common Shares. During the third quarter, three additional news releases were issued to clarify and expand upon the July 1, 2016 release identifying contracts that Cloudburst has negotiated which should translate into revenues and profits. On October 5, 2016, another news release was issued describing Cloudburst revenue opportunities extended to CHOS from a contract with a large Australian distillery for bespoke spirits. Bespoke spirits will likely produce the first licensee revenues to CHOS under this agreement. A February 28, 2017 News Release reported the signing of the Exclusive License Agreement and the Change of Control Agreement.

Possible Change of Control - CHOS also announced on July 1, 2016, a possible Change of Control as CHOS debts are retired using funds from the License Agreement. Both Choose Rain, Inc. and Gabriel's Ventures LLC, the majority shareholder, have agreed to the issuance of new restricted shares for the License Agreement and the transfer of the control block of Gabriel's 200M shares to Cloudburst as CHOS debts are paid. As of December 31, 2016, and pursuant to the Agreement, CHOS has issued 95,230,000 restricted shares and Gabriel's has transferred 92,000,000 control shares. Note - the Agreement restricts for two years any increase in total authorized shares and allows no reverse split of shares or other actions which would further dilute the interests of the current shareholders.

CHOOSE RAIN, INC.

UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2016 and 2015

I, Larry R. Curran, certify that:

1. I have reviewed the Financial Statements for the Quarter and Years ended December 31, 2016 and 2015 of Choose Rain, Inc.

2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference hereto, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented hereto.

Date: March 20, 2017

/s/: Larry R. Curran
Larry R. Curran
Chief Executive Officer and Chief Financial Officer