

RAINY MOUNTAIN ROYALTY CORP.

Management's Discussion and Analysis

For the year ended April 30, 2018

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RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's discussion and analysis ("MD&A"), prepared as of August 27, 2018. This MD&A should be read in conjunction with the audited Financial Statements for the years ended April 30, 2018 and 2017, the accompanying notes thereto, and the MD&A included in the Company's Annual Report, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, and on the Company's website at www.rmroyalty.com.

Description of Business

The Company is engaged in the the acquisition and exploration of mineral resource properties (exploration and evaluation assets). Costs directly related to the identification, exploration and development of mineral properties are capitalized and are either amortized over the life of the property's production or written off when the property is sold, abandoned or released.

The Company trades on the TSX Venture Exchange under the symbol RMO and the Frankfurt Stock Exchange under the trading symbol EK7N-FF.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain mineral properties located in various regions of Canada. Numerous aboriginal groups are claiming unextinguishable aboriginal title to the lands and resources in various regions of Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful aboriginal claim would materially affect the ability of the Company to exploit its mineral properties is not determinable at this time.

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Realization of assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. To the best of its knowledge, the Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of the exploration and the development of a mineral property, the potential for production on the property may be diminished or negated.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

Exploration Programs

A summary of the Company's current exploration programs is set out below, however, for additional information and details regarding such matters, reference is made to the Company's news releases and related filings that can be viewed on www.sedar.com and the Company's website www.rmroyalty.com.

The technical information regarding the Company's currently active projects referred to herein has been reviewed and approved by Robert Middleton, P. Eng., who has been acting as the Company's Qualified Person, in accordance with regulations under NI 43-101. With respect to the technical information disclosed prior to Robert Middleton becoming the Company's Qualified Person, such technical information was reviewed and approved by Gordon Gibson, P. Geo.

The Company's expenditures on exploration and evaluation assets are as follows:

	Clay/Powell	Marshall Lake	Brunswick	Other Properties *	Total
Balance, April 30, 2017	\$ 1	\$ 2,151,737	\$ 400,147	\$ 4	\$ 2,551,889
Deferred costs:					
Additions during the year:					
Acquisitions and staking	-	12,500	28,742	-	41,242
Accommodations	94	-	37,857	-	37,951
Assays	-	-	57,370	-	57,370
Drilling	-	-	323,291	-	323,291
Equipment Rental	-	-	22,312	-	22,312
Field office expense	11	-	5,533	-	5,544
Fuel	67	-	5,950	-	6,017
Geological and labour	-	-	272,063	-	272,063
Permitting	-	-	11,992	-	11,992
Reports	2,200	-	12,025	-	14,225
Roads and access	-	-	6,172	-	6,172
Storage	-	5,400	-	-	5,400
Surveying	-	-	4,280	-	4,280
Transportation	-	-	13,061	-	13,061
Travel	-	-	5,283	-	5,283
Trenching	-	-	6,275	-	6,275
Option payments and expense recovery	-	(27,000)	(34,044)	-	(61,044)
Net additions (recoveries) for the period	2,372	(9,100)	778,162	-	771,434
Impairment of exploration and evaluation assets	(2,372)	-	-	-	(2,372)
Net change for the year	-	(9,100)	778,162	-	769,062
Balance, April 30, 2018	\$ 1	\$ 2,142,637	\$ 1,178,309	\$ 4	\$ 3,320,951

* Other Properties currently consist of the Eva Kitto, Max, Norton Lake and Seagull Properties.

During the year, the Company recovered \$34,292 from properties previously written down.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

	Clay/Powell	Marshall Lake	Brunswick	Other Properties*	Total
Balance, April 30, 2016	\$ 1	\$ 2,140,363	\$ -	\$ 4	\$ 2,140,368
Deferred costs:					
Additions during the year:					
Acquisitions and staking	30,000	12,500	36,143	-	78,643
Accommodations	-	-	107	-	107
Assays	-	-	4,806	-	4,806
Drilling	-	-	4,615	-	4,615
Field office expense	50	-	2,780	-	2,830
Geological and labour	1,000	-	161,658	-	162,658
Equipment Rental	-	-	10,085	-	10,085
Reports	3,300	-	350	-	3,650
Storage	-	5,400	-	-	5,400
Surveying	-	-	161,266	-	161,266
Transportation	-	-	3,014	-	3,014
Travel	158	78	8,186	-	8,422
Option payments and expense recovery	-	(6,604)	7,137	-	533
Net additions for the year	34,508	11,374	400,147	-	446,029
Impairment of exploration and evaluation assets	(34,508)	-	-	-	(34,508)
Net change for the year	-	11,374	400,147	-	411,521
Balance, April 30, 2017	\$ 1	\$ 2,151,737	\$ 400,147	\$ 4	\$ 2,551,889

* Other Properties currently consist of the Eva Kitto, Max, Norton Lake and Seagull Properties.

Brunswick Property

On September 1, 2016, the Company entered into an option agreement to acquire an undivided 100% interest in a 13 claim unit property located in Brunswick Twp., Ontario (the "Brunswick Property"). The Brunswick Property is currently owned by Michael Tremblay of Wawa, Ontario (as to 50% interest) and Fiorella Santamaria of Sault Ste. Marie, Ontario (as to 50% interest) (the "Optionors"). Under the option agreement, the Company can earn a 100% interest in the Brunswick Property by making a series of cash payments over five years (totalling \$150,000 of which \$30,000 was paid in cash and shares during the year ended April 30, 2017 and \$20,000 (was paid in shares year ended April 30, 2018) and issuing a total of 300,000 shares in 3 instalments (100,000 shares (issued) upon approval of the option agreement by the TSX Venture Exchange (the "Effective Date"); 100,000 shares 12 months following the Effective Date (issued); and 100,000 shares 24 months following the Effective Date). If an indicated resource is outlined for the Brunswick Property by the Company, a further 100,000 bonus shares will be issued to the Optionors. At the Company's election, any cash payment may be paid in shares (based on the 10 day trading average for the Company's shares as of the due date for such cash payment). A 2% NSR has been retained by the Optionors and the Company has the right to purchase one half thereof (1% NSR) at any time for \$1.0 million, and as well, the Company has a right of first refusal to purchase the remaining 1% NSR.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

On December 2, 2016, the Company announced to report initial findings on the Brunswick Property. The Brunswick Property covers a six mile long section of the Ridout Fault Shear Zone, which is an extension of the Larder Lake Break (fault zone), as associated with the Kirkland Lake and Larder Lake Gold Camps (the Kirkland Lake Gold Camp is 125 km northeast of the Property and the Larder Lake Gold Camp is 167 km northeast of the Property). The recently completed Induced Polarization Resistivity Survey ("IP Survey") on the Brunswick Property has identified four other parallel shear zones in the mafic volcanics along the north side of the Ridout Fault Shear Zone that are characterized by iron carbonate-sericite alteration with sulphides. The Ridout Shear system can be traced westward through the Chester-Cote Lake area where a gold deposit (the Chester Mine project) is being developed by IAMGOLD Corporation, then continues on to the Jerome Mine and then to Goldcorp Inc.'s Borden discovery near Chapleau. The parallel shears in the basalts on the Brunswick Property are similar to the gold setting in the Borden discovery and are parallel to the Timiskaming sediments and a major shear zone. As part of its recent exploration program, Rainy Mountain completed a deep penetrating IP Survey consisting of 13 two (2) km long lines across a selected portion of the Brunswick Property which outlined 4 major shear structures containing iron carbonate (ankerite) and sericite with sulphides. The Company believes that these structures and alteration assemblages are associated with gold mineralization on the Property and in the Porcupine (Timmins) Camp. A special array was used for this IP Survey which allowed for direct detection to a depth of 250m. A detailed mapping and prospecting program was also carried out in coordination with the IP Survey which indicated a number of exposures of iron carbonate, sheared volcanics with quartz and sericite with sulphides. These exposures coincided with the resistivity low that was traced across the complete (1.3 km) grid. The resistivity data outlined a specific shear structure 100m south of the gold showing previously sampled in May 2016 by Mike Tremblay, the prospector that optioned the Property to the Company. As indicated in the Company's news release dated November 21, 2016, the gold assays from grab samples taken in May 2016 by Tremblay from the showing area assayed 32.9 grams Au (gold), 3.77 grams Au, 3.13 grams Au and 2.82 grams Au. Based on the analysis completed to date, Robert Middleton, P.Eng., believes that the iron carbonate shear structure hosting the gold appears to be connected to the major shear 100m to the south of the gold showings sampled by Tremblay. A deep seated IP anomaly was also outlined within this major shear, reflecting a concentration of sulphides at a depth of 125m, and was traced as a series of pods for a length of 1300m. Other moderate IP anomalies occur along the north side of the Ridout Fault Shear Zone which are considered to be important targets. Additional grids are being planned for an IP Survey to cover extensions of these structures (2.6 km to the east and 4.8 km to the west of the present grid) and to cover other carbonate zones and showings along strike. A drilling program for the gold showings and the strong IP anomalies is being planned for early 2017.

On December 13, 2016, the Company announced that certain additional targets have been defined from further geochemistry, prospecting and 3D Induced Polarization ("IP") in connection with the Brunswick Property. The recently completed IP survey on the first Brunswick grid has been processed into a 3D image which can be observed in 3D and rotated and sliced to assist the Company in planning for future drilling locations. Moreover, this 3D imaging has increased the Company's understanding of the large shear zones and planning for drill targets. As an example, four major shear structures can now be seen, and follow-up prospecting has found large quartz ladder veins off to the east of the present grid, which is encouraging the Company to expand the grid eastward by a further 2 kms. In addition, many outcrops of exposed mineralization are still being sampled in the current mapping and prospecting program, the Company has observed a one kilometer section of the carbonate shears which are reporting very anomalous arsenic and antimony values (forming a halo effect), which are important indicators of a potential gold system nearby (on strike or at depth). Although arsenic is rare in the Porcupine (Timmins) Camp, it is a useful tool for locating gold mineralization, even where the arsenic levels are very low in the geochemical range. Antimony was also closely associated with gold at the Hemlo Camp, and in trace amounts with other gold deposits in the Canadian Shield. Planned drill targets are presently being selected based on the IP chargeability and geology and geochemical vectors. An initial 1500m drill program is being planned on the one small grid completed to date on the east side of the Property. Additional grids will be established to trace out the extension of the geochemical halo as well. New targets are evolving as the data is being integrated. As well, Rainy Mountain has been selected by a committee, as over seen by the Ontario Prospectors Association (OPA), to receive a "JEAP" Grant (Junior Exploration Assistance Program), which reimburses a company for 33% of eligible exploration expenses such as line cutting, IP surveys, geology and assaying. In this regard, a \$150,000 work program was approved, which may result in the Company receiving up to a \$50,000 reimbursement.

On January 3, 2017, the Company announced to report additional findings on the Brunswick Property. The recent geological mapping and outcrop sampling on the Brunswick Property have identified a 1 km (1,000m) long arsenic-antimony ("As-Sb") anomaly, which is a potential indicator of nearby gold mineralization, along an offset extension of the larger shear zone outlined on the eastern half of the Property adjacent to the outcropping gold showing. This work suggests the extension of the gold bearing zone has been fault offset, and continues westward onto the central part of the 6 mile (10 km) long Property. An

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

expansion of the present grid 1.8 km to the west is part of the Company's exploration program planned for early 2017 to cover this structural offset and to fill in a gap between the As-Sb anomaly and the grid that was surveyed by the recently completed Induced Polarization Resistivity Survey ("IP Survey") covering the gold zone. This leaves a 1.2 km prospective area adjacent to the numerous drill targets that have already been identified on the eastern grid. Furthermore, the Company has now received results from assaying the grab samples taken from the Brunswick Property during its exploration in December 2016. Results of which yielded other scattered As-Sb anomaly areas adjacent to the gold zone and shears extending to the east of the east grid. Additional grid extensions to the east of the east grid are also planned and will be done during the winter to allow traversing of any ponds on either end of the Property. Drilling is planned to follow up on the numerous targets located by the IP Survey and any additional targets that may turn up during the grid expansion. The Company is in the process of filing a final report on work completed to date in order to meet the requirements of the JEAP Program (Junior Exploration Assistance Program) which could result in a rebate of up to 33% (approximately \$50,000) of the \$150,000 exploration program completed to date.

On March 23, 2017, the Company announced that it has engaged Laframboise Drilling Inc. of Earlton, Ontario to complete a 2,000 metre diamond drill program on the Company's optioned gold exploration property (the "Brunswick Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). The Company is currently completing a 40 km grid line extension on the Brunswick Property. The Company started with an 800m extension containing four-2 km long lines on the east side of the Property. The east grid line extension is intended to cover a porphyry occurrence and the extension of the previously sampled gold showing, as well as a strong IP anomaly (see December 2, 2016, December 12, 2016, January 3, 2017 and March 3, 2017 News Releases for additional details). A 2.4 km grid line extension will also be cut to the west to cover an arsenic-antimony anomaly and a second porphyry body found on the south west corner of the original grid during the geology-prospecting done in November/December 2016. Additionally, a deep IP Survey is scheduled to start on the east side of the Property within the next few days. Drilling on the Brunswick Property is scheduled to begin in April 2017. Thus far, twelve drill sites have been selected on the original grid, with potentially more drill sites to be added when the grid line extension is completed.

On April 4, 2017, the Company announced the extension of geophysical anomalies associated with gold mineralization at the Company's optioned gold exploration property (the "Brunswick Property" or "Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). An additional 800m (1/2 mile) of strike length has now been covered on the east side of the east grid on the Brunswick Property. This most recently completed work has extended four induced polarization ("IP") chargeability trends associated with both gold mineralization and pyrite bearing sericite-carbonate schists, which are typical hosts for gold in the region. The IP geophysical method employed on the original east grid was used because of its ability to detect disseminated sulphide zones, which are often associated with gold, and at the same time, map the shear structures with resistivity data gathered with the IP readings. As well, additional mapping and prospecting has located occasional outcrops of the sericite - carbonate rock on these shears identified by the resistivity. Similar shear zones have been traced for 1-2 km on the west side of the Property where anomalous arsenic-antimony values were found in bedrock samples. A series of 12 grid lines covering a 2.4 km (1 1/2 mile) strike length of these shears is currently underway and should be completed by late April, prior to drilling. At the same time, a reassessment of all the drill targets will be made to select the highest priority targets from both the eastern grid targets already located and any new targets found on the grid extensions. As spring progresses, some roads are restricted for access for heavy equipment (due to frost coming out) which can cause delays in mobilizing the drill. These road constrictions apply to all trucking operations, including the local log haulers.

On May 4, 2017, the Company announced that it has identified additional drill targets at its optioned gold exploration property (the "Brunswick Property" or "Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). A 2.4 km long grid extension along the central west side of the Brunswick Property has been cut and partly surveyed which has identified extensions to the shears occurring on the east grid and other parallel shears that were mapped in the fall of 2016. Additionally, prospecting has resumed, now that the snow has melted sufficiently to expose outcrops. These new outcrops have exposed carbonate-sericite shear extensions along strike to the area where the arsenic-antimony (As-Sb) rock geochemical anomaly occurs. As well, additional surface samples are being gathered on the Property and will be submitted for analysis to trace the extent of the arsenic-antimony zone (in relation to the induced polarization chargeability anomalies). Heavy rains and wind storms have slowed the progress of the survey work in the last week of April. However, work is now continuing and will be completed prior to any drilling in an effort to optimize the chances of success in selecting the best drill targets on the Property. In addition, an induced polarization ("IP") survey (with 12.5m station intervals) has also been completed on both the east and

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

west grids. This work has assisted the Company in tracing the carbonate alteration and fault structures, as well as, locating diabase dikes. The IP survey identifies sulphide mineralization within the shear zone that could be associated with gold mineralization. Thus far, ten high priority drill sites have been selected on the east side grid and an additional four drill sites are already known on the west side grid (with possibly more expected as the survey and sampling continues). Of note as well, four shear zone structures can be seen on the west side of the Property (which is comparable to the east side), which parallels the Ridout Fault Zone. Two of these shears have known arsenic-antimony values and the other shears are presently being sampled. IP anomalies are now known to be associated with the arsenic-antimony geochemical anomaly. These four shears are the fault offset of the shears on the east side of the Property. A major northerly trending fault, called the Nabakwasi River Fault, created this offset of the geology which fault is much younger in age and unrelated to the mineralization. In particular, the IP chargeability flanks the arsenic-antimony geochemical anomaly, which envelops those sheared rocks and is associated with closely spaced parallel shears, and continues beyond the known geochemical anomaly towards the porphyry intrusion to the east. The Company believes that this is an ideal setting for a gold deposit which appears to be quite similar to the setting found at the Bell Creek Mine in Timmins.

