

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

RAINY MOUNTAIN ROYALTY CORP.
Suite 700, 1090 West Georgia Street
Vancouver, BC V6E 3V7

Item 2. Date of Material Change

December 21, 2022

Item 3. News Release

The news release was issued on December 21, 2022 and was disseminated by Stockwatch and filed on SEDAR.

Item 4. Summary of Material Change

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.

Item 5. Full Description of Material Change

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. 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.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Sean Charland
Director and Interim Chief Executive Officer

Item 9. Date of Report

January 6, 2023