

August 2012

***DEFINING CANADA'S NEWEST GOLD DISTRICT***  
***"HIGH QUALITY, LOW RISK"***

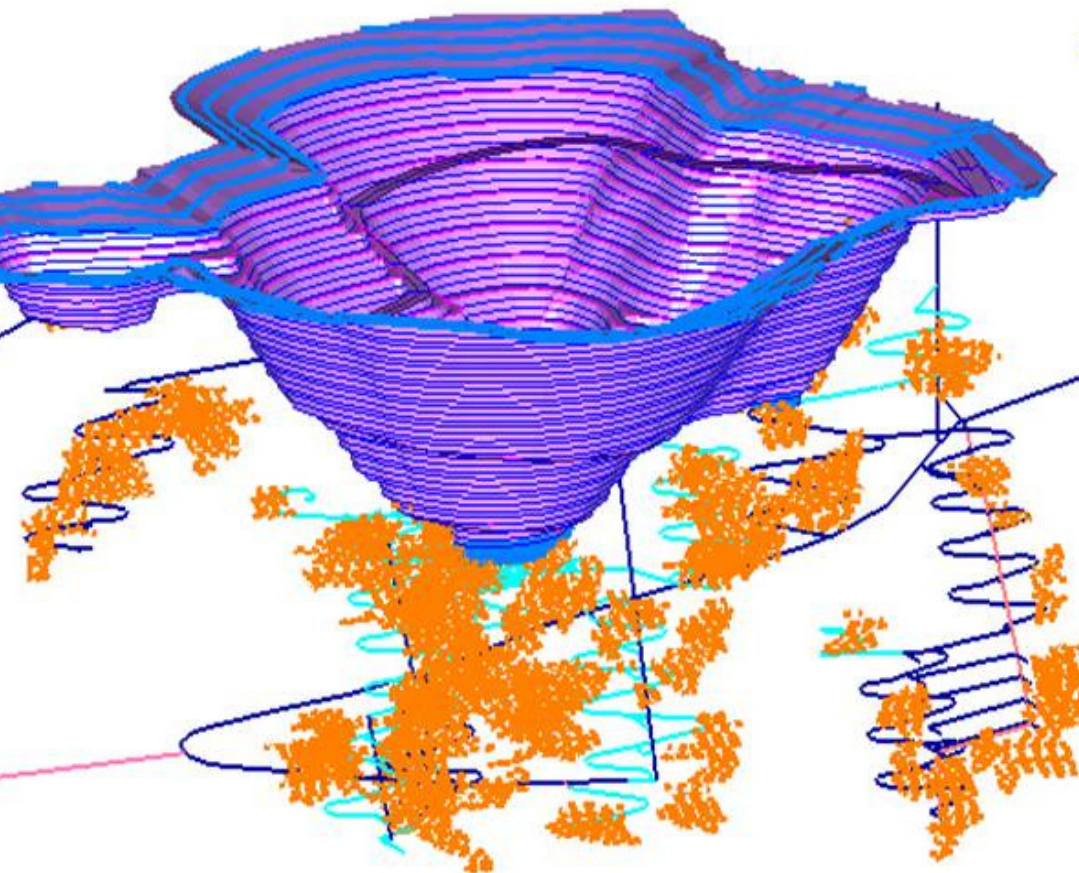
# Forward Looking Information

This presentation contains “forward-looking information” as defined in applicable securities laws (referred to herein as “forward-looking statements”). Forward looking statements include, but are not limited to, statements with respect to the cost and timing of the development of the Rainy River project, the other economic parameters of the project, as set out in its preliminary economic assessment; the success and continuation of exploration activities; estimates of mineral resources; acquisitions of additional mineral properties; the future price of gold; government regulations and permitting timelines; estimates of reclamation obligations that may be assumed; requirements for additional capital; environmental risks; and general business and economic conditions. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the assumptions underlying the preliminary economic assessment not being realized, decrease of future gold prices, cost of labour, supplies, fuel and equipment rising, changes in equity markets, actual results of current exploration, changes in project parameters, exchange rate fluctuations, delays and costs inherent to consulting and accommodating rights of First Nations, title risks, regulatory risks and uncertainties with respect to obtaining necessary surface rights and permits or delays in obtaining same, and other risks involved in the gold exploration and development industry, as well as those risk factors discussed in the section entitled “Description of Business-Risk Factors in Rainy River’s 2011 Annual Information Form and its other SEDAR filings from time to time. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the availability of financing for the Company’s exploration and development activities; the timelines for the Company’s exploration and development activities on the Rainy River Property; the availability of certain consumables and services; assumptions made in mineral resource estimates, including geological interpretation grade, recovery rates, and operational costs; and general business and economic conditions. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

