

RAINY MOUNTAIN ROYALTY CORP.
(An Exploration Stage Company)

Interim Financial Statements
(Unaudited – Prepared by Management)

For the Six-month period ended October 31, 2021 and 2020
(Expressed in Canadian Dollars)

Contact Information:

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RAINY MOUNTAIN ROYALTY CORP.

Management's Comments on Unaudited Interim Financial Statements

The accompanying unaudited interim financial statements of Rainy Mountain Royalty Corp. for the six months ended October 31, 2021 and 2020 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the six-months period ended October 31, 2021.

RAINY MOUNTAIN ROYALTY CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Presented in Canadian Dollars)

(Unaudited)

	October 31, 2021	April 30, 2021
ASSETS		
Current		
Cash and cash equivalents	\$ 25,243	\$ 42,237
Receivables	6,196	5,559
Prepaid expenses	1,733	8,157
	<u>33,172</u>	<u>55,953</u>
Equipment (Note 4)	387	455
Exploration and evaluation assets (Note 5)	<u>2,187,752</u>	<u>2,187,752</u>
	<u>\$ 2,221,311</u>	<u>\$ 2,244,160</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 267,934	\$ 236,762
Loans payable (Note 6)	134,147	103,679
	<u>402,081</u>	<u>340,441</u>
Shareholders' equity		
Capital stock (Note 8)	24,008,035	24,008,035
Share-based payment reserve (Note 9)	3,028,043	3,028,043
Deficit	<u>(25,216,848)</u>	<u>(25,132,359)</u>
	<u>1,819,230</u>	<u>1,903,719</u>
	<u>\$ 2,221,311</u>	<u>\$ 2,244,160</u>

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on December 29, 2021. They are signed on the Company's behalf by:

“Sean Charland”

Director

“Shawn Smith”

Director

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

RAINY MOUNTAIN ROYALTY CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)**

(Presented in Canadian Dollars) (unaudited)

	Three-month period ended October 31, 2021	Three-month period ended October 31, 2020	Six -month period ended October 31, 2021	Six-month period ended October 31, 2020	
EXPENSES					
Consulting and director fees (Note 7)	\$ 23,500	\$ 27,000	\$ 50,500	\$ 54,000	\$ 27,000
Depreciation	(46)	49	68	98	
Exploration expenses (net of recoveries)	-	25,000	-	29,395	
Interest and financing fees (Note 6)	2,681	20,603	5,468	46,405	
IR and marketing	1,161	27	1,161	27	
Office and miscellaneous (Note 7)	1,930	1,841	3,860	3,732	
Professional fees (Note 7)	5,152	14,253	9,264	29,525	
Transfer agent and regulatory fees	11,991	5,394	14,168	8,169	
Operating loss	(46,369)	(94,167)	(84,489)	(171,351)	
Net loss and comprehensive loss for the period	\$ (46,369)	\$ (94,167)	(84,489)	(171,351)	
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)	(0.01)	(0.03)	
Weighted average number of common shares outstanding	12,000,178	5,800,178	12,000,178	5,800,178	

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

RAINY MOUNTAIN ROYALTY CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Presented in Canadian Dollars)

(unaudited)

	Number of common shares	Capital stock	Share-based payment reserve	Deficit	Total
Balance as at April 30, 2020	5,800,178	\$ 23,574,035	\$ 3,028,043	\$ (24,900,120)	\$ 1,701,958
Net loss for the period	-	-	-	(171,351)	(171,351)
Balance as at October 31, 2020	5,800,178	23,574,035	3,028,043	(25,071,471)	1,530,607
Shares issued for cash	6,200,000	434,000	-	-	434,000
Net loss for the period	-	-	-	(60,888)	(60,888)
Balance as at April 30, 2021	12,000,178	24,008,035	3,028,043	(25,132,359)	1,903,719
Net loss for the period	-	-	-	(84,489)	(84,489)
Balance as at October 31, 2021	12,000,178	\$ 24,008,035	\$ 3,028,043	\$ (25,216,848)	\$ 1,819,230

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

RAINY MOUNTAIN ROYALTY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)
(unaudited)

	Six months ended October 31, 2021	Six months ended October 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (84,489)	\$ (171,351)
Items not affecting cash		
Depreciation	68	98
Interest accretion	5,468	29,630
Change in non-cash working capital items		
Receivables	(637)	3,839
Prepaid expenses	6,424	6,358
Accounts payable and accrued liabilities	31,172	67,196
Net cash used in operating activities	<u>(41,994)</u>	<u>(64,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	-	(1,310)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(1,310)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans payable	25,000	
Loan proceeds	-	67,939
Net cash provided by financing activities	<u>25,000</u>	<u>67,939</u>
Change in cash and cash equivalents during the year	(16,994)	2,399
Cash and cash equivalents, beginning of period	42,237	671
Cash and cash equivalents, end of period	\$ 25,243	\$ 3,070

