



(TSXV: RMO) (Frankfurt: EK7N-FF)

FOR IMMEDIATE RELEASE

December 21, 2022

## RAINY MOUNTAIN CLOSSES NON-BROKERED PRIVATE PLACEMENT

Vancouver, British Columbia (December 21, 2022) – Rainy Mountain Royalty Corp. (TSXV: RMO) (Frankfurt: EK7N-FF) (“Rainy Mountain” or the “Company”) is pleased to announce, further to its press release dated October 24, 2022, it has now closed its previously announced non-brokered private placement (the “Placement”) of up to 14,000,000 units at a price of \$0.035 per unit or flow-through unit (each a “Unit”) to raise aggregate gross proceeds of up to \$490,000. Of the 14,000,000 units sold, 11,400,000 units were issued as ‘flow through units’ and 2,600,000 units were issued as non-flow-through units.

Each Unit comprised one common share or flow-through common share, as the case may be, and one share purchase warrant (each a “Warrant”). Each Warrant will entitle the holder to acquire an additional common share of the Company at an exercise price of \$0.05 per share until December 21, 2027.

No finder’s fees were payable in connection with the Placement. All securities distributed pursuant to the Placement are subject to a statutory hold period ending on April 22, 2023.

The proceeds of the Placement will be utilized to fund an upcoming exploration program on the 100% owned Powell project and for general working capital.

The Placement is subject to regulatory approval, including the approval of the TSX Venture Exchange.

Insiders participated in the private placement acquiring an aggregate of 7,400,000 flow-through units on the same basis as other subscribers. The participation in the private placement by insiders of the Company constitutes a “related party transaction” as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the private placement in so far as the private placement involved interested parties did not exceed 25% of the Company’s market capitalization.

Koston Holdings Co. Ltd., a company owned and controlled by director, Shawn Smith, participated in the Placement acquiring 1,400,000 Units. Prior to his participation in the Placement, Mr. Smith held 1,100,000 common shares in the Company, indirectly through Koston Holdings Co. Ltd. Mr. Smith now holds, indirectly, 2,500,000 shares representing 9.62% of the currently outstanding common shares of the

Company. The warrants issuable to Koston Holdings Co. Ltd. are subject to a restriction such that the holder may only exercise such number of warrants as will result in the holder's total shareholders in the Issuer not exceeding 9.99% of the outstanding common shares, provided that the holder may terminate the agreement under which the restrictions arise by providing 90 days prior written notice of same, along with the prior approval of the TSX Venture Exchange, if required

Mr. Lowell Schmidt acquired direct ownership of 6,000,000 Units in the Placement and separately also acquired 1,200,000 previously issued share purchase warrants as a result of a testamentary disposition. These transactions increased Mr. Schmidt's percentage ownership of common shares of the Company to 52.08% on a partially diluted basis. The Units acquired represent 23% of the Company's issued and outstanding shares. The Company sought and obtained written consent from the holders of greater than 50% of the disinterested shares for the creation of a control position to be held by Mr. Schmidt.

Prior to the transaction that triggered the requirement to issue this news release, Mr. Schmidt 2,365,000 common shares in the capital of the Issuer, all of which are held directly, representing in aggregate 19.70% of the issued and outstanding common shares of the Issuer and a further 1,100,000 share purchase warrants to acquire common shares of the Issuer, which were subject to a restriction such that the holder may only exercise such number of Warrants as will result in the holder's total shareholders in the Issuer not exceeding 9.99% of the outstanding common shares, provided that the holder may terminate the agreement under which the restrictions arise by providing 90 days prior written notice of same, along with the prior approval of the TSX Venture Exchange, if required.

Immediately after the Placement and the testamentary transfer of warrants referenced above, Mr. Schmidt owns directly 8,365,000 common shares of the Issuer, representing 32.17% of the issued and outstanding common shares of the Issuer, and warrants to acquire 8,300,000 common shares of the Issuer, representing approximately 52.08% of the issued and outstanding shares of the Issuer, on a partially diluted basis assuming the exercise of the convertible securities held by Mr. Schmidt only. The warrants held by Mr. Schmidt are no longer subject to restrictions.

Mr. Schmidt holds the shares of the Issuer for investment purposes only. Mr. Schmidt intends to review, on a continuous basis, various factors related to its investment, including (but not limited to) the price and availability of the securities of the Company, subsequent developments affecting the Company or its business, and the general market and economic conditions. Based upon these and other factors, Mr. Schmidt may decide to purchase or sell securities of the Company.

As of the date hereof, Mr. Schmidt has no immediate future intention to acquire additional securities of the Issuer or dispose of securities of the Issuer that he beneficially owns.

A report respecting this acquisition, which is incorporated herein by reference, will be electronically filed with the Securities Commissions in Alberta, Ontario and British Columbia and will be available for viewing through the Internet at the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). To obtain a copy of the report, contact the Issuer

Other than the subscription agreement between Koston Holdings Co. Limited and Mr. Lowell Schmidt and the Company relating to the Placement, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Placement.

The board of directors approved the Placement. There are no prior valuations in respect of the Company or the Placement and neither the board of the Company nor its officers are aware of the existence of any such valuation.

On behalf of the Board of Directors,

Sean Charland

**Interim Chief Executive Officer and Director**

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*The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Forward-looking statements in this news release include, but are not limited to, the effective date of the Consolidation. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although the Company believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*