RAIN CITY RESOURCES INC.

Management Discussion and Analysis

For the period ended March 31, 2023

The Management Discussion and Analysis ("MD&A"), prepared May 29, 2023 should be read in conjunction with the condensed interim financial statements and notes thereto for the period ended March 31, 2022 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 Suite 142-757 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at March 31, 2023, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of the amount shown for exploration and evaluation assets 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.

On January 25, 2023, the Company entered into a loan agreement to borrow $8,000 from Crest Resources Inc. The principal amount of the loan is unsecure, bears no interest and has no set terms for repayment.

EXPLORATION PROJECTS

	Northern Champion Project	Bro Property	Total
	$	$	$
Acquisition costs			
Balance, September 30, 2020	20,000	-	20,000
Acquisition	47,000	500,000	547,000
Balance, September 30, 2021	67,000	500,000	567,000
Balance, March 31, 2022	67,000	500,000	567,000
Acquisition	5,000	500,000	505,000
Impairment	(72,000)	(1,000,000)	(1,072,000)
Balance, September 30, 2022 and March 31, 2023	-	-	-
Exploration expenditures			
Balance, September 30, 2021	156,680	-	156,680
BC Mining Credit	-	(19,310)	(19,310)
Balance, September 30, 2021	156,680	(19,310)	137,370
Balance, March 31, 2022	156,680	(19,310)	137,370
Impairment	(156,680)	19,310	(137,370)
Balance, September 30, 2022 and March 31, 2023	-	-	-
Total acquisition costs and exploration expenditures			
March 31, 2022	157,370	500,000	704,370
March 31, 2023	-	-	-

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 of 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 totalling $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, paid and incurred)	100,000	5,000	-
On or before the first anniversary of the listing on April 25, 2019 (issued and paid)	100,000	10,000	75,000
On or before the second anniversary of the listing on April 25, 2019 (issued and paid)	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.
*100,000 shares issued on May 24, 2022; 100,000 shares remain outstanding

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. The NSR royalty is payable to 1300214 BC Ltd as to 100% and the royalty can be bought out at a rate of CAD$2,000,000 per 1% at any time.

On January 26, 2021, the Company had paid the $10,000 in cash and issued 100,000 common shares that were due on or before the first anniversary of the listing on April 25, 2019.

On May 21, 2021, the Company had issued 100,000 common shares that were due on or before the second anniversary of the listing on April 25, 2019.

On May 26, 2021, the Company had paid the $20,000 in cash that was due on or before the second anniversary of the listing on April 25, 2019.

On September 21, 2021, the Company received a letter indicating the work commitments were extended until Jan 25, 2022.

As at September 30, 2021, the Company had incurred some exploration expenditures that were due on or before the second anniversary of the listing on April 25, 2019, but not the entire $100,000.

On May 18, 2022, the company had received a further extension to the option agreement, dated October 25, 2016, until September 30, 2022.

On May 24, 2022, the Company issued 100,000 of the 200,000 common shares that were due on or before the second anniversary of the listing on April 25, 2019. As at March 31, 2022, in accordance with the option agreement, the Company has an outstanding amount of 100,000 common shares due and payable to the optionors.

On September 30, 2022, the Northern Champion Project was considered impaired and $228,680 in acquisition and exploration costs were written off.

Bro property

Pursuant to an agreement dated April 21, 2021, the Company acquired an option to purchase a 100% interest in four mineral claims located in Yukon, collectively known as the Bro Property for an aggregate consideration of CAD $3,000,000. The Optionors will retain a 3% Net Smelter Returns royalty on the Property.

Payments in cash or stock to comprise a total of CAD$2,500,000 as to the following:

- 500,000 payable within 30 days of signing (paid)
- $1,000,000 payable on the second anniversary of the purchase agreement
- $1,000,000 payable on the third anniversary of the purchase agreement

Payments in cash to comprise a total of CAD$500,000 as to the following:

- $500,000 payable within 30 days of signing (paid)

On April 26, 2021, the Company paid $500,000 in cash that was due within 30 days of the signing of the agreement.

During the year ended September 30, 2021 the Company received $19,310 in respect of the BC Mining tax credit (2020: $Nil).

On May 24, 2022, the Company issued 10,000,000 common shares that were due on or before the first anniversary of the property purchase and sale agreement on April 21, 2021.