Supplemental disclosure with respect to cash flows (Note 10)

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

RAINY MOUNTAIN ROYALTY CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2021 AND 2020
(Presented in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Rainy Mountain Royalty Corp. (the “Company”) was incorporated under the laws of British Columbia and was continued under the laws of Ontario on December 11, 2005. On February 5, 2010, the Company continued into British Columbia from Ontario and concurrently changed its name from “East West Resource Corporation” to “Rainy Mountain Royalty Corp.”. The Company is engaged in the acquisition and exploration of mineral resource properties.

On September 30, 2019, the Company’s common shares were consolidated on a basis of one post-consolidated common shares for every ten pre-consolidated common shares. The number of the shares, options and warrants presented have been adjusted to reflect the impact of these share consolidation.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management will attempt to secure additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months although there can be no assurance that it will be successful. There are several material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern; the Company has incurred significant operating losses over the past several fiscal years (2021 - \$232,239; 2020 – \$352,177), has a working capital deficit of \$368,909 and a deficit of \$25,216,848. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of exploration and evaluation assets.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

Covid-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION – STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company’s April 30, 2021, audited annual consolidated financial statements and the notes to such financial statements.

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a complete summary of significant accounting policies, please refer to the Company’s audited annual consolidated financial statements for the year ended April 30, 2021. Certain comparative figures have been reclassified to conform to the current period’s presentation.

New accounting standards

There were no new accounting standards or amendments to standards that were applicable to the Company for the period ended October 31, 2021 nor does the Company expect any that have not yet become effective to have a significant impact on its financial statements,

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. EQUIPMENT

	Vehicles	Total
Cost		
Balance, October 31, 2021	\$ 9,074	\$ 9,074
Accumulated depreciation		
Balance, April 30, 2020	\$ 8,424	\$ 8,424
Depreciation for the year	195	195
Balance, April 30, 2021	8,619	8,619
Depreciation for the period	68	68
Balance, October 31, 2021	\$ 8,687	\$ 8,687
Carrying amounts		
As at April 30, 2021	\$ 455	\$ 455
As at October 31, 2021	\$ 387	\$ 387

5. EXPLORATION AND EVALUATION 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. 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.

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 is in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. EXPLORATION AND EVALUATION ASSETS (Continued)

The Company has entered into agreements to acquire and explore certain mineral properties located in various regions of Canada. Numerous aboriginal groups are claiming inextinguishable aboriginal title to the lands and resources in these regions, 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.

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

	Marshall Lake	Brunswick	Other Properties *	Total
Balance, April 30, 20210	\$ 2,173,937	\$ 1	\$ 4	\$ 2,173,942
Deferred costs:				
Additions during the period:				
Acquisitions and staking	12,500	-	-	12,500
Storage	1,310	-	-	1,310
Net change for the year	13,810	-	-	13,810
Balance, October 31, and April 30, 2021	\$ 2,187,747	\$ 1	\$ 4	\$ 2,187,752

* Other Properties currently consist of the Clay/Powell and Norton Lake Properties.

Marshall Lake Property

The Marshall Lake property is located in the Thunder Bay Mining Division, Ontario, and the Company has a joint venture interest in certain claim units as follows:

- (i) The Company acquired a 100% interest in certain mineral leases from Teck Cominco Ltd. ("Teck") and the underlying titleholder. Teck retains a 2% net smelter return royalty ("NSR").
- (ii) The Company acquired from Carey Lance (the "Vendor") of Ontario 100% interest in certain surface and mineral rights comprising 421 claim units. The Vendor retains a 2% NSR 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 certain leases and claim units from NWT Copper Mines ("NWT"). NWT retains a 3% NSR 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 Ltd. ("Copper Lake") pursuant to an option agreement dated July 6, 2010, as amended, as referred to herein.

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5. EXPLORATION AND EVALUATION ASSETS (Continued)

By agreement dated July 6, 2010, and as amended, the Company and Marshall Lake Mining Limited (“MLMP”), a privately held company based in the United Kingdom (each holding a 50% interest in the Marshall Lake property), granted an option to Copper Lake, whereby Copper Lake has the right to acquire up to a 50% joint venture interest in the Marshall Lake property and project. Additionally, once Copper Lake had 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.

On September 29, 2016, Copper Lake announced that it received shareholder and TSX-V 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.

