RAIN CITY RESOURCES INC.

Management Discussion and Analysis

For the period ended December 31, 2023

The Management Discussion and Analysis ("MD&A"), prepared February 9, 2024 should be read in conjunction with the condensed interim financial statements and notes thereto for the period ended December 31, 2023 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 December 31, 2023, the Company's two mineral properties, Bro Property and Northern Champion Project were considered impaired, and all acquisition and exploration costs have been written off. The Company remains committed to the exploration and development of the impaired Bro Property and intends on fulfilling all cash and share issuance commitments associated with this property. The Company is no longer pursuing the exploration and development of the impaired Northern Champion Project. Management is actively evaluating other resource properties and will be looking to acquire properties in the short term.

EXPLORATION PROJECTS

	Northern Champion Project	Bro Property	Total
	$	$	$
Acquisition costs			
Balance, September 30, 2021	67,000	500,000	567,000
Balance, December 31, 2021	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 & December 31, 2022	-	-	-
Acquisition	10,000	-	10,000
Impairment	(10,000)	-	(10,000)
Balance, December 31, 2023	-	-	-
Exploration expenditures			
Balance, September 30, 2021	156,680	(19,310)	137,370
Balance, December 31, 2021	156,680	(19,310)	137,370
Impairment	(156,680)	19,310	(137,370)
Balance, September 30, 2022 & December 31, 2022	-	-	-
Balance, December 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 December 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. The Company is no longer pursuing the exploration and development of the impaired Northern Champion Project property.

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 in shares on the first anniversary of the purchase agreement (paid)
- $1,000,000 payable in shares on the second anniversary of the purchase agreement (paid)
- $1,000,000 payable in shares 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.

The Company remains committed to the exploration and development of the impaired Bro Property.

On February 5, 2024, the vendor of the Bro Property assigned their associated rights, title, interest and debt to a third party. The Company is indebted to the third party for the amount of $1,000,000 payable in shares of the Company as at April 21, 2023 and $1,000,000 payable in shares of the Company as at April 21, 2024, as per Agreement dated April 21, 2021 and Extension Agreement dated September 13, 2022.

On February 5, 2024, the Company issued 10,000,000 common shares that were due on or before the second anniversary as per the property purchase and sale agreement dated April 21, 2024.

MARKETABLE SECURITIES

During the period ended December 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 December 31, 2023 and 2022 is as follows:

	Balance September 30, 2022	Additions	Proceeds of Disposition	Realized gain (loss) on disposals	Balance December 31, 2021	Unrealized gain (loss) on changes in fair value	FMV Balance December 31, 2021
Common shares – Level 1	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Crest Resources Inc	118,250	-	-	-	118,250	-	118,250
Generation Gold Corp (formerly Jessy Ventures Inc)	87,500	-	-	-	87,500	-	87,500
Total	205,750	-	-	-	205,750	-	205,750

	Balance September 30, 2023	Additions	Proceeds of Disposition	Realized gain (loss) on disposals	Balance December 31, 2023	Unrealized gain (loss) on changes in fair value	FMV Balance December 31, 2023
Common shares – Level 1	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Crest Resources Inc	25,025	-	-	-	25,025	(13,347)	11,678
Generation Gold Corp (formerly Jessy Ventures Inc)	49,000	-	-	-	49,000	31,500	80,500
Origen Resources Inc	2,500				2,500	(250)	2,250
Total	76,525	-	-	-	76,525	17,903	94,428

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

	September 30, 2023		September 30, 2022		September 30, 2021	
Revenue	$	0	$	0	$	0
Net Loss	$	(206)	$	(1,816)	$	(437)
Basic and Diluted Loss Per Share	$	(0.01)	$	(0.09)	$	(0.04)
Total Assets	$	107	$	231	$	1,434
Long-Term Debt	$	0	$	0	$	0
Dividends	$	0	$	0	$	0

OPERATIONS

The year ended September 30, 2023

For the year ended September 30, 2023, the Company reported a net loss of $206,367 compared to a net loss of $1,816,022 for September 30, 2022. Contributors to the net loss include (i) impairment expense of mineral properties of $10,000 (2022 - $1,209,370), (ii) a $180,415 (2022 - $33,998) realized loss on sales of marketable securities and (iii) $63,200 (2022 - $415,729)) in unrealized loss (gain) on marketable securities.