This presentation uses the terms “measured resources”, “indicated resources” and “inferred resources”. The Company advises readers that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”)), the United States Securities and Exchange Commission does not recognize them. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted in to reserves. In addition, “inferred resources” have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a Preliminary Assessment as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

For additional information with respect to the key assumptions, parameters, risks and other technical information underlying to the mineral resource estimates and the preliminary economic assessment discussed in this presentation, refer to: (i) the technical report entitled “Technical Report for the Rainy River Gold Project, Northwestern Ontario, Canada”, dated April 9, 2012, with respect to the mineral resource estimates, available at [www.sedar.com](http://www.sedar.com); (ii) the press release dated August 30, 2012, available at [www.sedar.com](http://www.sedar.com); and (ii) the technical report entitled “Preliminary Economic Assessment of the Rainy River Gold Property, Ontario, Canada”, with respect to the preliminary economic assessment, to be filed at [www.sedar.com](http://www.sedar.com).

# *The New* Rainy River Gold Project (RRGP)



- **High quality, low risk project**
- “Unrealized **District Potential**”
- **Proven Management Team**
- **Strong Financial Position**

***Defining Canada's Newest Gold District***



# Highlights: Preliminary Economic Assessment II: Higher Margin, Lower Capex



- **Great Project Metrics**

- Initial **high grade** open pit at **1.25 g/t**, first 10 years
- Production averages **over 300 koz/yr**, first 10 years
- Mill head grade increased 50% to **1.45 g/t**, first 10 years
- **Reduced cash costs by 15% to US\$486**, first 10 years
- Achieved **top quartile cash costs of US\$450 per oz**, first 5 years

- **Risk Mitigation**

- **Reduced total open pit capital by 19% or \$245 M**
- **Reduced operating strip ratio by 24% to 2.50:1.**
- **Quality** of drilling (PEA based on 578 km of drilling)
- **Disciplined** approach to engineering, environment
- Politically **safe** jurisdiction

- **Future Potential**

- Further **open pit** and **underground** potential (completely open)
- **District** exploration: 6-8 km strike length, with gold VMS and/or nickel-PGM

# Executing on De-risking and Improving Value

## Mining and Metallurgy

- ✓ **Added ounces** in Base Case pit shell
- ✓ **Reduced waste, improved strip ratio**
- ✓ **Elevated grade in starter pit**
- ✓ **Increased recovery** with whole ore leach
- ✓ **Optimized pit design** with low grade stockpile strategy
- ✓ **Increased** underground ounces

# Development of PEA II

## Evaluated 6 options:

- 20 ktpd, 30 ktpd, 40 ktpd open pit, with associated underground

## Sized initial pit at 20 ktpd:

- Modelled expansion and extended life: from 110 Mt pit to 190 Mt pit

## Tested mining resource ounces from 4.2 to 5.7 Moz

- From 10-year open pit mine life to 27-year open pit mine life

## All scoping IRRs were positive at US\$1250/oz gold

- Selected option with: highest **grade**, lowest **risk**, lowest initial and sustaining **capital**, lowest **cash cost**, highest **IRR**

***Result: optionality, flexibility, strong exploration upside and a solid 300+ koz/year production profile in the first 10 years***

# PEA Comparison: Focus on Quality, First 10 Years

## November 2011: 32 ktpd

- **PEA Resource**  
M+I: 4.1 Moz Au & 8.3 Moz Ag OP+UG  
Inf: 0.8 Moz Au & 1.7 Moz Ag OP+UG