On June 14, 2018, the Company approved the expenditures and the earn in of Copper Lake’s 75% interest. Copper Lake had earned its 75% interest and had the option to increase its joint venture interest to 87.5%.

In January 2020, the Company amended the underlying joint venture with Copper Lake to remove Copper Lake’s right to participate in future mineral properties acquired by the Company. The Company paid Copper Lake \$25,000 as compensation for this amendment which was recognized as agreement amendment fee on the statement of loss and comprehensive loss for the year ended April 30, 2020.

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 (as Amended on September 20, 2019), the Company can earn a 100% interest in the Brunswick Property by making a series of cash payments and share payments as follows:

Cash Payments:

- (i) \$10,000 within 10 days following the Effective Date (paid);
- (ii) \$20,000 on or before March 31, 2017 (paid);
- (iii) \$20,000 on or before September 30, 2017 (paid in shares);
- (iv) \$25,000 on or before September 30, 2018 (paid in shares);
- (v) \$10,000 on or before September 30, 2019 (paid);
- (vi) \$25,000 on or before September 30, 2020 (paid);
- (vii) \$25,000 on or before September 30, 2021 (paid);
- (viii) \$25,000 on or before September 30, 2022;

Share Payments:

- (i) 100,000 shares upon approval of the option agreement by the TSX Venture Exchange “TSX-V” (the “Effective Date”) (issued);
- (ii) 100,000 12 months following the Effective Date (issued);
- (iii) 100,000 shares 24 months following the Effective Date (issued);

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.

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5. EXPLORATION AND EVALUATION ASSETS (Continued)

Brunswick Property (Continued)

On May 8, 2017, the Company concluded a Memorandum of Understanding 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 agreement calls for the Company to (i) issue 50,000 common shares (issued); (ii) issue 50,000 stock options (issued); and (iii) pay an amount equal to 2% of the first \$5,000,000 of aggregate exploration expenditures and 1% thereafter to Mattagami.

During the year ended April 30, 2019, the Company wrote down the Brunswick property to \$1 due to inactivity, any subsequent expenditures are expensed as incurred.

In January 2021, the Company entered into an Option agreement with Pursuit Gold Corp. ("Pursuit"), whereby Pursuit has the right to earn up to a 90% interest in the Brunswick property by completing the following steps and obligations. As per above, the property is subject to a 2% NSR held by the underlying Optionors and the following terms:

- 1) Payment to the Company of \$30,000, (completed).
- 2) Payment to the Company of \$25,000 by September 15, 2021, (completed)
- 3) Payment to the Company of \$25,000 by September 15, 2022.
- 4) A firm expenditure commitment of \$100,000, as part of completing expenditures of \$200,000 by September 30, 2021.
- 5) An expenditure commitment of \$350,000 for a cumulative total of \$550,000 by September 30, 2022, which will earn Pursuit a 51% interest in the Property.
- 6) In order to earn an additional 29%, for a total of 80% interest in the Property, Pursuit must pay \$50,000 by September 30, 2023 and a further \$50,000 by September 30, 2024 and make exploration expenditures of \$400,000 by September 30, 2023 and a further \$500,000 by September 30, 2024 for a cumulative total of 1,450,000. Upon Pursuit earning an 80% interest in the property, the Company will be granted a 1.5% NSR which shall be under the same terms as the NSR to the Optionors, and Pursuit shall have the right to reduce said NSR to 0.5% by the payment of \$1,000,000.
- 7) An additional 10%, for a total of 90% interest in the property, may be earned by Pursuit by completing a bankable feasibility study.

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. In August 2016, the Company entered into an agreement with Mega to acquire its 50% interest in the Powell Property 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.

Norton Lake Property

The Company continues to hold a 30.21% interest and Copper Lake holds a 69.79% interest in certain claim units in the Norton Lake area. Some of the 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 year ended April 30, 2016, the Company recorded an impairment charge of \$730,161 related to the Norton Lake Property due to inactivity.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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6. LOANS PAYABLE

In August 2019, the Company entered into certain loan agreements. The loans were provided by certain shareholders of the Company and each loan advance is for a term of one year with interest at a rate of 1% per month (12% per annum). The initial advances, subsequent advances, capitalized interest and balances are noted as follows:

	October 31, 2021	April 30, 2021
Loan balance:		
Balance at beginning of year	\$ 103,679	\$ 283,727
Additional advances	25,000	198,019
Interest	-	27,836
Repayments ⁽²⁾	-	(405,903)
	\$ 128,679	\$ 103,679
Interest accretion:		
Balance at beginning of year	\$ -	\$ (26,629)
Interest accretion on loan	5,468	26,629
	\$ 5,468	\$ -
Carrying value	\$ 134,147	\$ 103,679

- (1) In conjunction with the initial loan advances during the year ended April 30, 2019, the Company issued 355,556 bonus shares with a fair value of \$71,111 which was applied against the loans and is being accreted using the effective interest method.
- (2) A total of \$425,726 was repaid during the year ended April 30, 2021, which included accrued interest \$19,823.