On September 30, 2022, the Bro Property was considered impaired and $980,690 in acquisition and exploration costs were written off.

MARKETABLE SECURITIES

During the period ended March 31, 2023, the Company acquired common shares of publicly traded companies for investment purposes. A summary table of the Company's investments in marketable securities is as follows:

Continuity for the periods ended March 31, 2023 and 2022 is as follows:

	Number of Shares	FMV Balance September 30, 2021	Additions at Cost	Proceeds of Disposition	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, March 31, 2022
Common shares – Level 1		$	$	$	$	$	$
Crest Resources Inc	4,710,000	521,580	78,130	(39,042)	(79,147)	(175,371)	306,150
Jessy Ventures Corp	700,000	87,500	-	-	-	-	87,500
Opawica Explorations Inc	-	29,000	20,195	(43,178)	(12,396)	6,379	-
Penbar Capital Ltd	10,000	-	1,000	-	-	1,000	2,000
Volatus Capital Corp	-	-	55,555	(52,640)	(2,915)	-	-
Total		638,080	154,880	(134,860)	(94,458)	(167,992)	395,650

	Number of Shares	FMV Balance September 30, 2022	Additions at Cost	Proceeds of Disposition	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, March 31, 2023
Common shares – Level 1		$	$	$	$	$	$
Crest Resources Inc	1,576,666	118,250	-	-	-	(31,533)	86,717
Jessy Ventures Corp (formerly Jessy Ventures Inc)	700,000	87,500	-	-	-	(38,500)	49,000
Total		205,750	-	-	-	(70,033)	135,717

The common shares of Crest Resources Inc. were consolidated effective March 23, 2023 on a 3 old for 1 new basis. The Record Date for consolidation was March 24, 2023.

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

	September 30, 2022		September 30, 2021		September 30, 2020	
Revenue	$	0	$	0	$	0
Net Loss	$	(1,816)	$	(437)	$	(190)
Basic and Diluted Loss Per Share	$	(0.09)	$	(0.04)	$	(0.01)
Total Assets	$	231	$	1,434	$	325
Long-Term Debt	$	0	$	0	$	0
Dividends	$	0	$	0	$	0

OPERATIONS

The year ended September 30, 2022

For the year ended September 30, 2022 the Company reported a net loss of $1,816,022 compared to a loss of $436,859 in the prior year. Contributors to the net loss include (i) impairment expense of mineral properties of $1,209,370 (2021 - $Nil), (ii) $261 attributable to a loss of foreign exchange (iii) a $33,998 (2021 - $127,553) realized loss on sales of marketable securities and (iv) $415,729 (2021 – ($4,554)) in unrealized loss (gain) on marketable securities.

Expenses for the year ended September 30, 2022 include $59,652 (2021 - $23,703) in accounting fees, $450 (2021 - $5,153) in advertising; $4,493 (2021 - $2,945) in bank charges, $3,345 (2021 - $13,656) in legal fees, $15,000 (2021 - $56,000) in management fees, $54,596 (2021 - $185,492) in professional fees, and $19,128 (2021 - $12,121) in transfer agent and filing fees.

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

	March 31, 2023	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**
	$	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-
Net income (loss)	(106)	(15)	(1,255)	(213)	(242)
Basic and diluted Income (Loss) per share	(0.01)	(0.00)	(0.13)	(0.01)	(0.02)

	December 31, 2021	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
	$	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-
Net income (loss)	(86)	465	(1,017)	104	11
Basic and diluted Income (Loss) per share	(0.00)	0.00	(0.04)	0.00	0.00

For the three months period ended March 31, 2023

During the period ended March 31, 2023, the Company reported a net loss of $106,273 (2022 - $242,092). Included in the determination of operating loss was $29,010 (2022 - $25,800) for accounting fees, $410 (2022 - $256) for bank charges and interest, property evaluation fee of $3,000 (2022 - $Nil), and $3,820 (2022 - $7,563) in transfer agent and filing fees.

Realized losses on sale of marketable securities were $Nil for the period ended March 31, 2023 compared to $8,175 for the 2022 comparative period. The losses were realized from the sale of the common shares of several publicly traded mining exploration companies held for investment to fund the Company's operations.