- **Annual Production (Yrs 1-10)**

311 koz gold & 522 koz silver

- **Mill head grade** 0.97 g/t
- **First 5 years** 1.04 g/t
- **Cash cost – 10 yr** US\$569/oz
- **Cash cost - 5 yr** US\$458/oz
- **Mine Life** 13 years  
no stockpile
- **Open Pit:** Initial Capex \$681 million  
Sustaining \$598 million
- **Underground:** Initial Capex \$67 million  
Sustaining \$110 million
- **NPV** \$786 million
- **IRR** 19.4%

### Gold, Silver Prices

\$1200/oz gold, \$25/oz silver

### Exchange rates US\$:C\$

Initial 1.0, Operating 1.05

## August 2012: 20 ktpd

- **PEA Resource**  
M+I: 4.0 Moz Au & 9.4 Moz Ag OP+UG  
Inf: 0.3 Moz Au & 0.7 Moz Ag OP+UG

- **Annual Production (Yrs 1-10)**

308 koz gold & 478 koz silver

- **Mill head grade** 1.45 g/t
- **First 5 years** 1.38 g/t
- **Cash cost - 10 yr** US\$486/oz
- **Cash cost - 5 yr** US\$450/oz
- **Mine Life** 16 years  
including stockpile
- **Open Pit:** Initial Capex \$694 million  
Sustaining \$340 million
- **Underground:** Initial Cap \$67 million  
Sustaining \$148 million
- **NPV** \$846 million
- **IRR** 21.0%

### Gold, Silver Prices

\$1250/oz gold, \$25/oz silver

### Exchange rates US\$:C\$

Initial 1.0, Operating 1.05

# PEA II - Operations Overview

## Project Profile

- Process SAG mill, Ball Mill, Gravity, Whole Ore Leach
- Recoveries, LOM 91% for Au, 67.4% for Ag

## Open Pit

- Open pit resource 68.6 Mt @ 1.26 g/t Au, 2.83 g/t Ag
- Stockpile 40.6 Mt @ 0.35 g/t Au, 2.00 g/t Ag
- Mill Throughput 18 ktpd
- Strip ratio 2.78:1\*. Operating strip ratio 2.50:1\*\*  
\*Excludes overburden material. \*\*Excludes overburden and capitalized waste.
- Open pit mine life 10+ years
- Capex Initial C\$694 M
- Sustaining C\$340 M, includes tailings, waste, overburden, equipment
- Mine cost C\$1.89/t mined

## Underground

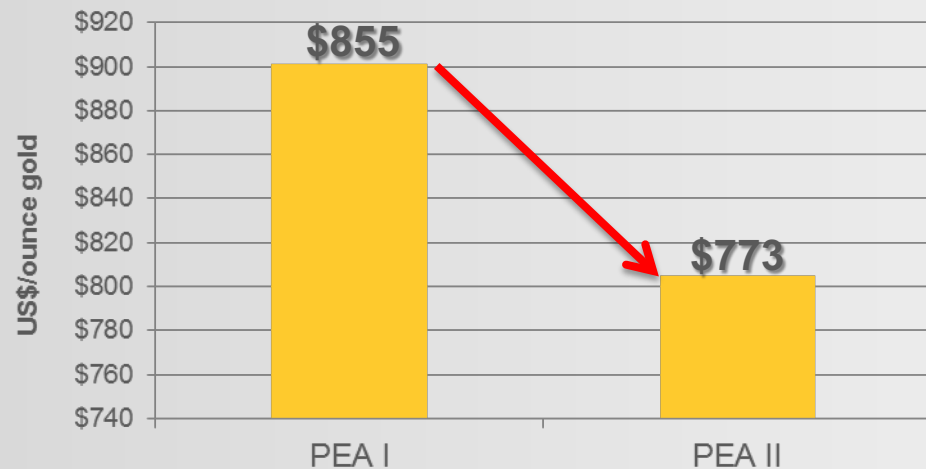
- Underground resource 6.8 Mt @ 4.20 g/t gold
- Mill throughput 500 tpd in Year 3, ramping up to 2,000 tpd in Year 5
- Underground mine life 13 years
- Capex Development C\$67 M, Years 1-3
- Sustaining C\$148 M, Years 5-10
- Mine Cost C\$70/t mined
- Processing C\$8.73/t milled
- G&A C\$1.00/t