On May 8, 2017, the Company announced that it has concluded a Memorandum of Understanding (the "MOU") with the Mattagami First Nation ("Mattagami") in connection with the Company's optioned gold exploration property project (the "Brunswick Property") located in the Timmins area of Ontario. The MOU establishes the desire of the Mattagami First Nation and Rainy Mountain to work together, creating a long-term, mutually beneficial, co-operative and respectful relationship in the spirit of social, environmental, cultural, and economic well-being. In accordance with the MOU, the Company has agreed to provide certain benefits and to provide employment and service related opportunities to Mattagami, and in return, Mattagami has agreed to support the Company's exploration of the Brunswick Property. The MOU will cover the exploration phase of the Company's Brunswick Property project and also outlines a framework for collaboration on prevention, mitigation remediation and accommodation for environmental impacts which may result from exploration activities. Chief Chad Boissoneau of the Mattagami First Nation states, "Mattagami First Nation takes pride in the fact that we are working effectively with industry to both ensure respect for our traditional and treaty rights, and to create opportunities for social, environmental and economic participation. The signing of the MOU for the Brunswick Property project with the Company reflects the beginning of a progressive relationship. The MOU illustrates the willingness of our First Nation to work alongside mineral exploration companies who demonstrate a commitment to social and environmental responsibility, as well as respect for our lands and rights. I would like to acknowledge and thank former Chief of Mattagami First Nation, Walter Naveau, and our Lands and Resources Department for facilitating the process." Douglas Mason, Chief Executive Officer of the Company states, "The Company is extremely pleased to have been able to conclude a favourable MOU with the Mattagami First Nation and we believe that this Agreement will bring economic opportunities to the region and will provide certainty for the Company's Brunswick Property project in a manner which is respectful of Mattagami's traditional territory and its aboriginal and treaty rights."

On May 24, 2017, the Company announced that drilling is now underway on its optioned gold exploration property (the "Brunswick Property" or "Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). Presently, the Company intends to complete 15 drill holes (10 drill sites selected on the east side of the Property and five additional drill sites selected on the west side of the Property). Additional drill sites are also being considered and will be determined as the current drill program continues. Prior to commencement of the current drill program, Rainy Mountain continued sampling outcrops and exposures on the west side of the Brunswick Property and began trenching with a back hoe on May 9th in an attempt to expose four carbonate alteration zones associated with the recently completed Induced Polarization ("IP") survey. The IP surveys have been continued on in-fill lines to better define the anomalies (at 100m spacings using 25m stations and an "a" spacing for the electrodes of 25m to obtain better resolution). The IP surveys have detected the present of sulphide mineralization within the sericite carbonate zones which would be the normal setting for associated gold mineralization. A magnetometer survey was also completed (with readings taken at 12.5m intervals), which helps outline the carbonate zones (being a low magnetic signature) and also assists in locating diabase dikes which cross the mineralization in a northerly direction. As well, recent trenching has exposed crack seal quartz veins with sericite and hydromuscovite (apple green mica) on the fractures in the quartz, as well as disseminated sulphide zones flanking the quartz veins. The Company believes that these mineral settings are favourable hosts for gold mineralization and are similar to the setting found at the Bell Creek Mine in Timmins, Ontario. Further, additional sampling has been done to determine the distribution of the pathfinder elements for gold (such as arsenic (As) and antimony (Sb)), which were previously detected in the fall of 2016 (see the Company's news release of January 3, 2017 for additional details). Fifteen samples (of the 22 samples submitted in May 2017) were either elevated in antimony or

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

very anomalous and the crack seal vein (found 200m west of the original antimony site) was also very anomalous in antimony. Arsenic was also detected, which is often peripheral to gold mineralization. The Company believes that all of the anomalous values are geochemically significant, from an exploration point of view, but are not at any toxic level. This information will assist the Company in finalizing where future drill holes will be placed. A core shack with logging tables and core saw has been set up near the Property to receive and process core in a secure facility from the current drill program. Field sampling and trenching has been carried out and/or supervised by the Company Qualified Person, R.S. Middleton, P.Eng., and assisted by the prospector, Michael Tremblay.

Current status:

On June 8, 2017, the Company announced that it has completed 14 drill holes (2121m) on its optioned gold exploration property (the "Brunswick Property" or "Property") located 140 km south of Timmins, Ontario. The core from the initial six holes drilled has been logged and split and submitted for assay. The core from two additional drill holes will be logged, split and submitted for assay later this week. The first six drill holes (1038m) tested four different iron carbonate-sericite deformation (shear) zones that flank the Ridout Fault Zone. These intersections all contained quartz-ankerite veins with sulphides and minor sphalerite (zinc). All of the alteration zones yielded arsenic-antimony pathfinder elements in the trenching that was carried out prior to drilling. Robert Middleton, P. Eng. and Qualified Person for the Brunswick Property project, has indicated that intense shearing and deformation has occurred throughout the length of these structures, creating an ideal setting for gold mineralization. Other favourable associated rock units found by drilling were variolitic basalt, spherulitic basalt, leucoxene basalt, quartz eye porphyry and ultramafics, all with intense sericite-carbonate alteration. A previously completed combined magnetic and induced polarization survey traced these favourable structures for 2.4 km on one section of the six mile (9.6 km) long Brunswick Property and the Company believes these structures could continue for another two miles (3.2 km) across the remaining length of the Property. At this time, the Company anticipates that the recently completed drill program will set the stage for further grid expansion, geophysics and trenching, and will thereafter be followed by another planned phase of drilling. Further infill work and analysis needs to be done prior to finalizing additional drill targets. Logging and splitting will continue for another week to prepare the remaining samples for submission to the preparation lab and subsequent assay analysis by ALS Minerals. All assay results will be reported by the Company once received and reviewed.

On July 12, 2017, the Company announced that the assay results for all the 14 drill holes from the Brunswick Property have now been received and reviewed by the Company and the Company now has a complete set of Induced Coupled Plasma ("ICP") analysis, which identified the pathfinder elements, such as Arsenic (As), Antimony (Sb), Zinc (Zn), Molybdenum (Mo), Tungsten (W), Copper (Cu), Silver (Ag) and Tellurium (Te). Geochemical maps are being prepared using this data to generate vectors to locate additional mineralization. As a general statement, the original gold showing has a Mo-W pathfinder association, and the major shears have very high As-Sb values in 9 of the 10 holes, and the new discovery described below has a Cu-Te association in pyrite. As a result, it is believed that three geochemical settings occur on the Property. Four of the shear zones on the western grid were tested by six holes BW17-01 to -06 and all contained anomalous Arsenic (As) up to 1687 ppm, however, only two of the shears had elevated Antimony (Sb) close to laminated quartz with hydromoscovite. There were low anomalous gold values in these holes and the pathfinders suggest possible gold mineralization may occur at depth or along strike from the holes. A fifth IP trend to the north of the four shears has been recently identified and remains untested. On the eastern grid, four different shears were drilled by drill holes BE17-01, 02, 04, 05, and the gold zone was tested by 4 - 50 holes (BE17-06 to -09). Several other IP trends remain to be tested. Anomalous As-Sb, was seen in four of the holes, and the highest As value obtained to date (8380 ppm As) was in hole BE17-04. Hole BE17-04 is located 500m south of the original gold showing and had several very anomalous gold values (298 ppb, 113 ppb, 207 ppb, 364 ppb) to the side of the high As value. This hole was testing one IP trend which is over 2.1 km long, and located 400m north of the Ridout Fault. Therefore, the Company intends to conduct further follow up drilling to further test this target. Hole BE17-07 located 50m west of the original gold showing gave the following results. This hole suggests the gold zone plunges west around 45 degrees. Four short 50 m holes were drilled on this zone and additional holes are required on the westward down plunge. During the course of drilling on the east grid, prospecting discovered a fifth shear zone adjacent to the Ridout Fault on the east side of the east grid, which contained sericite schist which may have been a sheared porphyry. Initial plans were to trench this zone, however, it has since been decided to drill a section across the zone to locate parts not observed on surface. Intense carbonate alteration can be seen north of this schist zone. Prospecting and sampling was also done on the west grid, and a new discovery was made on line 48800E on the east end of a 600m long untested IP trend. The rocks were different than the four shears to the south being a pyrite bearing volcanic Tuff horizon, which is an important rock unit on the Property and similar to host rocks around the original gold showing. One grab sample assayed 6.6 gm Au from this pyrite bearing Tuff with associated copper values. The

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

fault offset of this IP trend appears on the east grid and is untested and is 500m long, leaving a 1.1 km long trend to trench, sample and drill. The Company intends to complete a follow up program of trenching and drilling on the Brunswick Property. The mineralized sections of the drill holes were split at approximately 1 metre intervals, with one half sent to ALS Canada Inc.'s Timmins, Ontario lab for initial preparation. The remaining core was returned to the core box and stored in a secure core shack located at the Watershed, Ontario (located half way between Timmins and Sudbury on Highway 144, 35 kms from the Property). The gold assaying was completed by ALS Canada Inc. in their North Vancouver facility using a fire assay extraction from a 30 gm sample with ICP finish. The pathfinder elements were read using a 1 gm representative sample with aqua regia digestion and an ICP finish.

On July 17, 2017, the Company announced plans for further exploration on the Brunswick Property. Now that the assaying results from the Company's recent drill program on the Brunswick Property have been reviewed and analyzed (see the Company's news release of July 12, 2017), the pathfinder elements can be used to vector the mineralization and a strategic follow-up program can start immediately on the Brunswick Property. Drilling of a new sericite schist in a fifth recently discovered shear zone on the eastern grid of the Property is proposed, as well as, step out drill holes on site BE17-04 (where anomalous gold and arsenic values were obtained on a 2.1 km long IP trend). Trenching and sampling of the recently discovered 6.6 gm gold showing found in pyritic volcanic tuffs will commence immediately following a 900m long untested Induced Polarization ("IP") trend, as well as, an offset IP anomaly that is believed to be the faulted equivalent to the new showing. Drilling is proposed after this new pyritic horizon is better understood and has been exposed and sampled along its length. Mapping and prospecting along the full length of the 6 mile long Property is warranted given the shears and alteration seen to date. The pathfinder elements suggest additional gold mineralized zones could occur along strike and at depth.

On August 28, 2017, the Company announced further exploration results from a trenching program currently underway on the Brunswick Property. The Company has been undergoing a trenching program on a number of recently identified Induced Polarization ("IP") anomalies (see the Company's news releases of December 12, 2016, May 4 and April 4, 2017) on the East Grid of its Brunswick Property, and as well, carbonate sericite shear zones have been exposed which are associated with these IP anomalies. Samples from these exposed shear zones have been submitted for testing and assays are pending. As well, 800m west of the original gold showing (on line 49800E), a parallel carbonate zone was found 75m to the north side of a strong IP trend currently being trenched (on line 49000E), which may represent an extension of the original gold structure. This zone has been sampled and assays are also pending. As part of the current exploration program, the Company has trenched 100m east of drill hole BE04, thus exposing the host carbonate shear which has also been sampled. In addition, several trenches were dug (1,000m and 900m west of drill hole BE04) exposing the shear structures associated with the IP trends. On the West Grid of the Property, sampling of a new shear structure discovered on line 48500 has identified a number of sulphide bearing structures adjacent to a porphyry and is being traced further by mapping. Also, two grab samples containing 4.05 gm Gold (Au) and 2.56 gm Gold (Au) from a sulphide rich shear zone containing quartz veins have been found on the extension of the previous discovery of 6.6 gm Gold (Au) grab sample (see the Company's news release of July 12, 2017). This new location is northwest of the previous 6.6 gm Gold (Au) sampling site on a parallel shear zone. All three gold bearing samples have new pathfinder elements, including Bismuth and Tellurium (Bi-Te), with some copper mineralization as well. A separate IP trend (parallel to the shear and roughly 50-75m north), and a much wider structure, may be present which will require further trenching. Porphyry sills, or dikes, also occur along the south side of this shear feature. Access trails for 4-wheel ATV vehicles have been cut to get equipment in to this location (approximately 1,000m from the main logging road). The current trenching program has highlighted important features that will greatly assist the Company's focus for the next phase of planned drilling. Step out holes to drill hole BE04 and the new carbonate shear are planned, as well as additional drill holes on the shear zones where the new gold discoveries have been identified. Assaying of the grab samples are being completed by ALS Canada in North Vancouver, British Columbia using both MEME41 ICP and Au21 fire assay on a 30 gm sample, with any values exceeding 3.0 gm Gold (Au) to be re-assayed. Sample preparation was done by ALS Canada in Timmins, Ontario.

On September 12, 2017, the Company announced that it has completed its most recent trenching program on the "East Grid" of its optioned gold exploration property (the "Brunswick Property" or "Property"), which program has revealed two new zones. East Grid Trenching Highlights: 1) 800m extension to west of original gold showing exposed by trench with .388 gm gold (Au) grab sample. 2) Strong mineralization exposed on extensions from drill hole BE04. 3) Assays of .12 gm gold (Au) in veins with chalcopyrite (copper), 200m west of drill hole BE04 with pathfinder elements detected. The Company has just completed the next phase of trenching and sampling on the East Grid of the Property, which has exposed a strong deformation zone extending from drill hole BE04 (see the Company's news releases of July 12, July 17 and August 28, 2017 for additional details). This zone contains quartz veins up to 1.0m in width that contain chalcopyrite (copper) striking in the same direction

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

as the major shear associated with the 2.1 km long Induced Polarization (“IP”) anomaly tested by drill hole BE04. This shear is 400m north of the Ridout Fault and is parallel to that structure. Trenching has exposed this structure from line 50100E to line 49750E at 97+00N (a distance of 350m of mineralization). Assays from grab samples along this structure yielded .12 gm gold (Au) (check assay pending) from both carbonate rock with sulphides and quartz veins with chalcopyrite (Cu). Very anomalous arsenic (As) values, and Vanadium (V), copper (Cu), and antimony (Sb) were associated with this zone. Drill hole BE04 itself contained the highest arsenic value found to date on the Property of 8380 ppm and four very anomalous gold values of .298, .113, .207, and .364 gm gold (Au), attracting the Company’s special attention to this zone. Trenching has also exposed another deformation zone extending west from the original gold showing on line 49800 at 102+50N to line 49000E at 102+25N. Photos of this zone will be posted on the Company website shortly at www.rmroyalty.com, along with a map of the East Grid of the Property showing the IP anomalies, completed drill holes, proposed drill holes and trench locations. Assays of .31 gm gold (Au) (check assay .388 gm Au) were obtained from folded quartz veins in this deformation zone at line 49000, 102+20N, similar to the halo gold values seen at the original showing. Elevated arsenic (As), silver (Ag), and lead (Pb) values were also seen in this zone. Drilling is required to more accurately cross section the geology and to properly sample all - 2 - the veins in this structure. Soil gold anomalies are associated with this particular deformation zone, which is encouraging the Company to do further drilling along strike. Additional prospecting and sampling have also been carried out on the West Side of the Brunswick Property and two assays are pending from that area. Drilling of a series of holes is being planned along strike to drill hole BE04 and the extension of the original gold zone. The Company believes that the trenching to date has been a very valuable tool in exposing the geology of the Property, nonetheless, gaps in exposure may occur which then need to be drilled for even more accurate geological analysis. Assay Preparation Assaying was completed by ALS Canada in North Vancouver, British Columbia and sample preparation was done by ALS Canada in Timmins, Ontario. Gold (Au) assays exceeding .2 gm with acid digestion – ICP analysis were then assayed by fire assay on a 30 gm sample and any assays exceeding 3.0 gms were re-assayed by way of fire assay with a 30 gm sample. Pathfinder elements were measured using the ICP acid digestion method on 2 gm samples.

