

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Rain City Resources Inc.
142 – 757 West Hastings Street,
Vancouver, BC V6C 1A1

Item 2. Date of Material Change

October 7, 2024

Item 3. News Release

The news release was disseminated by Stockwatch on October 7, 2024.

Item 4. Summary of Material Change

Rain City Resources Inc. (the “Company”) announced closing of second tranche of non-brokered private placement, share issuances to satisfy terms of technology option agreement, share issuance to CEO for signing bonus, stock options for advisory board members and members of the board of directors and new appointment to advisory board.

Item 5. Full Description of Material Change

The Company announced that that it has closed the second tranche of a private placement originally announced June 13, 2024 and has issued 1,411,000 shares of common stock at \$0.075 per share to places and 37,500 shares of common stock and 37,500 share purchase warrants for a period of two years for exercise at \$0.15 per share to an introducing broker. The shares issued are subject to a four month and one day hold from the date of issuance and are subject to the approval of the CSE.

The Company also announced the grant of 1.4 million stock options exercisable at \$0.08 per share for a term of 3 years from October 7, 2024. The options vest as to ¼ on grant date and ¼ each six months thereafter.

The Company also announced it has concluded phase 1 of its' earn in with respect to an option agreement, as amended, (the “Agreement”) entered into with Avonlea Environmental Technologies Corp. (“Avonlea”) on June 12, 2024. Under the original terms of the Agreement, RAIN agreed to pay to Avonlea the sum of US\$800,000 to satisfy the initial earn-in of 7.5% in ALC (“Payment 1”). As a result of subsequent amendments to the original Agreement, including a third amendment dated September 30, 2024, Avonlea and RAIN have agreed that cash payments previously advanced in the amount of US\$600,000 and the issuance of 3 million shares of RAIN common stock from treasury (the “Share Consideration”) shall satisfy in full Payment 1 and upon such issuance of the Share Consideration, RAIN shall immediately earn 7.5% of ALC. The Company will issue the Share Consideration in accordance with CSE policy. Shares issued will be subject to a four-month hold period expiring February 17, 2025.

The Company also announced that CEO Benjamin Hill has elected to waive a sign on bonus of \$225,000 in return for the issuance of 3,000,000 shares in the Company. The Company will issue the shares in accordance with CSE policy. Shares issued will be subject to a four-month hold period expiring February 17, 2025.

Item 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Benjamin Hill
Chief Executive Officer
(778) 819-3792

Item 9. Date of Report

October 7, 2024