RAIN CITY RESOURCES INC.
Management Discussion and Analysis
For the year ended September 30, 2020

The Management Discussion and Analysis ("MD&A"), prepared January 28, 2021 should be read in conjunction with the audited financial statements and notes thereto for the year ended September 30, 2020 and the notes thereto of Rain City Resources Inc. ("Rain") which were prepared in accordance with International Financial Reporting Standards ("IFRS").

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Rain City Resources Inc. ("the Company") was incorporated on June 23, 2015 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 1100-595 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2020, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, The World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The pandemic could continue to have negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

EXPLORATION PROJECTS

	Acquisition Costs	Exploration Costs	Total
	$	$	$
Balance, September 30, 2018	5,000	78,413	83,413
Acquisition and exploration costs	15,000	78,267	93,267
Balance, September 30, 2019	20,000	156,680	176,680
Acquisition and exploration costs	20,000	1,500	21,500
Write off of mineral property	(20,000)	(1,500)	(21,500)
Balance, September 30, 2020	20,000	156,680	176,680

Northern Champion Project

Pursuant to an option agreement (the “Agreement”) dated October 25, 2016, the Company was granted an option to acquire a 100% undivided interest in the Northern Champion Project (the “Property”) located near Champion Creek, south-west of Tulameen, Princeton area British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 700,000 common shares of the Company to the Optionors, making cash payments totaling $130,000, and incurring a total of $650,000 in exploration expenditures as follows:

	Number of Common Shares	Cash	Exploration Expenditures
		$	$
Upon execution of the Agreement (paid and incurred)	-	5,000	75,000**
Upon listing of the Company’s common shares on a Canadian Stock Exchange on April 25, 2019 (issued and paid)	100,000	5,000	-
On or before the first anniversary of the listing on April 25, 2019	100,000	10,000	75,000
On or before the second anniversary of the listing on April 25, 2019	100,000	20,000	100,000
On or before the third anniversary of the listing on April 25, 2019	200,000	40,000	200,000
On or before the fourth anniversary of the listing on April 25, 2019	200,000	50,000	200,000
Total	700,000	130,000	650,000

** the $75,000 is for the first year from the execution date.

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production. As at September 30, 2020, the Company had not paid $10,000 in cash nor have they issued 100,000 common shares that were due on or before first anniversary of the listing on April 25, 2019.

Cerro Oro Gold Property

Pursuant to an option agreement (the "Agreement") dated January 30, 2020 and subsequently amended on March 6, 2020 and May 7, 2020, the Company was granted an option to acquire a 100% undivided interest in the Cerro Oro Gold Property located in the Municipality of Riosucio-Caldas, Colombia.

In accordance with the agreement, the Company had the option to acquire a 100% undivided interest in the property by issuing a total of 8,000,000 common shares of the Company to the Optionors and making cash payments totaling $185,000 as follows:

	Number of Common Shares	Cash
		$
Upon execution of the second amended agreement (paid)	-	15,000
Within ten days of the closing date which is on or before July 31, 2020	1,500,000	25,000
Within ten days after securing an acceptable community agreement and the registration of the agreement with the government of Columbia	1,500,000	35,000
Within ten days after receipt of a drilling permit	2,000,000	45,000
On or before eighteen months from the receipt of a drilling permit	3,000,000	65,000
Total	8,000,000	185,000

In addition to the payment terms above, the Company must complete a private placement financing raising a minimum of $300,000 on or before July 31, 2020. During the year ended September 30, 2020, the Company decided not to pursue the Agreement and wrote-off a total of $21,500 paid in acquisition and exploration costs.

SELECTED ANNUAL INFORMATION
($000's except loss per share)

	September 30, 2020		September 30, 2019		September 30, 2018	
Revenue	$	0	$	0	$	0
Net Income (Loss)	$	(190)	$	(211)	$	(57)
Basic and Diluted Income (Loss) Per Share	$	(0.01)	$	(0.02)	$	(0.01)
Total Assets	$	325	$	196	$	114
Long-Term Debt	$	0	$	0	$	0
Dividends	$	0	$	0	$	0

OPERATIONS

The three month period ended September 30, 2020

For the three month period ended September 30, 2020 the Company reported a net loss of $40,800 (2019 - $16,504). Included in the determination of operating loss was $Nil (2019 - $5,814) on rent, $20,425 (2019 - $12,991) on professional fees, $4,000 (2019 - $13,500) on management fees, $7,178 (2019 - $2,444) on transfer agent and filing fees, $Nil (2019 - $Nil) on travel and promotion, and $(114) (2019 – $644) on office and miscellaneous.

The year ended September 30, 2020

For year ended September 30, 2020 the Company reported a net loss of $190,187 (2019 - $210,807). Included in the determination of operating loss was $20,553 (2019 - $27,174) on rent, $79,982 (2019 - $97,864) on professional fees, $20,500 (2019 - $54,000) on management fees, $18,476 (2019 - 22,545) on transfer agent and filing fees, $13,361 (2019 - $6,202) on travel and promotion, and $3,725 (2019 – $3,022) on office and miscellaneous.

SUMMARY OF QUARTERLY RESULTS
($000's except earnings per share)

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue	$ 0	$ 0	$ 0	$ 0
Net income (loss)	$ (40)	$ (43)	$ (61)	$ (46)
Basic and diluted Income (Loss) per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	$ 0	$ 0	$ 0	$ 0
Net loss	$ (17)	$ (117)	$ (38)	$ (39)
Basic and diluted Loss per share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.01)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at September 30, 2020 were $107,727 compared to $4,875 at September 30, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Management fees and share-based payments were incurred from a director and a company owned by a director of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the year ended September 30, 2020, the Company issued 315,000 common shares with a fair value of $18,900 in order to settle debts of $15,750. The settlement of debt was with companies controlled by the former officers of the Company.

As at September 30, 2020, an amount of $Nil (2019 - $6,300) included in accounts payable was due to companies controlled by the former CEO and CFO of the Company.

The Company had incurred the following key management personnel cost from related parties:

	2020	**2019**
	$	$
Management fees	9,000	36,000

COMMITMENTS

The Company is committed to certain cash payments, share issuance and exploration expenditures in connection with the acquisition of its mineral property claims.

SUBSEQUENT EVENTS

There were no material subsequent events.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company adopted the following new standards effective October 1, 2019:

Leases – On October 1, 2019, the Company adopted IFRS 16 –Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The adoption of IFRS 16 on October 1, 2019 did not have an impact on the Company's financial statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

CRITICAL ACCOUNTING POLICIES

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. The critical accounting estimates and judgments used by the Company are described in Note 3 of the Company's audited financial statements for the year ended September 30, 2020.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2020 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	107,7:	–	–	107,727

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

SHARE CAPITAL

Issued

The company has 18,589,001 shares issued and outstanding as at September 30, 2020 and January 28, 2021.

Share Purchase Options

The Company has no stock options outstanding at September 30, 2020 and January 28, 2021.

Warrants

The Company has 5,490,000 share purchase warrants outstanding at September 30, 2020 and January 28, 2021.

Escrow Shares

The Company has 3,000,003 shares held in escrow as at September 30, 2020 and 2,250,000 as at January 28, 2021.