On October 12, 2017, the Company announced that it has completed an analysis of the assay data and results of the Company’s trenching program completed in August 2017 (see the Company’s news release of August 28, 2017) at the Company’s Brunswick gold project. As a result, the Company is proposing to move forward with a 1,500m drill program of approximately 11-13 holes in order to test three features that were exposed during the summer exploration program. Trenching completed west of the original gold showing has located a distinct deformation zone (see photos of the trenching program on the Company’s web site at www.rmroyalty.com), which is flanked by an intense iron carbonate zone with sulphides. An anomalous gold value of 0.388 g/t was obtained from this deformation zone with folded quartz veins 800m west of the original gold showing. As such, approximately 4-5 drill holes are proposed in the zone to test this anomalous site and other locations along the deformation zone where anomalous gold in soils have been observed. In addition, the section 300m west of the original gold showing where a 32.9 g/t gold value was obtained in the original trenching conducted by Michael Tremblay (one of the optionors of the Brunswick Property) will also be tested. Trenching also exposed strong veining 200m west of hole BE17-04 with chalcopyrite and anomalous gold values of 0.322 g/t, and 0.172g/t Au associated with anomalous arsenic (As). Four more holes are proposed along this shear. On the east part of the West Grid, three gold values of 6.6 g/t, 4.05 g/t, and 2.56 g/t were found on the east end of a 900m long Induced Polarization (“IP”) trend which may require 2-3 holes, as well as one hole to test a parallel IP trend that cannot be reached by trenching equipment. Budget permitting, additional lines are proposed on the east extension of the east grid to trace the extension of the original gold zone and, if possible, additional lines will be cut and read with IP to the west tracing the anomalous arsenic and gold values observed in the Company’s June exploration efforts.

On November 30, 2017, the Company announced that, with funds previously raised, the Company intends to begin a winter exploration program on the east side of its optioned gold exploration property (the “Brunswick Property” or “Property”) located in Brunswick Twp., Ontario. The initial phase of the exploration program will include a 20 to 22 km induced polarization (“IP”) grid covering the remaining 1.6 to 1.8 km portion of the east side of the Property not already surveyed. These lines will be completed in an effort to trace the extension of the original gold zone and host shear structure, as well as four other IP trends already known. The IP grid is expected to be completed in the month of December, 2017 and, upon completion of the Company’s more recently announced financing (see news release dated November 7, 2017), the Company intends to follow up with a drill program (planned for January 2018). This drill program is intended to begin testing existing IP anomalies and shears exposed by trenching completed by the Company in August 2017 (see the Company’s news release of September 12, 2017 for additional details). As previously indicated, anomalous gold values were obtained along these shears in soil and in bedrock corresponding to the shears. High arsenic pathfinders were also seen in one particular shear extending from drill hole BE17-04, and as a result, step out drill holes are planned (see the Company’s news release of October 12, 2017 for additional

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

information). The next phase of the exploration program is expected to include an additional 26 km grid on the west side of the Property, which will be surveyed with IP. Following the IP survey, a drill program is planned to continue testing the remaining IP anomalies and showings on the east side of the Property, before moving to test an IP trend adjacent to highly anomalous gold values (6.6 gm, 4.05gm, 2.58 gm) found along a 900m IP trend on the west side of the Property (see the Company's news releases of July 12, 17 and August 23, 2017 for additional information). The Brunswick Property covers a full 6 miles (9.6 km) of a set of shear zones that parallel the Ridout Fault system, which is interpreted to be the continuation of the Larder Lake Break. Five shears have been defined by IP-Resistivity surveys and initial drilling has tested each shear with just one hole to confirm that these anomalies were in fact sericite-iron carbonate (ankerite) altered shears with quartz- pyrite.

On January 10, 2018, the Company announced that it has commenced drilling on the east grid of the Company's optioned gold exploration property ("Brunswick Property" or "Property") located 140 km south of Timmins, Ontario. The Company intends to proceed with a proposed 1500m drill program (see news release dated October 12, 2017 for details on the proposed drilling program) to follow up on the August 2017 trenching results and to test the extensions of the original gold showing (see news release dated September 12, 2017 for trenching results). These new targets on the extension have been exposed by trenching and induced polarization ("IP") surveys. Other parallel shear zones will also be tested. Step out drill holes (along strike to Drill Hole BE17-04) will be drilled to trace anomalous gold (Au) and arsenic (As) values that are potential indicators of a nearby gold zone (see news release dated July 12, 2017). On the west grid of the Property, five drill holes have been selected to test IP anomalies adjacent to gold values obtained from prospecting surface grab samples that assayed 6.6 gm gold (Au), 4.05 gm gold (Au) and 2.56 gm gold (Au) (see news release dated August 28, 2017 for trenching and prospecting details). The geophysical grid will also be expanded to cover the remaining unsurveyed parts of the east and west grids of the Property in search of additional drill targets. This is expected to add another 5.1 km of strike length coverage to the Property. In connection with the expenditures on the current drill program, the Company anticipates receiving a Junior Exploration Assistance Program Grant ("JEAP Grant") of up to 33% of the exploration expenditures (to a cap of \$300,000 in expenditures) by the Ontario Prospectors Association. To qualify for the JEAP Grant, the Company's exploration expenditures must be completed by March 30, 2018. Based on its exploration results to date, the Company believes that the Brunswick Property covers a full 6 miles (9.6 km) of a set of shear zones that parallel the Ridout Fault system, which is interpreted to be the continuation of the Larder Lake Break. Five shears have been defined by IP-Resistivity surveys and initial drilling has tested each shear with just one hole to confirm that these anomalies were in fact sericite-iron carbonate (ankerite) altered shears with quartz-pyrite. The Brunswick Property is located 140 km south of Timmins, Ontario and is road accessible from Highway 560 that links Highway 144 to Shiningtree and Kirkland Lake.

On March 1, 2018, Further to the Company's news release of January 10, 2018, the Company announced that it has completed its drill program on its optioned gold exploration property (the "Brunswick Property" or the "Property") located approximately 140 km south of Timmins, Ontario. The drill program included 15 holes for a total length of 1419 m. Drill highlights: - Assay of .440 gm gold (Au) over 1.0 m in drill hole BE18-02 - Assay of .650 gm gold (Au) over 1.0 m in drill hole BE18-04 - Assay of .132 gm gold (Au) over 1.0 m in drill hole BE18-06 - Assay of .242 gm gold (Au) over 1.0 m in drill hole BE18-07 - Assay of 1.59 gm gold (Au) over 1.0 m in drill hole BE18-08 As part of the drill program, three holes tested the extension of the original gold showing, 600m west, 300m west and 900m east of drill hole BE17-07 (see the Company's news release of July 12, 2017). The original gold showing is located in a trench at 102+50N on line 49800E on the east grid of the Brunswick Property. A strong deformation zone was exposed in August 2017 west of the showing containing anomalous gold (Au) of .322 gm, and this anomalous section was hit by drill hole BE18-02 on line 49200E, and in drill hole BE18-06 on line 49500E. A strong zone of albitization was cut by hole BE18-04 900m east of the original gold showing, and this section was subsequently followed up by two additional lines of induced polarization ("IP") which traced the IP anomaly associated with disseminated sulphides over a length of 300m.

Detailed Discussion: Drill holes BE18-01 and BE18-02 each tested a deformation zone 600m and 800m west of the original gold showing which yielded anomalous arsenic values in hole BE18-02 and a gold value of .440 gm gold (Au) over 1 m. These two holes were testing the deformation zone exposed by trenching in August 2017. Drill hole BE18-03 tested a strong IP anomaly 150m north of hole BE18-01 in a new subparallel shear which extended 1300m to the east north east and had never been tested before. An 11m wide disseminated sulphide zone was cut with narrow porphyry zones. Low gold values were found, but geologically this shear may warrant further investigation. Drill hole BE18-04 was drilled 900m east of the original gold showing and cut albitized zones and a wide disseminated sulphide zone with assays of .650 gm gold (Au) over 1.0m. - 2 - Drill hole BE18-05 was drilled to test the second parallel shear north of the one tested by drill hole BE 18-03 at a point 900m east of hole BE18-03 and it cut an 11m wide disseminated

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

pyrite zone in a sheared volcanic similar in appearance to hole BE18-03, but had folded grey quartz veins with sulphides. This zone also contained low gold values but may warrant further testing and use of pathfinders to vector into a gold zone. Drill hole BE18-06 was drilled 200m west of the original gold showing into part of the deformation zone. Assays of .132 gm gold (Au) over 1.0 m were found. Drill holes BE18-07, BE18-08 and BE18-09 were drilled to test a different shear zone 550m south of the original gold showing and cut intensely carbonated (ankeritized) zones with quartz and pyrite. These three drill holes were step out holes from BE17-04 which contained anomalous gold and arsenic (see the Company's news release of July 12, 2017). Drill hole BE18-08 drilled 100m west of BE17-04 yielded 1.59 gm gold (Au) in a small 2 gm sample with acid digestion, but was not validated by a 30 gm Fire Assay. The strong arsenic values on this shear, particularly in drill hole BE18-09, has left this zone as a possible follow up target. Drill hole BE18-07 also gave .242 gm gold (Au) over 1.0 m confirming the anomalous nature of this structure. Drill holes BE18-10 and BE18-11 cut a wide disseminated pyrite zone in a porphyry 2 km east of the original gold showing but yielded low gold values. Hole BE18-12 cut sulphides in mafic volcanics 2.1 km east of the original gold showing with 1 m of anomalous base metals. Hole BE18-13 cut a narrow oxide iron formation in the same package of rocks as hole BE 18-12, 1.5 km east of the original gold showing. Hole BE18-14 cut a strong IP anomaly with intense quartz stockwork occurring in carbonated volcanics but containing low gold values. Hole BE18-15 tested a shear zone with iron carbonate- sericite alteration with low gold values. No drilling was done at this time on the west grid of the Property where values have been located of 6.6 gm near line 48800E. This remains a target to be followed up where untested IP anomalies occur. In conjunction with the drill program, an IP survey was run on 12 lines on the east grid of the Property which has traced the major shears that parallel the Ridout Fault and, in particular, the zone tested by BE17-04 which now extends 1700m east of drill hole BE17-04 and continues eastward. Six lines of magnetics were also done on the west grid of the Property over wet areas not accessible in the summer and an IP survey is planned over this part.

Assay Preparation: Samples were obtained by splitting .5 to 1.0 m intervals in a secure core facility in Ontario. Preparation of the samples was done by ALS Canada in Thunder Bay, Ontario and assays were completed by ALS Canada in North Vancouver British Columbia using acid digestion and ICP analysis for the pathfinders and Fire assay on a 30 gm sample with ICP finish for the gold values over .1 gm. The Brunswick Property drill program was supervised by Robert S. Middleton, P.Eng., and assisted by Jordan Laarman, P.Geo. PHD. This news release has been reviewed and approved by Robert Middleton, P.Eng., who is acting as the Company's Qualified Person for the Brunswick Property project, in accordance with regulations under NI 43-101.

During the year ended April 30, 2018, the Company incurred \$812,206 (2017 - \$400,147) in exploration and acquisition cost and recovered \$34,044 of these costs. As at April 30, 2018, the Company capitalized a total of \$1,178,309 (2017 - \$400,147) in exploration and acquisition costs.

Clay and Powell Properties

During 2003, the Company and Mega Uranium Ltd. ("Mega") acquired a 100% interest (50% each) in 11 claims located in the Thunder Bay Mining Division, Ontario, by paying a total of \$88,000 (\$44,000 each) (\$44,000 paid by the Company) and the issuance of 100,000 common shares of the Company (issued).

The Company and Mega granted an option to Fairmont Resources Inc. ("Fairmont") entitling Fairmont to acquire a 70% interest in the Clay and Powell Properties. Under the option agreement, dated September 14, 2010 (the "Option Agreement"), Fairmont has agreed to issue 100,000 (post-consolidation) common shares and incur an aggregate \$1,000,000 in exploration expenditures on the Properties over three years. The Clay Property is 100% owned by the Company and the Powell Property is 50% owned by the Company and 50% owned by Mega. Based on the ownership interest in the properties, the Company will receive 70% (i.e., 70,000 post-consolidation shares) of the 100,000 (post-consolidation) shares of Fairmont to be issued under the Option Agreement. During the year ended April 30, 2011, 17,500 (post-consolidation) shares of Fairmont were received by the Company and were valued at \$24,500 at the date of receipt. During the year ended April 30, 2012, 17,500 (post-consolidation) shares of Fairmont were received by the Company and were valued at \$8,400 at the date of receipt. During the year ended April 30, 2013, 17,500 (post-consolidation) shares of Fairmont were received by the Company and were valued at \$4,900 at the date of receipt. On February 24, 2013, Fairmont consolidated its shares on a 4 for 1 basis. During the year ended April 30, 2014, 17,500 (post-consolidation) shares of Fairmont were received by the Company and were valued at \$3,238 at the date of receipt.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

By Amendment Agreement, dated March 31, 2014, the Company and Mega agreed to give an extension to December 31, 2014 for Fairmont to complete the remaining portion of its 2013 exploration expenditures, and in return, Fairmont agreed to issue (issued June 9, 2014) 100,000 post consolidated shares (70,000 shares to the Company and 30,000 to Mega), which shares were received by the Company and were valued at \$11,900 at the date of receipt.

Fairmont advised the Company that from November 2010 to June 2011, Fairmont had incurred \$605,691 in exploration expenditures, which expenditures included 42 km of line cutting, 36 km of ground based IP (induced polarization), 47 soil and 12 grab samples collected and 6 drill holes completed (for a total of 1,515 metres drilled). From July 2011 to present, Fairmont has analysed its results to date and has prepared and submitted an assessment report on its 2011 exploration program. Last year, Fairmont advised the Company that it was formulating its exploration plans for 2013 and its preliminary indications are that it intended to do some more prospecting and trenching in order to better understand the IP and soil anomalies before proceeding with its next drilling program. On April 30, 2014, Fairmont had written down their investment in the Clay and Powell Properties, and in connection therewith, the Company has written down the Properties during the year ended April 30, 2014 by \$471,480. On November 28, 2014, Fairmont gave 30 days' notice that it had elected to terminate the Option Agreement (which termination became effective as of December 28, 2014).

In August 2016, the Company entered into an agreement with Mega Uranium Ltd. ("Mega") to acquire its 50% interest in the Powell Property. In consideration for Mega's 50% interest in the Powell Property, the Company issued 500,000 shares to Mega, and as a result, the Company now owns 100% of the Powell Property.

During the year ended April 30, 2017, the Company recorded an impairment charge of \$34,508 related to the Clay and Powell Properties since the Company has no currently planned exploration activities for the properties.

During the year ended April 30, 2018, the Company incurred \$2,372 (2017 - \$34,508) in exploration and acquisition cost and had written down these cost by \$2,372 (2017 - \$34,508) of these costs. As at April 30, 2018, the Company capitalized a total of \$nil (2017 - \$nil) in exploration and acquisition costs.

On October 4, 2017, the Company and International Bethlehem Mining Corp. ("International Bethlehem") entered into an option agreement (the "Option Agreement"). Pursuant to the Option Agreement, the Company has granted the option (the "Option") to International Bethlehem acquire an undivided 90% interest in certain mining claims, referred to as the Powell Property, held by the Company in Ontario, Canada (the "Property"), on the terms and conditions of the Option Agreement and subject to the approval of the Exchange. In order to exercise the Option and acquire an undivided 90% interest in the Property, the International Bethlehem is required to: (i) issue 2,000,000 common shares to the Company; and (ii) incur exploration expenditures in the aggregate amount of \$1,000,000 on the Property over a five year period commencing on the date the Exchange approves the Option Agreement. Upon exercise of the Option, the Company and International Bethlehem will, in good faith, negotiate and enter into a joint venture agreement provided, however; International Bethlehem has the option to purchase the 10% interest retained by the Company upon exercise of the Option in full in exchange for 1,000,000 shares of the International Bethlehem and a 2% net smelter royalty ("NSR") on the Property. International Bethlehem has the right to purchase, at any time, half of the NSR for \$1,000,000 reducing the NSR to 1%. The Option Agreement is considered to be a non-arm's length transaction and remains subject to approval by the Exchange.

Eva Kitto Property

On November 14, 2008, the Company announced that it had increased its interest in the Eva Kitto project to 100% by purchasing from Mega its 50% interest. In return, Mega was issued 200,000 shares of the Company and granted a 0.5% net smelter return ("NSR"), which can be bought out for \$500,000.