Unrealized loss on short-term investments were $70,033 for the period ended March 31, 2023 compared to $182,158 for the 2022 comparative period. The amount represents unrealized losses from market price fluctuations of the common shares of publicly traded mining exploration companies held for investment recorded at fair value using quoted market prices as at March 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes and economic downturns that affect the market price of the Company's trading securities for the purposes of raising financing. The current state of equity markets presents a challenge to raise financing and Management believes that this condition will continue over the next twelve months.

The Company's cash and cash equivalents at March 31, 2023 were $154 compared to $151 at March 31, 2022. The Company had a working capital deficit of $(81,673) (2022 - $40,876) at March 31, 2023. Based on the above financial condition at March 31, 2023, Management believes that the Company does not have the financial resources to meet its financial obligations as they become payable in the current fiscal period.

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.

On November 28, 2022, the Company entered into a loan agreement with Quaestus Strategies Corp., a company controlled by Emma Fairhurst who exerts significant control through share ownership, to borrow $19,897. This loan is due on or before May 28, 2023 at an interest rate of 5% per annum.

On February 27, 2023, the Company entered into a loan agreement with Quaestus Strategies Corp., a company controlled by Emma Fairhurst who exerts significant control through share ownership, to borrow \$5,000. This loan is due on or before August 27, 2023 at an interest rate of 5% per annum.

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 period ended March 31, 2023, the Company incurred \$Nil (2022 - \$9,500) in professional fees to Justin Corinella, a director and CEO of the Company. As at March 31, 2023, an amount of \$32,000 (2022 - \$3,500) included in accounts payable was due to Justin Corinella, a director and CEO of the Company.

During the period ended March 31, 2023, the Company incurred \$6,300 (2022 - \$12,326) in accounting fees to Bryce A. Clark & Associates, a company controlled by Bryce A. Clark, the CFO of the Company. As at March 31, 2023, an amount of \$61,362 (2022 - \$28,494) included in accounts payable was due to Bryce A. Clark & Associates, a company controlled by Bryce A. Clark, the CFO of the Company.

As at March 31, 2023, an amount of \$4,800 (2022 - \$4,800) included in accounts payable was due to a company controlled by Belle Morgan, a company controlled by the former corporate secretary of the Company.

During the period ended March 31, 2023, the Company incurred \$Nil (2022 - \$7,143) in consulting fees to Christopher Reynolds, a director of the Company.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING NEW ACCOUNTING STANDARDS ISSUED AND EFFECTIVE

Accounting standards and amendments issued but not yet adopted.

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2022, or later periods. The Company has not early adopted these new standards in preparing these condensed consolidated financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated financial statements

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 March 31, 2023 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 and cash equivalents	154	–	–	154
Marketable securities	171,980	–	–	171,980

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 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. As the Company does not hold any foreign currency at this time, the Company is not exposed to currency risk.

(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's exposure to interest rate risk is considered insignificant.

(iii) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company had no exposure to credit risk as the Company maintains all of its cash in a major bank. Accordingly, the Company has assessed credit risk as low.

(iv) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. At March 31, 2023, the Company had $154 (2022 - $9,961) in cash to settle current liabilities of $212,155 (2022 - $128,107) and as such, assessed liquidity risk as high.

SHARE CAPITAL

<u>Issued</u>

The company has 26,031,863 shares issued and outstanding as at March 31, 2023 and May 29, 2023.

On May 6, 2022, the Company consolidated all its issued and outstanding common shares on a three (3) for one (1) basis pursuant to the policies of the Canadian Securities Exchange.

<u>Share Purchase Options</u>

The Company has no stock options outstanding at March 31, 2023 and May 29, 2023.

<u>Warrants</u>

The Company has 5,016,667 share purchase warrants outstanding at March 31, 2023 and May 29, 2023.

On May 6, 2022, the Company consolidated all its issued and outstanding common shares, including warrants, on a three (3) for one (1) basis pursuant to the policies of the Canadian Securities Exchange.

<u>Escrow Shares</u>

The Company has no shares held in escrow as at March 31, 2023 and at May 29, 2023.

BOARD OF DIRECTORS AND OFFICERS

Chief Executive Officer	: Justin Corinella
Director	: Chris Reynolds
Director	: Nicholas Rodway
Chief Financial Officer	: Bryce Clark

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. That Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and two of its members are independent directors. The Audit Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Audit Committee reports its finding to the Board for consideration when approving the financial statements for issuance to the shareholders, the engagement or reappointment of the external auditors.