Expenses for the year ended September 30, 2023 include $70,183 (2022 - $59,652) in audit and accounting fees, $Nil (2022 - $450) in advertising; $4,036 (2022 - $4,493) in bank charges, $Nil (2022 - $3,345) in legal fees, $Nil (2022 - $15,000) in management fees, $Nil (2022 - $54,596) in professional fees, and $4,933 (2022 - $19,128) in transfer agent and filing fees.

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

	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
	$	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-
Net income (loss)	(26)	(47)	(37)	(106)	(16)
Basic and diluted Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

	September 30, 2022	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**
	$	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-
Net income (loss)	(1,255)	(213)	(242)	(106)	465
Basic and diluted Income (Loss) per share	(0.13)	(0.01)	(0.02)	(0.00)	0.00

For the three months period ended December 31, 2023

During the period ended December 31, 2023, the Company reported a net loss of $25,565 (2022 - $15,736). Included in the determination of operating loss was $1,574 in advertising (2022 - $Nil), $27,030 (2022 - $14,392) for accounting fees, $1,086 (2022 - $232) for bank charges and $13,778 (2022 - $1,112) for transfer agent and filing fees.

Unrealized gains on short-term investments were $17,903 for the period ended December 31, 2023 compared to $Nil 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 December 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 December 31, 2023 were $1,470 compared to $151 at December 31, 2022. The Company had a working capital deficit of $191,056 (2022 – working capital of $25,140) at December 31, 2023.

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. to borrow $19,897. Quaestus Strategies Corp. is controlled by Emma Fairhurst, who exerts significant control of the Company through share ownership. This loan is due on or before May 28, 2024 at an interest rate of 5% per annum. As at December 31, 2023, an amount of $10,982 (2022 - $19,990) included in loans payable was due to Quaestus Strategies Corp.

On February 27, 2023, the Company entered into a loan agreement with Quaestus Strategies Corp. to borrow $5,000. Quaestus Strategies Corp. is controlled by Emma Fairhurst, who exerts significant control of the Company through share ownership. This loan is due on or before August 4, 2024 at an interest rate of 5% per annum. As at December 31, 2023, an amount of $5,210 (2022 - $Nil) included in loans payable was due to Quaestus Strategies Corp.

On November 3, 2023, the Company entered into a loan agreement with Quaestus Strategies Corp. to borrow $29,925. Quaestus Strategies Corp. is controlled by Emma Fairhurst, who exerts significant control of the Company through share ownership. This loan is due on or before May 3, 2024 at an interest rate of 7% per annum. As at December 31, 2023, an amount of $30,263 (2022 - $Nil) included in loans payable was due to Quaestus Strategies Corp.

On November 27, 2023, the Company entered into a loan agreement with Quaestus Strategies Corp. to borrow $6,300. Quaestus Strategies Corp. is controlled by Emma Fairhurst, who exerts significant control of the Company through share ownership. This loan is due on or before May 27, 2024 at an interest rate of 7% per annum. As at December 31, 2023, an amount of $6,342 (2022 - $Nil) included in loans payable was due to Quaestus Strategies Corp.

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").

As at December 31, 2022, an amount of $32,000 (2021 - $3,500) included in accounts payable was due to Justin Corinella, a director and former CEO of the Company.

During the period ended December 31, 2022, the Company incurred $11,277 (2022 - $6,300) in accounting fees to Bryce A. Clark & Associates Ltd., a company controlled by the CFO. As at December 31, 2023, an amount of $101,697 (2022 - $61,362) included in accounts payable was due to Bryce A. Clark & Associates Ltd., a company controlled by the CFO.

COMMITMENTS

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

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. The new standards are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated 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 financial statements for the period ended December 31, 2023.

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 December 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	1,470	–	–	1,470
Marketable securities	94,428	–	–	94,428

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 the 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 26,031,863 shares issued and outstanding as at December 31, 2023 and 36,031,863 shares issued and outstanding as at February 9, 2024.

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.

Share Purchase Options

The Company has no stock options outstanding at December 31, 2023 and February 9, 2024.

Warrants

The Company has 5,016,667 share purchase warrants outstanding at December 31, 2023 and at February 9, 2024.

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.

Escrow Shares

The Company has no shares held in escrow as at December 31, 2023 and at February 9, 2024.

PROPOSED TRANSACTIONS

N/A

SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

BOARD OF DIRECTORS AND OFFICERS

Chief Executive Officer	: Christopher Reynolds
Director	: Justin Corinella
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.