The Company entered into an option agreement dated November 3, 2008, as amended ("the Option Agreement") with International Bethlehem Mining Corp. ("International Bethlehem"), whereby International Bethlehem was granted an option to earn an initial 30% interest in the Eva Kitto property by paying the Company \$20,000 (received) and spending an aggregate \$500,000 in exploration expenditures (\$100,000 by December 31, 2008) (completed); \$90,000 by June 30, 2010 (completed); and \$310,000 by June 30, 2011 (not completed). Under the Option Agreement, International Bethlehem could increase its interest in the property up to 51%, 60% and 75% by incurring exploration expenditures of an additional \$1,000,000 by

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

November 3, 2011, \$1,000,000 by November 3, 2012 and by bringing the property into commercial production, respectively. The property is subject to an aggregate NSR royalty of 3.5%, of which 2% can be purchased at any time for \$2,000,000. By an amending agreement dated November 15, 2010, the Company and International Bethlehem acknowledged and agreed that as a result of exploration expenditures completed, International Bethlehem had earned a 15% interest in the Eva Kitto property. By amending agreement dated April 2, 2012, the Company and International Bethlehem further revised the Option Agreement to allow International Bethlehem to resume its earlier option and to increase its interest in the Eva Kitto property. As a result, International Bethlehem contributed the sum of \$75,000 towards the exploration program completed on the property by the Company, and in so doing, International Bethlehem has earned a 50% interest in the property and a 50/50 joint venture has been formed between the parties. The Company and International Bethlehem are related parties by virtue of having certain directors in common.

During the year ended April 30, 2015, the Company recorded an impairment charge of \$70,041 related to the Eva Kitto Property due to inactivity.

Marshall Lake Property

The Marshall Lake property is located in the Thunder Bay Mining Division, Ontario, and the Company has a 50% joint venture interest in approximately 50 claim units, through staking, as well as agreements as follows:

- (i) The Company acquired a 100% interest in 3 mineral leases from Teck Cominco Ltd. ("Teck") and the underlying titleholder by issuing 250,000 units (issued during fiscal 2007), each unit consisting of one common share and one two-year warrant to purchase an additional common share for \$0.13 (exercised), and spending \$100,000 on exploration on these claims prior to December 31, 2009 (incurred). Teck retained a 2% NSR royalty and had a back-in right to earn a 51% interest in the claims by spending two times what the Company incurred in exploration work on these claims. The back-in right existed for a five year period following completion of the Company's initial \$100,000 exploration commitment, and therefore expired in March 2013.
- (ii) The Company acquired an option from Carey Lance (the "Vendor") of Ontario to purchase a 100% interest in certain surface and mineral rights comprising 421 claim units in consideration for the issuance of 200,000 shares (100,000 issued during fiscal 2007 and 100,000 issued during fiscal 2008) and the payment of \$150,000 in stages over seven years (fully paid as of June 13, 2012). The Vendor retained a 2% NSR royalty of which the Company can purchase one-half thereof (1% NSR) at any time for \$1,000,000 and the Company has a right of first refusal on the remaining 1% NSR.
- (iii) The Company acquired a 100% interest in 86 leases and 9 claim units from NWT Copper Mines ("NWT") by making aggregate cash payments of \$75,000 (paid) and incurring \$1,000,000 in exploration over three years (completed). NWT retained a 3% NSR royalty on precious metals and a 2% NSR on base metals, with 1% of either royalty purchasable by the Company for \$2 million and the Company having a right of first refusal on the remaining portions of these royalties. In connection with the NSRs, the Company is required to pay an annual advance royalty of \$25,000, which payments are credited against royalties otherwise payable to NWT. All annual advance royalty payments have been paid to date and such payments are shared on a 50/50 basis with Copper Lake Resources pursuant to an option agreement dated July 6, 2010, as amended, as referred to herein.

The Marshall Lake property is subject to a joint venture agreement with Marshall Lake Mining Limited, ("Marshall Lake Mining"). During the year ended April 30, 2010, the Company and Marshall Lake Mining staked additional claims resulting in control of approximately 50 square miles contiguous to the originally acquired Marshall Lake claims.

By agreement dated July 6, 2010, and as amended, the Company and Marshall Lake Mining granted an option to Copper Lake Resources Ltd., formerly White Tiger Mining Corp. ("Copper Lake"), whereby Copper Lake has the right to acquire up to a 50% joint venture interest in the Marshall Lake property and project. Under the option agreement, Copper Lake is required to incur \$4,000,000 in expenditures on the property over five years and to issue 2,000,000 shares to the Company over four years. Copper Lake will earn a 12.5% joint venture interest in the Marshall Lake project for every \$1,000,000 in expenditures incurred

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

and for every 400,000 shares issued (except for the initial 12.5% interest, whereby Copper Lake was required to issue 800,000 shares to the Company). To date, the Company has received 2,000,000 shares of Copper Lake valued at \$296,000 at the time of issue. Additionally, once Copper Lake has completed its share issuance and spending requirements, it has the additional option to increase its joint venture interest to 75% by incurring such additional property expenditures as are necessary to take the Marshall Lake project to bankable feasibility stage. Prior to July 22, 2014, the Company and Copper Lake had certain directors in common. By amending agreement, dated July 8, 2015, the Company and Marshall Lake Mining agreed to extend Copper Lake's initial earn-in option on the Marshall Lake property to July 15, 2017 in return for Copper Lake issuing 500,000 shares (valued at \$22,500 at the time of issue) to each of the Company and Marshall Lake Mining, which shares were issued as of July 30, 2015. By amending agreement, signed April 20, 2017 the Company agreed to further extend Copper Lake's initial earn-in option on the Marshall Lake property to July 15, 2018 in return for Copper Lake issuing 600,000 shares (to be issued) to the Company.

On September 29, 2016, Copper Lake announced that it received shareholder and TSX Venture Exchange approvals, to an agreement with MLMP to acquire its 31.25% interest in the Marshall Lake property. The acquisition gave Copper Lake a 68.75% interest in the Marshall Lake property with the remaining 31.25% held by the Company.

Current status:

The Marshall Lake property is a copper, silver and gold exploration project located 120 km north of Geraldton, Ontario (via a good all weather gravel road from Hwy 11 Trans Canada Hwy, and just 22 km north of the main CNR rail line). Since July 2010, Copper Lake, as optionee and operator, has incurred approximately \$2,600,000 in exploration expenditures on the Marshall Lake property and to date has drilled and completed 41 core drill holes (totalling over 8,000 metres of drilling). Additionally, Copper Lake has conducted prospecting and sampling on the property and has also carried out ground IP (induced polarization) and geological mapping of specific areas of interest. As well, Copper Lake has conducted airborne geophysical surveys and completed "ground proofing" (through differential GPS surveying of the property). On March 4, 2013, Copper Lake reported that it has completed new survey control of cut grid lines within and adjacent to the RM Zone copper discovery on its Marshall Lake property. The new survey was conducted using a Trimble ProXRT2 with OmniStar XP real-time differential GPS to sub metre (nominally 30 cm) accuracy. Copper Lake then commissioned Caracle Creek International of Toronto to reinterpret previously obtained surface IP (Induced Polarization) data read from the grid. The Company is now in receipt of an unconstrained 2D inversion of said data, interpolated and expressed as 3D chargeability and conductivity isosurfaces to an effective depth of investigation of 120 metres below surface. Four discrete chargeability anomalies are apparent, which when interpreted with the copper 3D grade shell model, appear to further define the RM copper zones, with the best geophysical responses yet to be tested. Copper Lake has announced assay results for its most recently completed drill program on the Marshall Lake property. Specifically, on May 22, 2013, the Company provided its first comprehensive review of drill results to date for its Marshall Lake property. Most recently updated 3-D modeling of the RM Zone continues to refine and improve Copper Lake's understanding of the geometry and dimensions of the overall RM Zone. Using a 0.3% copper cutoff, the current model identifies a cylinder-shaped, near-horizontal zone of disseminated and stringer-type copper mineralization with the long axis oriented toward azimuth 215 degrees. The RM Zone geometry, as characterized above, has been traced for 250 metres and currently remains open to the southwest. Additionally, 3-D modeling of the significant copper and silver mineralization near surface within the "Gazooma Zone" (located 150 metres southeast of the "RM Zone") is underway. With continued drilling success targeting the first of four recently identified IP geophysical targets, further drilling plans are underway in an effort to infill and further substantiate the anticipated mineralization between the "RM South Zone" and the RM Zone. Following that, Copper Lake then intends to drill the other three identified priority IP geophysical targets. As well, planning is underway for a second phase of geophysical surveys (deep IP) to produce a high resolution 3-D response (chargeability and conductivity) on potential sulphide targets to a depth of investigation of at least 500 metres below surface (400 metres beneath the current geophysical IP depth of investigation). The initial geophysical area of interest embraces five copper zones within close proximity to one another (ie. the RM Zone, the Jewel Box Zone, the Gazooma Zone, the Cherry Hill Zone and the Teck Hill Zone), encompassing a total surface area of 3.5 square kilometres. This will, for the first time, potentially identify significant new targets (within the 12 km by 10 km Marshall Lake property) beneath some of the numerous near surface copper occurrences.

On July 9, 2015, Copper Lake reported that in August 2014 it had commissioned Caracle Creek International Consulting Inc. ("Caracle Creek"), with assistance from Geotech Ltd. ("Geotech"), to extend the modelling, focusing on untested targets within the broader Marshall Lake Property, an area of approximately 8 km by 10 km. Copper Lake further reported that the geophysical project was undertaken using updated processing routines employed by Geotech on VTEM geophysical data, as

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

well as by performing inversion modelling on the IP-Res data to spatially estimate conductive and chargeable sources at depth, by reviewing and reprocessing data that has been collected on targeted areas of the Property dating back to 2006. Additionally, Copper Lake reported that Orix Geoscience Inc. ("Orix") of Toronto was commissioned to digitize and interpret a large volume of existing historical geological, geochemical, trenching and drilling data. Copper Lake stated that the work also incorporated the results of geological mapping and differential GPS surveys conducted by it in September 2014 in the vicinity of known Volcanogenic Massive Sulphide ("VMS") occurrences. With assistance from Copper Lake's QP, the work resulted in a new 1:50,000 scale interpretive geological map of the Property (refer to Copper Lake's July 9, 2015 news release).

On December 12, 2016, Copper Lake reported that it completed a channel sampling, mapping and prospecting program over the Adnarod, Billiton 2, and Lin prospect areas within the Marshall Lake project area during the 2016 field program. Highlights: • Channel sampling of up to 1.62% Cu, 0.49g/t Au and 189g/t Ag over 0.80m at the new Adnarod zone • Results of up to 1.05% Cu, 5.62% Zn, 1.00g/t Au and 114g/t Ag over 0.80m from channel sampling of the Billiton 2 zone • Chip sampling results of up to 1.05g/t Au, 21g/t Ag, 0.18% Cu and 2.82% Zn over 0.35m from the Lin zone • Grab sampling of up to 4.51g/t Au, 140g/t Ag, 6.02% Cu and 2.98g/t Au, 146g/t Ag and 2.26% Cu from along the Lin zone. Refer to the news release by Copper Lake on December 12, 2016 for additional information.

On January 11, 2017, Copper Lake reported that it had completed a channel sampling, mapping, core assaying and prospecting program over the Billiton Main VMS prospect area within the Marshall Lake project area during the 2016 field program. Highlights: • Channel sampling at Billiton Main Prospect yields: o Up to 2.36 g/t Au, 60 g/t Ag, 1.61% Cu, and 4.20% Zn over 0.60m o Up to 0.64 g/t Au, 286 g/t Ag, 3.05% Cu and 5.60% Zn over 0.80m • Core assays from previous drilling at the Billiton Main Prospect of up to 28.70 g/t Au, 271 g/t Ag, 3.43% Cu and 6.05% Zn • Grab samples from regional prospecting of up to 0.96 g/t Au, 23 g/t Ag and 1.15% Cu at the VTEM-005 target • Grab sampling of up to 4.05% Zn from the VTEM-008 target. During 2016 Copper Lake reported that it completed a data base compilation of all historical exploration work on the Marshall. Refer to the news release by Copper Lake on January 11, 2017 for additional information.

On February 7, 2017, Copper Lake reported that it had completed new plate modelling of VTEM surveys and outlined 6 plate anomalies in the core Marshall Lake area. Copper Lake had reviewed the 6 modelled plate anomalies and will focus on 3 which have significant adjacent historical massive sulphide drill intercepts. Highlights: • VTEM-001 modelled plate at Billiton South is located down dip of hole MAR-07-11 which: o Intersected 10.20m @ 1.25% Cu, 1.04% Zn, 56g/t Ag & 0.04g/t Au from 115.0m o Including 4.00m @ 1.93% Cu, 1.73% Zn, 86g/t Ag & 0.07 g/t Au from 124.0m • VTEM-003 modelled plate at Teck Hill South was intersected by hole TK-08-09 which: o Intersected 4.25m @ 3.79% Cu, 0.27 g/t Au, 38g/t Ag from 93.25m; and o 4.70m @ 2.34% Cu, 0.11g/t Au, 25g/t Ag from 106.5m • VTEM-002 modelled plate at Gazooma is located down dip of the following drill holes; o 4.00m @ 1.73% Cu, 0.27g/t Au, & 34g/t Ag in hole GAZ-07-10 from 89.0m o 3.00m @ 1.88% Cu, 0.62g/t Au, & 42g/t Ag in hole GAZ-10-15 from 127.0m o 10.00m @ 1.18% Cu, 0.26g/t Au, & 28g/t Ag in hole GAZ-08-12 from 127.0m Refer to the news release by Copper Lake on February 7, 2017 for additional information.

On May 28, 2018, Copper Lake Resources Ltd. has provided results of its winter drilling program on the Marshall Lake copper-zinc-silvergold exploration property. HIGHLIGHTS • Massive Sulphides – Billiton Main Zone 30 metre Step Out o 1.0 m @ 3.20% Cu, 8.35% Zn, 367.00 g/t Ag and 8.01 g/t Au in hole MAR-18-07 • Near Surface Copper Stringer Zone – Gazooma Zone Step Out o 25.30 m @ 1.07% Cu, 20.1 g/t Ag from depth of 1.05 m, including 13.85 m @ 1.54% Cu, 28.30 g/t Ag from 11.20 m to 25.05 m in hole GAZ-18-01. The 2018 drill program fulfills our expenditure requirements to earn a 75% interest in the Marshall Lake property. We are grateful to the Ontario Prospectors Association and the Northern Ontario Heritage Fund Corporation who helped fund this effort through their JEAP program." The purpose of the program was to test three VTEM conductors and other targets derived from a comprehensive compilation of historic data undertaken between 2014 and 2017. A total of 14 holes for 2,868 m were completed. A table of significant intersections, drill hole locations and statistics is appended (see appendices A and B).

As of May 28, 2018, Copper Lake reported that it had incurred the \$4,000,000 required spend to earn its 75% interest under the option agreement, the Company has not yet verified required spend.

During the year ended April 30, 2018, the Company incurred \$17,900 in exploration and acquisition costs and \$27,000 in recoveries. As at April 30, 2018, the Company capitalized a total of \$2,142,637 in exploration and acquisition costs.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

Max Property

As of February 2008, the Company had staked 587 claim units known as the Max Property.

By option and joint venture agreement dated June 20, 2008 (as amended by agreement dated August 14, 2009), the Company granted Northern Shield Resources Inc. ("Northern") an option to earn a 50% interest in the Max Property in consideration for an initial payment of \$75,000 (received), the issuance of 300,000 shares (received at a value of \$168,000), an expenditure commitment of \$250,000 in 2008 (completed) and \$1,000,000 within the next two years. By August 30, 2009, Northern was required to pay an additional option payment of \$15,000 (received) and issue 100,000 shares to the Company (received at a value of \$11,000).

By virtue of the payments made, expenditures incurred and shares issued, Northern acquired a 50% interest in the Max Property and a 50/50 joint venture was formed between the Company and Northern. In October 2010, the Company elected not to participate in Northern's \$450,000 drill program on the Max Property, and accordingly, the Company's joint venture interest in the Max Property was reduced to 40.9% interest. As of June 18, 2014, Northern assigned and sold its ownership interest in the Max Property and its interest under the joint venture agreement to Great Lakes Resources LLC, a Virginia corporation.

During the year ended April 30, 2015, the Company recorded an impairment charge of \$94,092 related to the Max Property due to inactivity.

Norton Lake Property

The Company had a 24.5% interest in 445 claim units in the Norton Lake area (the "Norton Lake Project") with White Metal Resources Corp., formerly Trillium North Resources Ltd. ("White Metal") owning 24.5% and Cascadia International Resources ("Cascadia") owning 51%. Of the claim units, 233 claim units are subject to a 2% NSR (the Company may purchase 1% of the NSR for \$1,000,000 and has a right of first refusal on the remaining 1% NSR).