7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers its directors, Chief Executive Officer and Chief Financial Officer of the Company to be key management personnel.

The following is a list of related party transactions, which have not yet been otherwise disclosed:

- (a) As at October 31, 2021, accounts payable and accrued liabilities include \$31,375 (April 30, 2021 - \$16,830) owing to companies with certain directors and former directors in common.
- (b) 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 during the periods ended October 31, 2021 and 2020:

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7. RELATED PARTY TRANSACTIONS (Continued)

Key management compensation to the CEO, CFO and Directors includes the following:

	October 31, 2021	October 31, 2020
Consulting and director fees	\$ 20,500	\$ 24,000

The Company was a party to certain exploration property transactions with companies with certain directors in common and certain former directors in common (Note 5). Except as noted above with respect to the loan agreements, amounts due to (from) related parties are unsecured and have no stated terms of repayment and/or interest.

8. CAPITAL STOCK

Authorized share capital:

Unlimited number of common shares, without par value

During the period ended October 31, 2021, there were no share transactions completed by the Company.

During the year ended April 30, 2021, the following share transactions were completed by the Company.

- On January 7, 2021, the Company closed its non-brokered private placement (the "Private Placement") and raised \$434,000 by the issuance of 6,200,000 units (the "Units") at a price of \$0.07 per Unit. Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of five years at an exercise price of \$0.09 per share. No finder's fees were paid in connection to the closing of the private placement.

9. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a rolling stock option plan, whereby it is allowed to issue options of up to 10% of the Company's issued and outstanding common shares at any given time. Under the plan, options can be granted for a maximum term of five years and vesting of stock options is at the discretion of the Board of Directors at the time options are granted.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable at April 30, 2021 and 2020	131,600	\$ 0.95
Expired	(28,200)	0.60
Outstanding and exercisable at October 31, 2021	103,400	\$ 1.04

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Outstanding stock options:

Expiry Date	Exercise Price	Number of Options	
		October 31, 2021	April 30, 2020
March 17, 2022	\$ 1.05	80,000	80,000
June 14, 2022	\$ 1.10	5,000	5,000
August 9, 2022	\$ 1.00	18,400	18,400
Outstanding and exercisable		103,400	131,600

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at April 30, 2020	865,192	\$ 0.97
Issued	6,200,000	0.09
Expired	(765,192)	1.00
Outstanding at October 31, 2021 and April 30, 2021	6,300,000	\$ 0.09

Outstanding share purchase warrants:

Expiry Date	Exercise Price	Number of Warrants	
		October 31, 2021	April 30, 2021
January 17, 2023	\$ 0.70	100,000	100,000
January 6, 2026	\$ 0.09	6,200,000	6,200,000
Outstanding		6,300,000	6,300,000

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	October 31, 2021	April 30, 2021
Cash paid for interest	\$ -	\$ 47,659
Cash paid for income tax	\$ -	\$ -

There were no significant non-cash financing or investing transactions during the period ended October 31, 2021.

The significant non-cash financing or investing transactions during the period ended April 30, 2021 included:

- Capitalized \$47,659 of accrued interest as part of the loan payable (Note 6).

12. 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.

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12. CAPITAL MANAGEMENT (continued)

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 may 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 period ended October 31, 2021. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS**Fair value**

The Company classified its cash and cash equivalents and marketable securities as fair value through profit and loss; receivables at amortized cost; and accounts payable and accrued liabilities and loans payable at amortized cost.

The carrying values of receivables, accounts payable and accrued liabilities and loans payable 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
October 31, 2021				
Cash	\$ 25,243	\$ 25,243	\$ -	\$ -
April 30, 2021				
Cash	\$ 42,237	\$ 42,237	\$ -	\$ -

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

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13. FINANCIAL INSTRUMENTS (Continued)

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.

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. As at October 31, 2021, the Company had accounts payable, accrued liabilities and loans payable of \$376,920 (April 30, 2021 - \$340,441).

Based on the current funds held, the Company need to rely upon financing from shareholders and/or debt holders to obtain sufficient long-term 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.

(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 not exposed to other price risk since it has sold its marketable securities.

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14. SEGMENTED INFORMATION

The Company currently operates in one business segment, being the acquisition and exploration of mineral properties with all its assets located in Canada.

15. SUBSEQUENT EVENTS