During the 2009 fiscal year, Cascadia assigned its 51% joint venture interest to Copper Lake Resources Ltd, formerly White Tiger Mining Corp. ("Copper Lake"). The Norton Lake Project consisted of two properties, namely, the Norton West Property (the principal property) and the Norton East Property. Joint venture expenditures are being recorded by each joint venture partner on a cash basis and as a result of the programs completed by Copper Lake on the Norton West Property, the Company then had a 32.6% interest in the Norton West Property (with Copper Lake having a 57.6% interest and White Metal having a 9.8% interest) and a 9.8% interest in the Norton East Property (with Copper Lake having a 51% interest and White Metal having a 39.2% interest). By agreement dated February 21, 2012, the Company, Copper Lake and White Metal combined and consolidated their respective interests in the Norton West and Norton East Properties, and as a result, the Company has a 32.6% interest in the combined Properties (with Copper Lake having a 57.6% interest and White Metal having a 9.8% interest). Further, by agreement dated July 3, 2014, the joint venture interests were again adjusted amongst the parties to reflect their respective contributions towards the June 2012 to May 2013 exploration program on the Properties, and as a result, the Company now has a 30.21% interest in the combined Properties (with Copper Lake having a 60.70% interest and White Metal having a 9.09% interest). Prior to July 22, 2014, the Company and Copper Lake had certain directors in common.

On June 29, 2015, Copper Lake announced that it had acquired White Metal's 9.09% interest in the Norton Lake property, and as a result, the Company continues to hold a 30.21% interest and Copper Lake now holds a 69.79% interest.

During the year ended April 30, 2016, the Company recorded an impairment charge of \$730,161 related to the Norton Lake property due to inactivity.

As of October 31, 2016, Copper Lake, (the operator for the joint venture) has incurred a total of \$1,119,864 in exploration expenses on the Norton Lake property. Copper Lake also wrote down the property to a \$1 nominal value on October 31, 2015.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

Seagull Property

The Company and White Metal Resources Corp., formerly Trillium North Resources Ltd. ("White Metal") jointly owned a 100% interest in two mineral claim groups in the Anders Lake and Leckie Lake areas located approximately 85 kilometres north-northeast of Thunder Bay, Ontario (the "Seagull property").

The Company subsequently entered into an option agreement dated October 2, 2008 with White Metal and Black Panther Mining Corp., now known as Canadian International Pharma Corp. ("CIPC"), whereby CIPC was granted an option to earn an initial 30% interest (earned) in the Seagull property. In order to acquire its initial 30%, CIPC was required to spend \$500,000 in exploration expenditures by February 28, 2009 (completed).

By amending agreement dated October 15, 2010, CIPC increased its ownership interest in the Seagull property from 30% to 40% interest (based on its exploration expenditures incurred), with the Company and White Metal each owning a 30% interest.

By option agreement dated February 22, 2011, as amended, the Company, CIPC and White Metal (collectively the "Optionors") granted an option to Minfocus Exploration Corp. of Toronto, Ontario (the "Optionee" or "Minfocus") entitling the Optionee to earn an interest in the Seagull property. Under the option agreement, the Optionee has the initial option to earn a 55% interest in the property (the "Initial Option") from the Optionors upon paying the sum of \$55,000 (paid) and issuing 50,000 Minfocus shares (issued). The Company's proportionate share received was \$15,000 and 15,000 Minfocus shares at a value of \$6,000. Additionally, the Optionee is required to pay the Optionors \$25,000 (in cash and/or Minfocus shares), on a pro rata basis, on each of the 12 month anniversary (Minfocus shares received at a value of \$7,500 in February, 2012), the 24 month anniversary (\$3,750 received in cash and \$3,750 received in Minfocus shares in February, 2013) and the 36 month anniversary (Minfocus shares received at a value of \$7,500 in February, 2014) of the option agreement. Also, the Optionee is required to incur exploration expenditures of \$1,000,000 (the "Exploration Expenditure Requirement") on the Seagull property in the amount of \$250,000 in each year of the initial 4 year option term. As well, the Optionee can earn a 70% interest in the Seagull property (the "Additional Option") by incurring a further \$2,000,000 in expenditures against the property during the option term. Further, the Optionee has the right to increase its interest to 85% (the "Further Option") by completing a feasibility study on the property within a 5 year period following the option term. By further amending agreement, dated February 11, 2015, the Optionors agreed to allow the Optionee to extend the Exploration Expenditure Requirement period to September 30, 2015 and to extend the Additional Option earn in period to September 30, 2016 in return for the Optionee collectively issuing 1,000,000 Minfocus shares to the Optionors (300,000 Minfocus shares received by the Company on February 27, 2015 representing the Company's 30% pro rata share of such issuance with a value of \$4,500). By further amending agreement, dated July 29, 2016, the Optionors agreed to extend the date for the Optionee to complete the Exploration Expenditure Requirement to September 30, 2017 in return for the Optionee issuing 500,000 Minfocus shares to the Optionors (150,000 Minfocus shares were issued on August 30, 2016 and were received by the Company and represented the Company's 30% pro rata share of such issuance with a value of \$6,000 which has been recorded as a recovery against fiscal 2017 impairment charges). As well, if the Optionee does not complete the Exploration Commitment by September 30, 2017, the Optionors have also agreed to further extend the date for the Optionee to complete the Exploration Expenditure Requirement to September 30, 2018 in return for the Optionee paying the Optionors \$30,000 in cash (or a the Optionee's election, such payment can be paid with Minfocus shares of equivalent value or any combination of cash and/or Minfocus shares). Additionally, for the above described consideration, the Optionors agreed to further extend the option period under the option agreement to September 30, 2019.

The Seagull property is subject to two separate royalties (2.4% NSR in total), of which 1.4% can be purchased for \$2 million. The Company and CIPC have certain directors in common.

During the year ended April 30, 2016, the Company recorded an impairment charge of \$720,015 related to the Seagull property due to inactivity.

Current status:

The Seagull property is road accessible and located approximately 75 km north of Thunder Bay, Ontario. Since February 2011, exploration work has been carried out by Minfocus. Based on information received from Minfocus, approximately \$500,000 in exploration expenditures has been incurred since 2011. In particular, the results from Minfocus' 2012 exploration program have provided what Minfocus has reported as being "significant new evidence of near surface PGE (platinum group elements) mineralization". Minfocus believes that such shallow mineralization may be mineable by open-pit methods. From the surface

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

mapping completed during 2012, Minfocus located six historical trenches, which are grouped midway between the locations of the two Minfocus drill hole pairs (WM 12-34/35 and WM 12-36/37), which are approximately 1 km apart. Minfocus' sampling of the 90 meter long "Trench No. 4" yielded PGE values up to 1.92g/t 3E (ie: combined PGE). Between February 12 and March 5, 2012, four holes (WM 12-34 to WM 12-37) were drilled by Minfocus on the Seagull property project area for a total of 1,742 metres of core. As reported by Minfocus, the analyses of selected portions of the drill core from each drill hole confirmed, in all four drill holes, the "existence of multiple significant PGE mineralized layers with drill core interval lengths up to 5.0 metres thick and with PGE grades up to 2.47 g/t 3E and >0.5 g/t 3E. As of January 21, 2013, Minfocus reported that assessment work reports have been filed with the Ontario Ministry of Northern Development and Mines ("MNDM"), which will maintain the subject claims in good standing for a further period. Minfocus is awaiting formal approval from MNDM for the filed assessment work reports.

On January 25, 2018, Minfocus reported that it has not yet completed its expenditures to earn a 55% interest in the Seagull Property mineral rights. The amended option agreement has extended the option period to September 30, 2018.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the year ended April 30, 2018 and for the subsequent period to the report date hereof:

- (a) On May 28, 2018, the Company announced that its joint venture partner, Copper Lake Resources Ltd. ("Copper Lake") has provided results of its winter drilling program on the Marshall Lake copper-zinc-silvergold exploration property located 250 km northeast of Thunder Bay, Ontario, and comprised of 10,430 hectares. **HIGHLIGHTS** • Massive Sulphides – Billiton Main Zone 30 metre Step Out o 1.0 m @ 3.20% Cu, 8.35% Zn, 367.00 g/t Ag and 8.01 g/t Au in hole MAR-18-07 • Near Surface Copper Stringer Zone – Gazooma Zone Step Out o 25.30 m @ 1.07% Cu, 20.1 g/t Ag from depth of 1.05 m, including 13.85 m @ 1.54% Cu, 28.30 g/t Ag from 11.20 m to 25.05 m in hole GAZ-18-01. The purpose of the program was to test three VTEM conductors and other targets derived from a comprehensive compilation of historic data undertaken between 2014 and 2017. A total of 14 holes for 2,868 m were completed. A table of significant intersections, drill hole locations and statistics is appended (see Appendix A and B to the news release). Copper Lake's Future Plans: The 2018 drill program identified priorities in the area of historic work and numerous showings. 1. Main Billiton – validate historic drilling and expand to depth. 2. Gazooma – potential for shallow resource definition and trace the stringer zone ESE. Assessment of the upper two thirds of the Marshall felsic volcanic pile is recommended, particularly two strong airborne (VTEM) conductors associated with altered tuffs overlying interpreted vent facies coarse fragmental domes located along the south shore of Marshall Lake. Marshall Lake's Exceptional Geology: The Marshall Lake property is deemed favourable to host Cu-Zn-Ag-Au VMS (Volcanogenic Massive Sulphide) deposits of potential economic merit. The volcanic pile consists of a moderately east plunging and verging anticline capped by chertmagnetite iron formation. The discovery of Cu-Zn showings in the 1950's sparked an exploration rush. Extensive yet shallow work was focused in the lower third of the felsic volcanic pile and was constrained by a patchwork of owners and claim boundaries. The upper portions of felsic volcanic pile remain essentially unexplored and display favourable geology, alteration and untested conductors. Copper Lake has spent considerable time consolidating the entirety of the Marshall Lake felsic volcanic centre. A detailed digital compilation and re-interpretation of extensive previous work was conducted between 2014 and 2017. This compilation guided this winter's drill program focused in the area of previous work. A comprehensive discussion of the scope and details of historic work including historic resource estimates, development of new targets and geological model is available in a NI 43-101 Technical Report dated June 07, 2016 and authored by Thomas Hart, P.Geo (see www.sedar.com or www.copperlakeresources.com). The 2018 drilling serves to highlight potential of the Main Billiton zone which remains open below 150 m depth, displays strong precious metals contents and demonstrates reasonable continuity in 3D modelling of historic data. Hole MAR-18-07 was a 30 m step out from historic hole GM-78-230 drilled by Imperial Oil Ltd in 1978 (see Appendix C of the news release). GM-78-230 7.40 m @ 2.97% Cu, 10.98% Zn, 219.70 g/t Ag including 1.65 m @ 5.50% Cu, 31.50% Zn, 320.20 g/t Ag. Hole MAR-18-07 serves some purpose in advancing the process of validating historic drill information in the Main Billiton area. A 3D interpretation of historic drill data here (Appendix C) illustrates drill coverage and the system remains open at depth. A table of significant historical drilling highlights demonstrating high grade silver subintervals is also appended again

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

cautioning the historic nature of the data that has not been verified by a QP and therefore should not be relied upon. This data suggests a steeply-dipping series of conformable lenses spanning a 300 m strike length. Only six holes have been drilled deeper than 150 m and the system appears to remain open at depth. The other significant finding of the 2018 drilling was the confirmation of copper stringer mineralization at Gazooma. This showing is part of a cluster of copper showings located approximately 3 km southwest of the Billiton Main Zone. They appear to align along an ESE crosscutting trend and demonstrate a copper to zinc zonation ESE or upwards in the volcanic stratigraphy. The projection of this trend has not been adequately explored to date.

- (b) On March 1, 2018, Further to the Company's news release of January 10, 2018, the Company announced that it has completed its drill program on its optioned gold exploration property (the "Brunswick Property" or the "Property") located approximately 140 km south of Timmins, Ontario. The drill program included 15 holes for a total length of 1419 m. Drill highlights: - Assay of .440 gm gold (Au) over 1.0 m in drill hole BE18-02 - Assay of .650 gm gold (Au) over 1.0 m in drill hole BE18-04 - Assay of .132 gm gold (Au) over 1.0 m in drill hole BE18-06 - Assay of .242 gm gold (Au) over 1.0 m in drill hole BE18-07 - Assay of 1.59 gm gold (Au) over 1.0 m in drill hole BE18-08 As part of the drill program, three holes tested the extension of the original gold showing, 600m west, 300m west and 900m east of drill hole BE17-07 (see the Company's news release of July 12, 2017). The original gold showing is located in a trench at 102+50N on line 49800E on the east grid of the Brunswick Property. A strong deformation zone was exposed in August 2017 west of the showing containing anomalous gold (Au) of .322 gm, and this anomalous section was hit by drill hole BE18-02 on line 49200E, and in drill hole BE18-06 on line 49500E. A strong zone of albitization was cut by hole BE18-04 900m east of the original gold showing, and this section was subsequently followed up by two additional lines of induced polarization ("IP") which traced the IP anomaly associated with disseminated sulphides over a length of 300m.
- (c) On January 17, 2018, the Company announced that, further to its news releases dated November 7, December 6, December 15 and December 28, 2017, it closed the third and final tranche of its non-brokered flow through and non-flow through private placements (the "Private Placements"). Under the first and second tranches, the Company raised an aggregate of \$250,000 by the issuance of 5,000,000 flow through units (the "FT Units") at \$0.05 per FT Unit, and under the third tranche, the Company has raised an additional \$50,000 by the issuance of 1,000,000 non-flow through units (the "NFT Units") at a price of \$0.05 per NFT Unit. Each NFT Unit consists of one non-flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of five years at an exercise price of \$0.07 and each FT Unit consists of one flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of two years at an exercise price of \$0.10. All of the securities issued pursuant to the third tranche of the Private Placements are subject to a hold period expiring on May 18, 2018. The Company intends to use the proceeds from the Private Placements for furthering exploration on its optioned gold exploration Brunswick Property in Ontario and for general working capital purposes.
- (d) On January 10, 2018, the Company announced that it has commenced drilling on the east grid of the Company's optioned gold exploration property ("Brunswick Property" or "Property") located 140 km south of Timmins, Ontario. The Company intends to proceed with a proposed 1500m drill program (see news release dated October 12, 2017 for details on the proposed drilling program) to follow up on the August 2017 trenching results and to test the extensions of the original gold showing (see news release dated September 12, 2017 for trenching results). These new targets on the extension have been exposed by trenching and induced polarization ("IP") surveys. Other parallel shear zones will also be tested. Step out drill holes (along strike to Drill Hole BE17-04) will be drilled to trace anomalous gold (Au) and arsenic (As) values that are potential indicators of a nearby gold zone (see news release dated July 12, 2017). On the west grid of the Property, five drill holes have been selected to test IP anomalies adjacent to gold values obtained from prospecting surface grab samples that assayed 6.6 gm gold (Au), 4.05 gm gold (Au) and 2.56 gm gold (Au) (see news release dated August 28, 2017 for trenching and prospecting details). The geophysical grid will also be expanded to cover the remaining unsurveyed parts of the east and west grids of the Property in search of additional drill targets. This is expected to add another 5.1 km of strike length coverage to the Property. In connection with the expenditures on the current drill program, the Company anticipates receiving a Junior Exploration Assistance Program Grant ("JEAP Grant") of up to 33% of the exploration expenditures (to a cap of \$300,000 in expenditures) by the Ontario Prospectors Association. To qualify for the

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

JEAP Grant, the Company's exploration expenditures must be completed by March 30, 2018. Based on its exploration results to date, the Company believes that the Brunswick Property covers a full 6 miles (9.6 km) of a set of shear zones that parallel the Ridout Fault system, which is interpreted to be the continuation of the Larder Lake Break. Five shears have been defined by IP-Resistivity surveys and initial drilling has tested each shear with just one hole to confirm that these anomalies were in fact sericite-iron carbonate (ankerite) altered shears with quartz-pyrite. The Brunswick Property is located 140 km south of Timmins, Ontario and is road accessible from Highway 560 that links Highway 144 to Shiningtree and Kirkland Lake.

- (e) On December 28, 2017, the Company announced that, further to its news releases dated November 7, December 6 and December 15, 2017, it closed the second tranche of its non-brokered flow through and non-flow through private placements (the "Private Placements"). Under the second tranche, the Company has raised an additional \$150,000 by the issuance of 3,000,000 flow through units (the "FT Units") at a price of \$0.05 per FT Unit. Each FT Unit consists of one flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of two years at an exercise price of \$0.10. All of the securities issued pursuant to the second tranche of the Private Placements are subject to a hold period expiring on April 29, 2018. The Company anticipates receiving additional subscriptions for its Private Placements, and following receipt of the same, a further closing will be completed and announced. The Company intends to use the proceeds from this private placement for furthering exploration on its optioned gold exploration Brunswick Property in Ontario.
- (f) On December 15, 2017, the Company announced that, further to its news releases dated November 7 and December 6, 2017, it has closed the first tranche of its non-brokered flow through and non-flow through private placements (the "Private Placements"). Under the first tranche, the Company has raised \$100,000 by the issuance of 2,000,000 flow through units (the "FT Units") at a price of \$0.05 per FT Unit. Each FT Unit consists of one flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of two years at an exercise price of \$0.10. All of the securities issued pursuant to the first tranche of the Private Placements are subject to a hold period expiring on April 16, 2018. The Company anticipates receiving additional subscriptions for its Private Placements, and following receipt of the same, a further closing will be completed and announced.
- (g) On December 6, 2017, further to its news release dated November 7, 2017, the Company now intends, subject to regulatory approval, to add a non-flow through offering (the "NFT Offering") to the private placement. Under the NFT Offering, Rainy Mountain intends to raise up to an additional \$50,000 by the issuance of 1,000,000 non-flow through units (the "NFT Units") at \$0.05 per NFT Unit. Each NFT Unit will consist of one non-flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of five years at an exercise price of \$0.07.
- (h) On November 30, 2017, the Company announced that, with funds previously raised, the Company intends to begin a winter exploration program on the east side of its optioned gold exploration property (the "Brunswick Property" or "Property") located in Brunswick Twp., Ontario. The initial phase of the exploration program will include a 20 to 22 km induced polarization ("IP") grid covering the remaining 1.6 to 1.8 km portion of the east side of the Property not already surveyed. These lines will be completed in an effort to trace the extension of the original gold zone and host shear structure, as well as four other IP trends already known. The IP grid is expected to be completed in the month of December, 2017 and, upon completion of the Company's more recently announced financing (see news release dated November 7, 2017), the Company intends to follow up with a drill program (planned for January 2018). This drill program is intended to begin testing existing IP anomalies and shears exposed by trenching completed by the Company in August 2017 (see the Company's news release of September 12, 2017 for additional details). As previously indicated, anomalous gold values were obtained along these shears in soil and in bedrock corresponding to the shears. High arsenic pathfinders were also seen in one particular shear extending from drill hole BE17-04, and as a result, step out drill holes are planned (see the Company's news release of October 12, 2017 for additional information). The next phase of the exploration program is expected to include an additional 26 km grid on the west side of the Property, which will be surveyed with IP. Following the IP survey, a drill program is planned to continue testing the remaining IP anomalies and showings on the east side of the Property, before moving to test an IP trend adjacent to highly anomalous gold values (6.6 gm, 4.05gm, 2.58 gm) found along

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

a 900m IP trend on the west side of the Property (see the Company's news releases of July 12, 17 and August 23, 2017 for additional information). The Brunswick Property covers a full 6 miles (9.6 km) of a set of shear zones that parallel the Ridout Fault system, which is interpreted to be the continuation of the Larder Lake Break. Five shears have been defined by IP-Resistivity surveys and initial drilling has tested each shear with just one hole to confirm that these anomalies were in fact sericite-iron carbonate (ankerite) altered shears with quartz- pyrite.

- (i) On November 7, 2017, the Company announced, subject to regulatory approval, that it intends to proceed with a flow through non-brokered private placement (the "FT Offering") to raise up to \$250,000 by the issuance of 5,000,000 flow through units (the "FT Units") at \$0.05 per FT Unit. Each FT Unit will consist of one flow through common share and one non-flow through share purchase warrant, with each warrant entitling the holder to purchase an additional non-flow through common share for a period of two years at an exercise price of \$0.10. With respect to the FT Offering, the Company may pay finders' fees in the amount of 10% (payable in cash or non-flow through units), based on the sale of the FT Units purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for furthering exploration on its optioned gold exploration Brunswick property in Ontario.
- (j) On October 12, 2017, the Company announced that it has completed an analysis of the assay data and results of the Company's trenching program completed in August 2017 (see the Company's news release of August 28, 2017) at the Company's Brunswick gold project. As a result, Rainy Mountain is proposing to move forward with a 1500m drill program of approximately 11-13 holes in order to test three features that were exposed during the summer exploration program. Trenching completed west of the original gold showing has located a distinct deformation zone (see photos of the trenching program on the Company's web site at www.rmroyalty.com), which is flanked by an intense iron carbonate zone with sulphides. An anomalous gold value of 0.388 g/t was obtained from this deformation zone with folded quartz veins 800m west of the original gold showing. As such, approximately 4-5 drill holes are proposed in the zone to test this anomalous site and other locations along the deformation zone where anomalous gold in soils have been observed. In addition, the section 300m west of the original gold showing where a 32.9 g/t gold value was obtained in the original trenching conducted by Michael Tremblay (one of the optionors of the Brunswick Property) will also be tested. Trenching also exposed strong veining 200m west of hole BE17-04 with chalcopyrite and anomalous gold values of 0.322 g/t, and 0.172g/t Au associated with anomalous arsenic (As). Four more holes are proposed along this shear. On the east part of the West Grid, three gold values of 6.6 g/t, 4.05 g/t, and 2.56 g/t were found on the east end of a 900m long Induced Polarization ("IP") trend which may require 2-3 holes, as well as one hole to test a parallel IP trend that cannot be reached by trenching equipment. Budget permitting, additional lines are proposed on the east extension of the east grid to trace the extension of the original gold zone and, if possible, additional lines will be cut and read with IP to the west tracing the anomalous arsenic and gold values observed in the Company's June exploration efforts.
- (k) On October 6, 2017, the Company announced that, subject to regulatory approval, the Company intends to amend the term of certain previously issued share purchase warrants. In connection with a private placement that the Company completed on October 27, 2016, 2,954,000 share purchase warrants (the "Warrants") were issued with an exercise price of \$0.10 per share and an expiry date of October 26, 2017. The Company intends to file an application with the TSX Venture Exchange (the "Exchange") to extend the term for exercising the Warrants by two additional years to October 26, 2019 with the exercise price of \$0.10 per share remaining unchanged.
- (l) On October 4, 2017, International Bethlehem Mining Corp. ("International Bethlehem") and the Company announced that the two companies have entered into an option agreement (the "Option Agreement"). Pursuant to the Option Agreement, International Bethlehem has been granted the option (the "Option") to acquire an undivided 90% interest in certain mining claims, referred to as the Powell Property, held by the Company in Ontario, Canada (the "Property"), on the terms and conditions of the Option Agreement and subject to the approval of TSX Venture Exchange (the "Exchange"). In order to exercise the Option and acquire an undivided 90% interest in the Property, International Bethlehem is required to: (i) issue 2,000,000 common shares of International Bethlehem to the Company; and (ii) incur exploration expenditures in the aggregate amount of \$1,000,000 on the Property over a five year period commencing on the date the Exchange approves the Option Agreement. Upon exercise of the Option, International Bethlehem and the Company will, in good faith, negotiate and enter into a joint venture

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

agreement provided, however; that International Bethlehem has the option to purchase the 10% interest retained by the Company upon exercise of the Option in full in exchange for 1,000,000 shares of International Bethlehem and a 2% net smelter royalty on the Property. The Option Agreement is considered to be a non-arm's length transaction and remains subject to approval by the Exchange. The Property was originally acquired in 2004 by the Company and subsequently joint ventured with Mega Uranium Ltd. The Property has had extensive grids (over 110 km) and Induced Polarization ("IP") surveys, and a limited amount of drilling and trenching, which exposed a number of gold showings. This work was carried out by Fairmont Resources ("Fairmont"). The most recent drill program on the Property, also carried out by Fairmont, occurred in 2011 and yielded 2.91 gm Au/1.55m and 8.45 gm Au/1.9 m (as reported in Fairmont's news release of June 14, 2011). The IP surveys have outlined 3 major shear zones which extend South West from the Ardeen Mine and other shears extending from the Moss Lake gold deposit now being developed by a Wesdome Gold Mines Inc. subsidiary, Moss Lake Gold Mines Ltd. Furthermore, International Bethlehem is pleased to announce that the Exchange has granted it an extension to file certain documents regarding its Tier 2 Continued Listing Requirements (the "Tier 2 CLR"). As disclosed International Bethlehem's news release dated June 28, 2017, the Exchange had determined International Bethlehem did not meet the Exchange's Tier 2 CLR. As a result, the Exchange had given International Bethlehem until September 29, 2017 to submit documentation {3945-001/01573946.DOC.2} that it met the Tier 2 CLR requirements. This deadline has now been extended until November 29, 2017. The entering into of the Option Agreement will partially assist International Bethlehem in fulfilling the Tier 2 CLR.

- (m) On September 28, 2017, the Company announced that, further to its news releases dated July 24, 2017 and September 6, 2017, has closed its non-brokered private placement (the "Private Placement"). The Company has raised gross proceeds of \$151,000 by the issuance of 1,510,000 flow through shares (the "FT Shares") at a price of \$0.10 per FT Share. All of the securities issued pursuant to this Private Placement are subject to a hold period expiring on January 29, 2018. In connection with the closing of the Private Placement, the Company has paid a finder's fee of \$800 to PI Financial Corp. ("PI"), being 10% of the gross proceeds raised by the Company from an investor introduced to the Company by PI. Certain insiders of the Company have subscribed for FT Shares pursuant to the private placement. The issuance of the FT Shares to the insiders pursuant to the private placement (the "Insider Participation") will be considered to be a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(b) and 5.7(1)(b) of MI 61-101 in respect of any Insider Participation. The Company intends to use the proceeds from this Private Placement for furthering exploration on Rainy Mountain's optioned Brunswick Property in Ontario.
- (n) On September 12, 2017, the Company announced that it has completed its most recent trenching program on the "East Grid" of its optioned gold exploration property (the "Brunswick Property" or "Property"), which program has revealed two new zones. East Grid Trenching Highlights: 1) 800m extension to west of original gold showing exposed by trench with .388 gm gold (Au) grab sample. 2) Strong mineralization exposed on extensions from drill hole BE04. 3) Assays of .12 gm gold (Au) in veins with chalcopyrite (copper), 200m west of drill hole BE04 with pathfinder elements detected. The Company has just completed the next phase of trenching and sampling on the East Grid of the Property, which has exposed a strong deformation zone extending from drill hole BE04 (see the Company's news releases of July 12, July 17 and August 28, 2017 for additional details). This zone contains quartz veins up to 1.0m in width that contain chalcopyrite (copper) striking in the same direction as the major shear associated with the 2.1 km long Induced Polarization ("IP") anomaly tested by drill hole BE04. This shear is 400m north of the Ridout Fault and is parallel to that structure. Trenching has exposed this structure from line 50100E to line 49750E at 97+00N (a distance of 350m of mineralization). Assays from grab samples along this structure yielded .12 gm gold (Au) (check assay pending) from both carbonate rock with sulphides and quartz veins with chalcopyrite (Cu). Very anomalous arsenic (As) values, and Vanadium (V), copper (Cu), and antimony (Sb) were associated with this zone. Drill hole BE04 itself contained the highest arsenic value found to date on the Property of 8380 ppm and four very anomalous gold values of .298, .113, .207, and .364 gm gold (Au), attracting the Company's special attention to this zone. Trenching has also exposed another deformation zone extending west from the original gold showing on line 49800 at 102+50N to line 49000E at 102+25N. Photos of this zone will be posted on the Company website shortly at www.rmroyalty.com, along with a map of the East Grid of the Property

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

showing the IP anomalies, completed drill holes, proposed drill holes and trench locations. Assays of .31 gm gold (Au) (check assay .388 gm Au) were obtained from folded quartz veins in this deformation zone at line 49000, 102+20N, similar to the halo gold values seen at the original showing. Elevated arsenic (As), silver (Ag), and lead (Pb) values were also seen in this zone. Drilling is required to more accurately cross section the geology and to properly sample all - 2 - the veins in this structure. Soil gold anomalies are associated with this particular deformation zone, which is encouraging the Company to do further drilling along strike. Additional prospecting and sampling have also been carried out on the West Side of the Brunswick Property and two assays are pending from that area. Drilling of a series of holes is being planned along strike to drill hole BE04 and the extension of the original gold zone. The Company believes that the trenching to date has been a very valuable tool in exposing the geology of the Property, nonetheless, gaps in exposure may occur which then need to be drilled for even more accurate geological analysis. Assay Preparation Assaying was completed by ALS Canada in North Vancouver, British Columbia and sample preparation was done by ALS Canada in Timmins, Ontario. Gold (Au) assays exceeding .2 gm with acid digestion – ICP analysis were then assayed by fire assay on a 30 gm sample and any assays exceeding 3.0 gms were re-assayed by way of fire assay with a 30 gm sample. Pathfinder elements were measured using the ICP acid digestion method on 2 gm samples.

- (o) On September 6, 2017, the Company announced that it has extended the closing of its non-brokered private placement as announced on July 24, 2017. As a result and subject to regulatory approval, the Company intends to proceed with a flow through non-brokered private placement to raise up to \$250,000 by the issuance of 2,500,000 flow through common shares (the "FT Shares") at \$0.10 per FT Share. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or non-flow through shares), based on the sale of the FT Shares purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for furthering exploration on its Brunswick gold exploration property.

- (p) On August 28, 2017, the Company announced further exploration results from a trenching program currently underway on the Brunswick Property. The Company has been undergoing a trenching program on a number of recently identified Induced Polarization ("IP") anomalies (see the Company's news releases of December 12, 2016, May 4 and April 4, 2017) on the East Grid of its Brunswick Property, and as well, carbonate sericite shear zones have been exposed which are associated with these IP anomalies. Samples from these exposed shear zones have been submitted for testing and assays are pending. As well, 800m west of the original gold showing (on line 49800E), a parallel carbonate zone was found 75m to the north side of a strong IP trend currently being trenched (on line 49000E), which may represent an extension of the original gold structure. This zone has been sampled and assays are also pending. As part of the current exploration program, the Company has trenched 100m east of drill hole BE04, thus exposing the host carbonate shear which has also been sampled. In addition, several trenches were dug (1,000m and 900m west of drill hole BE04) exposing the shear structures associated with the IP trends. On the West Grid of the Property, sampling of a new shear structure discovered on line 48500 has identified a number of sulphide bearing structures adjacent to a porphyry and is being traced further by mapping. Also, two grab samples containing 4.05 gm Gold (Au) and 2.56 gm Gold (Au) from a sulphide rich shear zone containing quartz veins have been found on the extension of the previous discovery of 6.6 gm Gold (Au) grab sample (see the Company's news release of July 12, 2017). This new location is northwest of the previous 6.6 gm Gold (Au) sampling site on a parallel shear zone. All three gold bearing samples have new pathfinder elements, including Bismuth and Tellurium (Bi-Te), with some copper mineralization as well. A separate IP trend (parallel to the shear and roughly 50-75m north), and a much wider structure, may be present which will require further trenching. Porphyry sills, or dikes, also occur along the south side of this shear feature. Access trails for 4-wheel ATV vehicles have been cut to get equipment in to this location (approximately 1,000m from the main logging road). The current trenching program has highlighted important features that will greatly assist the Company's focus for the next phase of planned drilling. Step out holes to drill hole BE04 and the new carbonate shear are planned, as well as additional drill holes on the shear zones where the new gold discoveries have been identified. Assaying of the grab samples are being completed by ALS Canada in North Vancouver, British Columbia using both MEME41 ICP and Au21 fire assay on a 30 gm sample, with any values exceeding 3.0 gm Gold (Au) to be re-assayed. Sample preparation was done by ALS Canada in Timmins, Ontario.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

- (q) On August 9, 2017, the Company announced that in accordance with the terms of the Company's stock option plan, the Company has granted 202,750 incentive stock options to certain directors, officers, employees and consultants at an exercise price of \$0.10 per share for a term of 5 years.
- (r) On July 24, 2017, the Company announced that, subject to regulatory approval, the Company intends to proceed with a flow through non-brokered private placement to raise up to \$250,000 by the issuance of 2,500,000 flow through common shares (the "FT Shares") at \$0.10 per FT Share. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or non-flow through shares), based on the sale of the FT Shares purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for furthering exploration on its Brunswick gold exploration property.
- (s) On July 17, 2017, the Company announced plans for further exploration on the Brunswick Property. Now that the assaying results from the Company's recent drill program on the Brunswick Property have been reviewed and analyzed (see the Company's news release of July 12, 2017), the pathfinder elements can be used to vector the mineralization and a strategic follow-up program can start immediately on the Brunswick Property. Drilling of a new sericite schist in a fifth recently discovered shear zone on the eastern grid of the Property is proposed, as well as, step out drill holes on site BE17-04 (where anomalous gold and arsenic values were obtained on a 2.1 km long IP trend). Trenching and sampling of the recently discovered 6.6 gm gold showing found in pyritic volcanic tuffs will commence immediately following a 900m long untested Induced Polarization ("IP") trend, as well as, an offset IP anomaly that is believed to be the faulted equivalent to the new showing. Drilling is proposed after this new pyritic horizon is better understood and has been exposed and sampled along its length. Mapping and prospecting along the full length of the 6 mile long Property is warranted given the shears and alteration seen to date. The pathfinder elements suggest additional gold mineralized zones could occur along strike and at depth.
- (t) On July 12, 2017, the Company announced that the assay results for all the 14 drill holes from the Brunswick Property have now been received and reviewed by the Company and the Company now has a complete set of Induced Coupled Plasma ("ICP") analysis, which identified the pathfinder elements, such as Arsenic (As), Antimony (Sb), Zinc (Zn), Molybdenum (Mo), Tungsten (W), Copper (Cu), Silver (Ag) and Tellurium (Te). Geochemical maps are being prepared using this data to generate vectors to locate additional mineralization. As a general statement, the original gold showing has a Mo-W pathfinder association, and the major shears have very high As-Sb values in 9 of the 10 holes, and the new discovery described below has a Cu-Te association in pyrite. As a result, it is believed that three geochemical settings occur on the Property. Four of the shear zones on the western grid were tested by six holes BW17-01 to -06 and all contained anomalous Arsenic (As) up to 1687 ppm, however, only two of the shears had elevated Antimony (Sb) close to laminated quartz with hydromoscovite. There were low anomalous gold values in these holes and the pathfinders suggest possible gold mineralization may occur at depth or along strike from the holes. A fifth IP trend to the north of the four shears has been recently identified and remains untested. On the eastern grid, four different shears were drilled by drill holes BE17-01, 02, 04, 05, and the gold zone was tested by 4 - 50 m holes (BE17-06 to -09). Several other IP trends remain to be tested. Anomalous As-Sb, was seen in four of the holes, and the highest As value obtained to date (8380 ppm As) was in hole BE17-04. Hole BE17-04 is located 500m south of the original gold showing and had several very anomalous gold values (298 ppb, 113 ppb, 207 ppb, 364 ppb) to the side of the high As value. This hole was testing one IP trend which is over 2.1 km long, and located 400m north of the Ridout Fault. Therefore, the Company intends to conduct further follow up drilling to further test this target. Hole BE17-07 located 50m west of the original gold showing gave the following results. This hole suggests the gold zone plunges west around 45 degrees. Four short 50 m holes were drilled on this zone and additional holes are required on the westward down plunge. During the course of drilling on the east grid, prospecting discovered a fifth shear zone adjacent to the Ridout Fault on the east side of the east grid, which contained sericite schist which may have been a sheared porphyry. Initial plans were to trench this zone, however, it has since been decided to drill a section across the zone to locate parts not observed on surface. Intense carbonate alteration can be seen north of this schist zone. Prospecting and sampling was also done on the west grid, and a new discovery was made on line 48800E on the east end of a 600m long untested IP trend. The rocks were different than the four shears to the south being a pyrite bearing volcanic Tuff horizon, which is an important rock unit on the Property and similar to host rocks around the original gold showing. One grab

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

sample assayed 6.6 gm Au from this pyrite bearing Tuff with associated copper values. The fault offset of this IP trend appears on the east grid and is untested and is 500m long, leaving a 1.1 km long trend to trench, sample and drill. The Company intends to complete a follow up program of trenching and drilling on the Brunswick Property. The mineralized sections of the drill holes were split at approximately 1 metre intervals, with one half sent to ALS Canada Inc.'s Timmins, Ontario lab for initial preparation. The remaining core was returned to the core box and stored in a secure core shack located at the Watershed, Ontario (located half way between Timmins and Sudbury on Highway 144, 35 kms from the Property). The gold assaying was completed by ALS Canada Inc. in their North Vancouver facility using a fire assay extraction from a 30 gm sample with ICP finish. The pathfinder elements were read using a 1 gm representative sample with aqua regia digestion and an ICP finish

- (u) On June 8, 2017, the Company announced that it has completed 14 drill holes (2121m) on its optioned gold exploration property (the "Brunswick Property" or "Property") located 140 km south of Timmins, Ontario. The core from the initial six holes drilled has been logged and split and submitted for assay. The core from two additional drill holes will be logged, split and submitted for assay later this week. The first six drill holes (1038m) tested four different iron carbonate-sericite deformation (shear) zones that flank the Ridout Fault Zone. These intersections all contained quartz-ankerite veins with sulphides and minor sphalerite (zinc). All of the alteration zones yielded arsenic-antimony pathfinder elements in the trenching that was carried out prior to drilling. Robert Middleton, P. Eng. and Qualified Person for the Brunswick Property project, has indicated that intense shearing and deformation has occurred throughout the length of these structures, creating an ideal setting for gold mineralization. Other favourable associated rock units found by drilling were variolitic basalt, spherulitic basalt, leucoxene basalt, quartz eye porphyry and ultramafics, all with intense sericite-carbonate alteration. A previously completed combined magnetic and induced polarization survey traced these favourable structures for 2.4 km on one section of the six mile (9.6 km) long Brunswick Property and the Company believes these structures could continue for another two miles (3.2 km) across the remaining length of the Property. At this time, the Company anticipates that the recently completed drill program will set the stage for further grid expansion, geophysics and trenching, and will thereafter be followed by another planned phase of drilling. Further infill work and analysis needs to be done prior to finalizing additional drill targets. Logging and splitting will continue for another week to prepare the remaining samples for submission to the preparation lab and subsequent assay analysis by ALS Minerals. All assay results will be reported by the Company once received and reviewed.
- (v) On May 24, 2017, the Company announced that drilling is now underway on its optioned gold exploration property (the "Brunswick Property" or "Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). Presently, the Company intends to complete 15 drill holes (10 drill sites selected on the east side of the Property and five additional drill sites selected on the west side of the Property). Additional drill sites are also being considered and will be determined as the current drill program continues. Prior to commencement of the current drill program, Rainy Mountain continued sampling outcrops and exposures on the west side of the Brunswick Property and began trenching with a back hoe on May 9th in an attempt to expose four carbonate alteration zones associated with the recently completed Induced Polarization ("IP") survey. The IP surveys have been continued on in-fill lines to better define the anomalies (at 100m spacings using 25m stations and an "a" spacing for the electrodes of 25m to obtain better resolution). The IP surveys have detected the present of sulphide mineralization within the sericite carbonate zones which would be the normal setting for associated gold mineralization. A magnetometer survey was also completed (with readings taken at 12.5m intervals), which helps outline the carbonate zones (being a low magnetic signature) and also assists in locating diabase dikes which cross the mineralization in a northerly direction. As well, recent trenching has exposed crack seal quartz veins with sericite and hydromuscovite (apple green mica) on the fractures in the quartz, as well as disseminated sulphide zones flanking the quartz veins. The Company believes that these mineral settings are favourable hosts for gold mineralization and are similar to the setting found at the Bell Creek Mine in Timmins, Ontario. Further, additional sampling has been done to determine the distribution of the pathfinder elements for gold (such as arsenic (As) and antimony (Sb)), which were previously detected in the fall of 2016 (see the Company's news release of January 3, 2017 for additional details). Fifteen samples (of the 22 samples submitted in May 2017) were either elevated in antimony or very anomalous and the crack seal vein (found 200m west of the original antimony site) was also very anomalous in antimony. Arsenic was also detected, which is often peripheral to gold mineralization. The Company believes that all of the anomalous values are geochemically significant, from an exploration point of view, but are

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

not at any toxic level. This information will assist the Company in finalizing where future drill holes will be placed. A core shack with logging tables and core saw has been set up near the Property to receive and process core in a secure facility from the current drill program. Field sampling and trenching has been carried out and/or supervised by the Company Qualified Person, R.S. Middleton, P.Eng., and assisted by the prospector, Michael Tremblay.

- (w) On May 19, 2017, the Company announced that in accordance with the terms of the Company's stock option plan, it has granted 735,000 incentive stock options to certain independent Consultants, at an exercise price of \$0.115 per share for a term of one year. The Consultants have been engaged to assist the Company with future financing and strategic corporate matters.
- (x) On May 8, 2017, the Company announced that it has concluded a Memorandum of Understanding (the "MOU") with the Mattagami First Nation ("Mattagami") in connection with the Company's optioned gold exploration property project (the "Brunswick Property") located in the Timmins area of Ontario. The MOU establishes the desire of the Mattagami First Nation and Rainy Mountain to work together, creating a long-term, mutually beneficial, co-operative and respectful relationship in the spirit of social, environmental, cultural, and economic well-being. In accordance with the MOU, the Company has agreed to provide certain benefits and to provide employment and service related opportunities to Mattagami, and in return, Mattagami has agreed to support the Company's exploration of the Brunswick Property. The MOU will cover the exploration phase of the Company's Brunswick Property project and also outlines a framework for collaboration on prevention, mitigation remediation and accommodation for environmental impacts which may result from exploration activities. Chief Chad Boissoneau of the Mattagami First Nation states, "Mattagami First Nation takes pride in the fact that we are working effectively with industry to both ensure respect for our traditional and treaty rights, and to create opportunities for social, environmental and economic participation. The signing of the MOU for the Brunswick Property project with the Company reflects the beginning of a progressive relationship. The MOU illustrates the willingness of our First Nation to work alongside mineral exploration companies who demonstrate a commitment to social and environmental responsibility, as well as respect for our lands and rights. I would like to acknowledge and thank former Chief of Mattagami First Nation, Walter Naveau, and our Lands and Resources Department for facilitating the process." Douglas Mason, Chief Executive Officer of the Company states, "The Company is extremely pleased to have been able to conclude a favourable MOU with the Mattagami First Nation and we believe that this Agreement will bring economic opportunities to the region and will provide certainty for the Company's Brunswick Property project in a manner which is respectful of Mattagami's traditional territory and its aboriginal and treaty rights."
- (y) On May 4, 2017, the Company announced that it has identified additional drill targets at its optioned gold exploration property (the "Brunswick Property" or "Property"). The Brunswick Property is accessible year round by bush road connecting to Highway 560 that links to the west with Highway 144 and then north to Timmins (via Highway 101). A 2.4 km long grid extension along the central west side of the Brunswick Property has been cut and partly surveyed which has identified extensions to the shears occurring on the east grid and other parallel shears that were mapped in the fall of 2016. Additionally, prospecting has resumed, now that the snow has melted sufficiently to expose outcrops. These new outcrops have exposed carbonate-sericite shear extensions along strike to the area where the arsenic-antimony (As-Sb) rock geochemical anomaly occurs. As well, additional surface samples are being gathered on the Property and will be submitted for analysis to trace the extent of the arsenic-antimony zone (in relation to the induced polarization chargeability anomalies). Heavy rains and wind storms have slowed the progress of the survey work in the last week of April. However, work is now continuing and will be completed prior to any drilling in an effort to optimize the chances of success in selecting the best drill targets on the Property. In addition, an induced polarization ("IP") survey (with 12.5m station intervals) has also been completed on both the east and west grids. This work has assisted the Company in tracing the carbonate alteration and fault structures, as well as, locating diabase dikes. The IP survey identifies sulphide mineralization within the shear zone that could be associated with gold mineralization. Thus far, ten high priority drill sites have been selected on the east side grid and an additional four drill sites are already known on the west side grid (with possibly more expected as the survey and sampling continues). Of note as well, four shear zone structures can be seen on the west side of the Property (which is comparable to the east side), which parallels the Ridout Fault Zone. Two of these shears have known arsenic-antimony values and the other shears are presently being sampled. IP anomalies are now known to be associated with the arsenic-antimony geochemical anomaly. These four shears are the fault

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

offset of the shears on the east side of the Property. A major northerly trending fault, called the Nabakwasi River Fault, created this offset of the geology which fault is much younger in age and unrelated to the mineralization. In particular, the IP chargeability flanks the arsenic-antimony geochemical anomaly, which envelops those sheared rocks and is associated with closely spaced parallel shears, and continues beyond the known geochemical anomaly towards the porphyry intrusion to the east. The Company believes that this is an ideal setting for a gold deposit which appears to be quite similar to the setting found at the Bell Creek Mine in Timmins.

- (z) On May 3, 2017, the Company announced that, further to its news releases dated March 6, 2017 and April 19, 2017, it has closed its non-brokered private placement (the "Private Placement"). The Company has raised gross proceeds of \$465,000 by the issuance of 4,650,000 non-flow through units (the "Units") at a price of \$0.10 per Unit. Each Unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share for a period of 24 months at an exercise price of \$0.15 for a period of 12 months and at an exercise price of \$0.25 thereafter. All of the securities issued pursuant to this Private Placement are subject to a hold period expiring on September 3, 2017. Douglas Mason, the President and Chief Executive Officer of the Company ("Mason") purchased, directly and indirectly, an aggregate of 1,750,000 Units pursuant to the Private Placement. Mason now holds 2,025,000 common shares representing approximately 4.44% of the outstanding common shares of the Company, 4,202,500 common share purchase warrants and 847,000 stock options to purchase common shares of the Company, that, if exercised in full, would result in Mason holding 7,074,500 common shares of the Company, or approximately 13.96% of the Company's then issued and outstanding common shares, assuming no other common shares of the Company are issued. Mason acquired the Units for investment purposes and may from time to time, increase or decrease his ownership position in the future in the market or privately as circumstances warrant.

Selected Annual Information

	Year Ended April 30, 2018	Year Ended April 30, 2017	Year Ended April 30, 2016
Operating loss	737,133	948,751	257,487
Net loss	682,588	943,929	1,705,678
Basic and diluted loss per share	0.01	0.04	0.12
Total assets	3,485,605	3,370,595	2,267,959
Total liabilities	137,628	199,097	567,022

SUMMARY OF QUARTERLY RESULTS

	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017
Total assets	3,485,605	3,700,379	3,380,096	3,483,947
Exploration and evaluation assets	3,320,951	3,243,342	2,943,751	2,885,939
Working capital (deficit)	7,698	180,728	330,293	403,988
Shareholders' equity	3,347,977	3,452,784	3,303,117	3,319,360
Other income (loss)	(22,846)	35,800	(2,860)	(1,241)
Operating expenses	97,453	178,633	191,913	269,134
Impairment of exploration and evaluation assets	(2,372)	-	-	-
Net loss	(73,604)	(142,833)	(194,773)	(270,375)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Total assets	3,370,595	2,546,436	2,659,203	2,248,490
Exploration and evaluation assets	2,551,889	2,367,439	2,204,149	2,135,114
Working capital (deficit)	589,817	(179,041)	(1,417)	(510,559)
Shareholders' equity	3,171,498	2,193,704	2,259,292	1,630,887
Other income (loss)	9,810	(18,805)	20,229	(6,412)
Operating expenses	497,070	196,783	143,890	111,008
Impairment of exploration and evaluation assets	34,508	-	-	-
Net loss	(487,260)	(215,588)	(123,661)	(117,420)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three and twelve month periods ended April 30, 2018 compared with the three and twelve month periods ended April 30, 2017. The Management's Discussion and Analysis should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended April 30, 2018 and 2017.

For the three month period ended April 30, 2018:

Net loss for the period

The Company had a net loss for the three-month period ended April 30, 2018 of \$73,607 (2017 - \$487,260). The net decrease of \$413,653 in the net loss for the three-month period ended April 30, 2018 compared to the three-month period ended April 30, 2017 was primarily due to a decrease of \$399,617 in general and administrative expenses (mainly due to a decrease in share-based compensation, marketing and consulting fees).

Other items

During the three-month period ended April 30, 2018, the Company reported a gain in other items of \$22,846 compared to income of \$9,810 in the three-month period ended April 30, 2017 from other sources. Items that caused the net change in other items are noted in the following:

In comparison to the three month period ended April 30, 2017:

- Fair value loss on marketable securities of \$34,151 (2017 - \$nil) changed by \$34,151 due to change of market values of securities held. The marketable securities the Company holds comprise of securities received from its option and/or joint venture partners under its farmout agreements.
- Other income of \$28 (2017 expense - \$554) remained fairly consistent when compared to the same period in the prior year.
- Recovery from exploration and evaluation assets of \$31,167 (2017 expense - \$6,000) increased by \$25,167 was mainly due to recoveries on properties previously written down.
- Impairment of exploration and evaluation assets of \$2,372 (2017 - \$28,508) decreased by \$26,136 which was mainly due to the write down of the Clay/Powell property.
- Loss on disposal of equipment of \$2,026 (2017 - \$nil) due to the disposal exploration equipment for nil value.
- Flow-through premium of \$30,200 (2017 - \$44,872) inflow-through premiums were recorded in each period.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

Operating expenses

General and administrative expenses of \$97,453 (2017 - \$497,070) are primarily comprised of consulting, administrative, professional fees, transfer agent fees and filing fees, rent and utilities and general office expenses. The net decrease was \$399,617 compared to the three-month period ended April 30, 2017. Items that caused the net increase are noted in the following:

In comparison to the three-month period ended April 30, 2017:

- Consulting and director fees of \$42,782 (2017 - \$89,553) decreased by \$46,771 due to the decreased consulting services required for the Brunswick Property and financings.
- Depreciation of \$360 (2017 - \$514) remained fairly consistent and was mainly due to depreciation expense on reducing book balance of the fixed assets.
- Investor relations of \$600 (2017 - \$3,977) decrease by \$3,377 due to a reduction in services required in the current period.
- Marketing expenses of \$nil (2017 - \$62,375) decreased by \$62,375 due to the marketing expenses required for promotion the Brunswick Property in the prior periods.
- Office and miscellaneous of \$7,942 (2017 - \$8,943) remained fairly consistent when compared to the same period in the prior year.
- Professional fees of \$15,946 (2017 - \$26,051) decreased by \$10,105 mainly due to the increased service from the external legal counsel in the prior period due to financings.
- Rent and utilities of \$5,954 (2017 - \$6,235) remained fairly consistent when compared to the same period in the prior year.
- Share-based payments of \$nil (2017 - \$235,855) decreased by \$235,855 due to the timing of the option issuances in each period when and if such options are available.
- Transfer agent and regulatory fees of \$12,960 (2017 - \$33,802) decrease by \$20,842 due to increased service in the prior period due to financings.
- Travel expenses of \$685 (2017 - \$19,413) decreased by \$18,728 as less travel was required for investor meetings in promoting the Brunswick Property.
- Wages and benefits of \$10,224 (2017 - \$10,352) remained fairly consistent when compared to the same period in the prior year.

For the twelve month period ended April 30, 2018:

Net loss for the period

The Company had a net loss for the twelve month period ended April 30, 2018 of \$682,588 (2017 - \$943,929). The net decrease of \$261,341 in the net loss for the twelve month period ended April 30, 2018 compared to the twelve month period ended April 30, 2017 was primarily due to an decrease of \$211,618 in general and administrative expenses (mainly due to the difference in share based payments of \$279,984).

Other items

During the twelve month period ended April 30, 2018, the Company reported a gain of other items of \$54,545 compared to a loss of \$4,822 in the twelve month period ended April 30, 2017 from other sources. Items that caused the net change in other items are noted in the following:

In comparison to the twelve month period ended April 30, 2017:

- Fair value loss on marketable securities of \$5,601 (2017 gain - \$48,150) increased by \$53,751 due to change of market values of securities held. The marketable securities the Company holds comprise of securities received from its option and/or joint venture partners under its farmout agreements.
- Loss on sales of marketable securities of \$nil (2017 - \$58,601) changed by \$58,601 due to the timing of the sales of securities in the current and prior period. No such transaction was incurred in the current period.
- Other income of \$52 (2017 - \$528) remained fairly consistent when compared to the same period in the prior year.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

- Recovery from exploration and evaluation assets of \$34,292 (2017 - \$nil) increased by \$34,292 was due recoveries on properties previously written down..
- Impairment of exploration and evaluation assets of \$2,372 (2017 - \$28,508) decreased by \$26,136 which was mainly due to the write down of the Clay/Powell property.
- Loss on disposal of equipment of \$2,027 (2017 - \$nil) due to the disposal exploration equipment for nil value.
- Flow-through premium \$30,200 (2017 - 44,309) in flow-through premiums were recorded in each year.

Operating expenses

General and administrative expenses of \$737,133 (2017 - \$948,751) are primarily comprised of consulting, administrative, professional fees, transfer agent fees and filing fees, rent and utilities and general office expenses. The net decrease was \$211,618 compared to the twelve month period ended April 30, 2017. Items that caused the net increase are noted in the following:

In comparison to the twelve month period ended April 30, 2017:

- Consulting fees of \$351,813 (2017 - \$216,153) increased by \$135,660 due to the increased consulting services required for the optioned Brunswick Property and financings.
- Depreciation of \$1,438 (2017 - \$2,054) remained fairly consistent and was mainly due to depreciation expense on reducing book balance of the fixed assets.
- Investor relations of \$17,888 (2017 - \$13,006) increased by \$4,882 due to communications of the Company's current programs.
- Marketing expenses of \$44,759 (2017 - \$100,671) decreased by \$55,912 due to a reduction in marketing and promotion of the Brunswick Property.
- Office and miscellaneous of \$53,441 (2017 - \$33,161) increased by \$20,280 due to the increased computer expenses, insurance and website expenses incurred in the current period.
- Professional fees of \$98,775 (2017 - \$82,396) increased by \$16,379 mainly due to the increase service from legal counsel in the current period for the privately placements, financings and agreements.
- Rent and utilities of \$25,097 (2017 - \$23,355) remained fairly consistent when compared to the same period in the prior year.
- Share-based payments of \$45,134 (2017 - \$325,118) decreased by \$279,984 due to the timing of the option issuances in each period when and if such options are available.
- Transfer agent and regulatory fees of \$46,187 (2017 - \$70,093) decreased by \$23,906 mainly due to the services required in the prior period for the private placements.
- Travel expenses of \$8,861 (2017 - \$53,929) decreased by \$45,068 as less travel was required for investor meetings in promoting the Brunswick Property.
- Wages and benefits of \$43,740 (2017 - \$28,815) increased by \$14,925 mainly due to and increase in staff allocation and the timing of employee benefits paid under the Company's health and welfare benefits plan.

LIQUIDITY AND CAPITAL RESOURCES

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its mining operations. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs on its properties, as well as its continued ability to raise capital.

The Company anticipates spending capital resources on the exploration of the Brunswick Property in the next twelve months. The Company principally engages in option agreements with optionees paying 100% of the exploration costs. Under such arrangements, the optionees are responsible for exploration expenditures on such properties and pay fees to the Company (in cash or shares) as part of the agreement to earn an interest in the Company's properties. The Company is continuing its search

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

for additional optionees and joint venture partners and will attempt to meet expenditure requirements through such arrangements rather than through the spending of its own capital resources.

Currently, the Company's overhead expenses, which was averaging approximately \$20,000 per month during inactive exploration, include: 1) consulting agreements totaling \$7,500 per month, and 2) a lease of office space commitment with a basic monthly rent commitment of \$1,284 and current shared operating costs of \$700.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's partners in evaluation activities; and financial market conditions. The Company closed a number of private placements (May 2, 2017 and September 26, 2017 and raised \$616,000 and in December 2017 and January 2018 raised an additional \$300,000). The Company intends to use the proceeds from this private placement for furthering potential exploration on the Brunswick Property and for general working capital purposes. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at April 30, 2018, the Company had a working capital of \$7,698 compared to \$589,817 as at April 30, 2017. As at April 30, 2018, the Company had cash of \$10,061 compared to cash of \$619,712 as at April 30, 2017.

Net cash used in operating activities for the year ended April 30, 2018, 2018 was \$598,197 compared to \$1,137,368 for the year ended April 30, 2017, consisting primarily of the operating loss for the year and the change in non-cash items.

Net cash used in investing activities for the year ended April 30, 2018 was \$815,944 compared to \$254,476 net cash provided for the year ended April 30, 2017, consisting net cash used in exploration and evaluation assets investment of \$815,944 (2017 - \$292,537) and proceeds on sales of securities of \$nil (2017 - \$38,061).

Net cash provided by financing activities for the year ended April 30, 2018 was \$804,490 (2017 - \$2,002,681) from proceeds from issuance of shares of \$801,000 (2017 - \$2,035,371), option exercised of \$11,700 (2017 - \$7,500), warrants exercised of \$90 (2017 - \$nil), share issue costs of \$8,300 (2017 - \$220,190), subscriptions received \$nil (2017 - \$115,000), loan proceeds of \$nil (2017 - \$18,000) and loan repayment of \$nil (2017 - \$103,000).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

PROPOSED TRANSACTIONS

The Company does not have any current proposed asset or business acquisition of dispositions; however, the Company continues to seek new business opportunities to raise capital.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

RELATED PARTY TRANSACTIONS

During the year ended April 30, 2018, the Company paid or accrued the following amounts to companies controlled by directors and former directors or companies having certain directors and former directors in common:

Name of Company, Directors and/or Officers	Directors/Officers	2018	2017
<u>Expenses:</u>			
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, a majority interest of which is owned by a director, namely, Douglas L. Mason	\$ 25,097	\$ 23,355
Criterion Capital Corporation (Consulting fees) (Interest and facility fee)	A company controlled by a director, namely, Douglas L. Mason	80,000 -	40,000 5,083
Sead Hamzagic, Inc. (Financial Consulting fees)	A company controlled by a director, namely, Sead Hamzagic	55,000	35,000
Robert S. Middleton (Consulting fees) (Geological fees)	VP Exploration and Qualified Person	29,062 81,933	17,000 39,400
Gorand Enterprises Inc. (Director's fees)	A company controlled by a director, namely, Andrzej Kowalski	3,000	2,500
Mehrun Payravi (Director's fees)	Mehrun Payravi	3,000	2,500

During the year ended April 30, 2018, April 30, 2018, the Company reimbursed Waterfront Communications Inc. (a company with certain directors in common) on a cost basis, to cover shared administrative and geological payroll costs in the amount of \$43,740 (2017 - \$28,815) and shared expenses in the amount of \$24,304 (2017 - \$16,482). The Company has a \$18,000 deposit (2017 - \$25,000) with Waterfront Communications Inc. to cover shared payroll and expenses.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

As at April 30, 2018, accounts payable and accrued liabilities include \$63,082 (April 30, 2017 - \$6,877) owing to companies with certain directors in common or companies controlled by directors or former directors as follows:

Name of Company, Director or Officer	Directors/Officers	2018	2017
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, a majority interest of which is owned by a director, namely, Douglas L. Mason	\$ 4,168	\$ -
Criterion Capital Corporation (Consulting fees)	A company controlled by a director, namely, Douglas L. Mason	2,625	-
Gorand Enterprises Inc. (Director's fees)	A company controlled by a director, namely, Andrzej Kowalski	1,000	-
Mehrun Payravi (Director's fees)	Mehrun Payravi	1,000	-
Robert S. Middleton (Geological fees and expenses)	Robert S. Middleton	29,999	-
Sabrina Jones (Director's fees)	Sabrina Jones (former director)	-	1,000
Sead Hamzagic, Inc. (Financial Consulting fees)	A company controlled by a director, namely, Sead Hamzagic	2,625	-
Waterfront Communications Inc. (Wages and benefits and shared expense recoveries)	A company with certain directors in common, Douglas L. Mason and Sead Hamzagic	21,665	5,877
		\$ 63,082	\$ 6,877

COMMITMENTS

In prior years, the Company entered into three 5 year term renewable agreements, as amended, with companies controlled by two directors and one former director of the Company for the provision of consulting and/or legal services at a cost of \$2,500 per month (\$30,000 per annum) for each of the three agreements. The agreements were further amended in March 2017 for one year to \$5,000 per month (\$60,000 per annum) for two agreements and \$7,500 (\$90,000 per annum) for the third agreement. On March 1, 2018 the agreements reverted back to \$2,500 per month for each of the agreements. If any of such agreements are terminated without cause, or if there is a change in control of the Company, the Company is required to pay \$150,000 to such contracted party so affected.

The Company has also entered into two agreements with certain directors/officers for services rendered in such capacities. If such agreements are terminated without consent of the director/officer, or the director/officer resigns within 120 days following a change in control, the Company must pay \$50,000 to such director/officer and allow any unvested stock options to vest.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

CAPITAL MANAGEMENT

The Company's capital comprises its shareholders equity under management. 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 development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

To fund future operations and exploration activities, the Company will need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the year ended April 30, 2018. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS

Fair value

The Company classified its cash and cash equivalents as fair value through profit and loss; marketable securities, as held-for-trading; receivables and deposits, as loans and receivables; and accounts payable and accrued liabilities, as other financial liabilities.

The carrying values of cash and cash equivalents, receivables, deposits, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's measurement of fair value of financial instruments in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
April 30, 2018				
Cash and cash equivalents	\$ 10,061	\$ 10,061	\$ -	\$ -
Marketable securities	\$ 58,600	\$ 58,600	\$ -	\$ -
April 30, 2017				
Cash and cash equivalents	\$ 619,712	\$ 619,712	\$ -	\$ -
Marketable securities	\$ 34,501	\$ 34,501	\$ -	\$ -

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and receivables.

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote, as it maintains accounts with highly-rated financial institutions. Receivables are due primarily from GST input tax credits.

The Company is exposed to credit risk on its receivables. Credit risk with respect to receivables has been assessed as low by management.

Included in cash equivalents at April 30, 2018 are cashable guaranteed investment certificates earning interest at prime minus 2.1%.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2018	2017
Bank account	\$ 4,311	\$ 613,962
Guaranteed investment certificate	5,750	5,750
Total	\$ 10,061	\$ 619,712

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At April 30, 2018, the Company had accounts payable and accrued liabilities of \$137,628 (April 30, 2017 - \$199,097).

Based on the current funds held, the Company will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.
The Company is not exposed to significant interest rate risk.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its marketable securities, as they are carried at fair values based on quoted market prices.

Given the balance of the marketable securities, the Company is not exposed to significant other price risk.

RAINY MOUNTAIN ROYALTY CORP.
Management's Interim Discussion and Analysis
April 30, 2018

OUTSTANDING SHARE DATA as at August 27, 2018:

- a) Authorized Share Capital:
 Unlimited number of common shares without par value
- b) Issued Share Capital:
 53,921,969 common shares with a stated value of \$23,506,292
- c) Outstanding stock options:

Expiry Date	Exercise Price	Number of Options
May 3, 2021	\$ 0.05	540,000
September 20, 2021	\$ 0.06	677,000
March 17, 2022	\$ 0.105	2,365,000
June 14, 2022	\$ 0.11	50,000
August 9, 2022	\$ 0.10	202,750
Outstanding and exercisable		3,843,750

- d) Outstanding share purchase warrants:

Expiry Date	Exercise Price	Number of Warrants
October 26, 2018	\$ 0.10	7,651,916
November 5, 2018	\$ 0.20	500,000
November 6, 2018 ⁽¹⁾	\$ 0.10	75,000
March 1, 2018 ⁽²⁾	\$ 0.15	6,772,928
March 1, 2019 ⁽³⁾	\$ 0.135	2,041,680
May 2, 2019 ⁽⁴⁾	\$ 0.15	2,325,000
October 26, 2019 ⁽⁵⁾	\$ 0.10	2,954,000
December 15, 2019	\$ 0.10	2,000,000
December 28, 2019	\$ 0.10	3,000,000
December 28, 2019	\$ 0.07	150,000
January 17, 2023	\$ 0.07	1,000,000
Outstanding		28,470,524

(1) The warrants were extended from an original expiry date of November 6, 2016 to a new expiry date of November 6, 2018.

(2) After March 1, 2018, the warrant exercise price increases to \$0.25 and expires on March 1, 2019.

(3) Broker warrants.

(4) After May 2, 2018, the warrant exercise price increases to \$0.25 and expires on May 2, 2019.

(5) The warrants were extended from an original expiry date of October 26, 2017 to a new expiry date of October 26, 2019.

- e) Shares held in escrow or pooling agreements: nil

DIRECTORS AND OFFICERS

Douglas Mason, President, CEO and Director (Chairman)
 Sead Hamzagic, CFO and Director
 Andrzej Kowalski, Director
 Mehrun Payravi, Director
 Robert S. Middleton, VP Exploration and Qualified Person