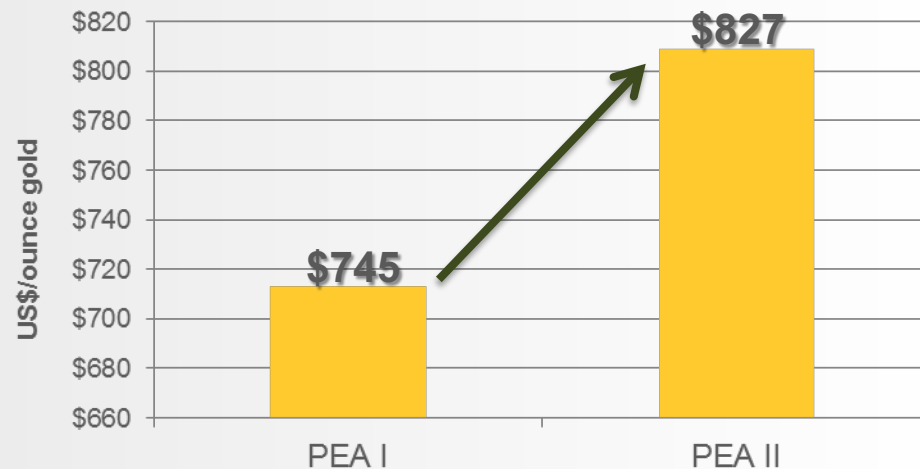
# Margin Expansion: PEA I to PEA II

Based on US\$1600 per ounce gold:

## Total Costs



## Margin

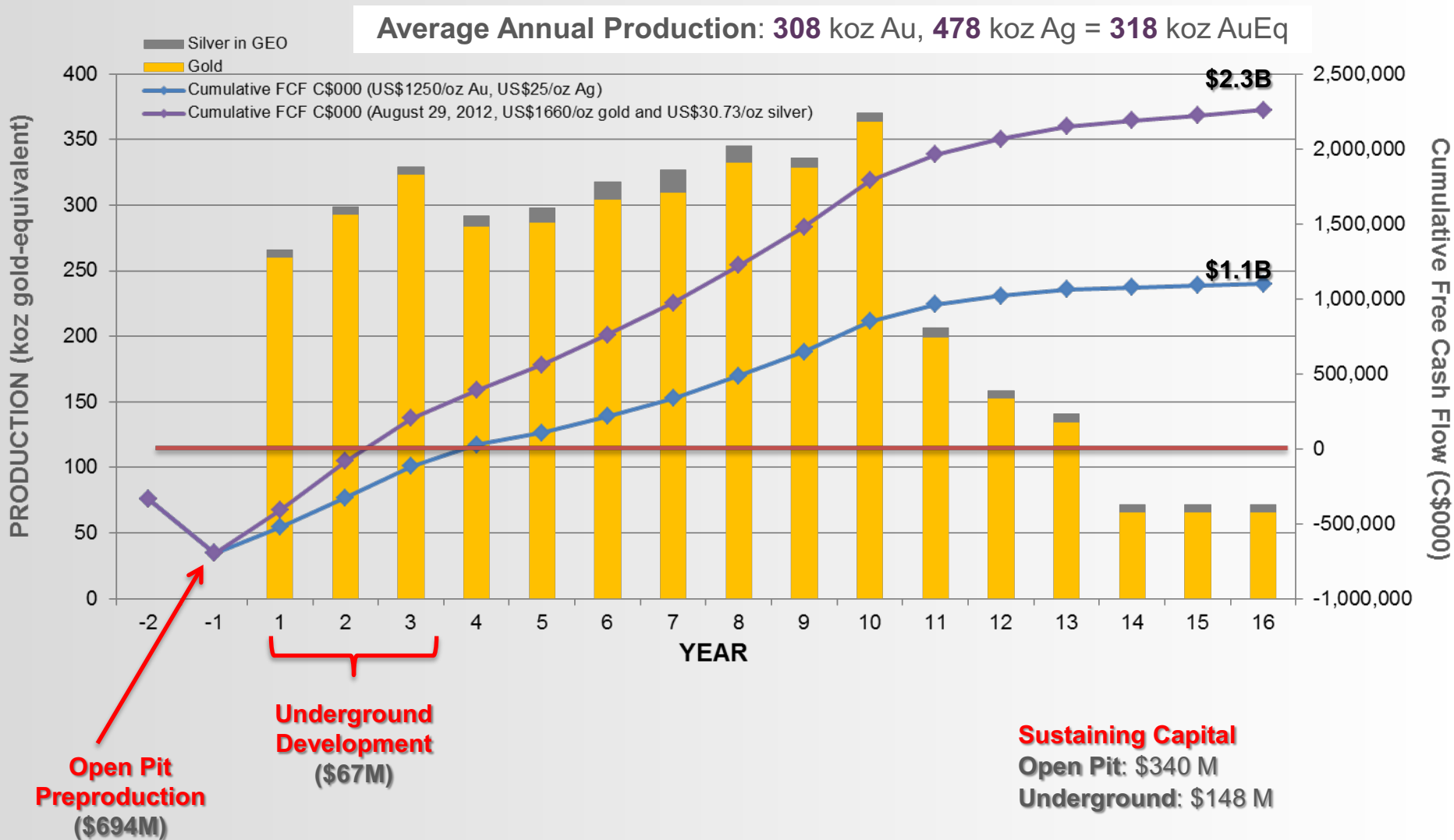


# RRGP Project Metrics: Defining *Further* Value

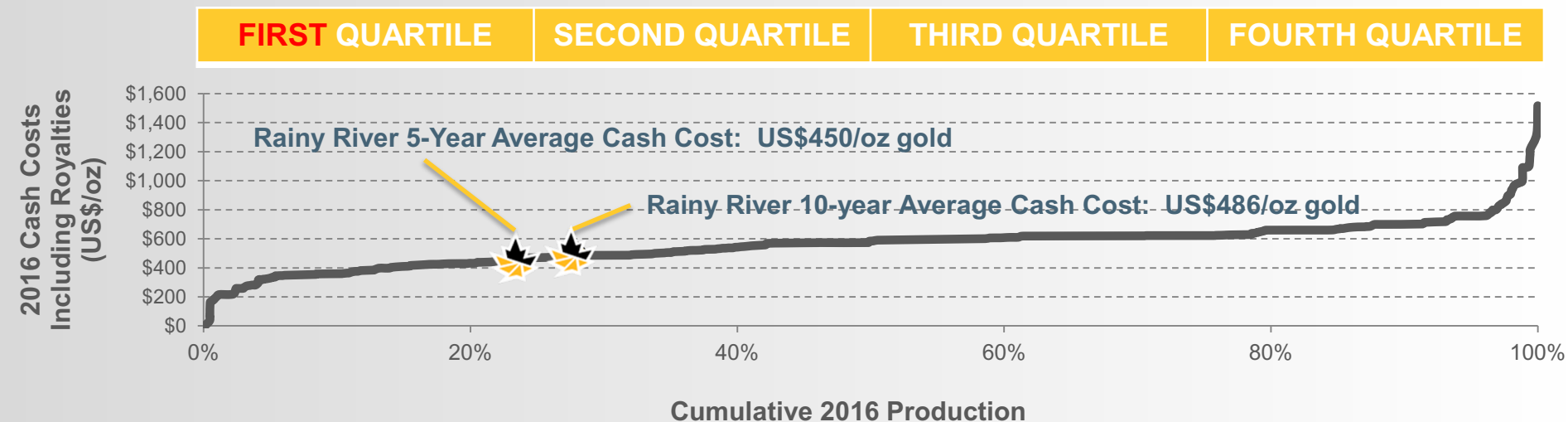
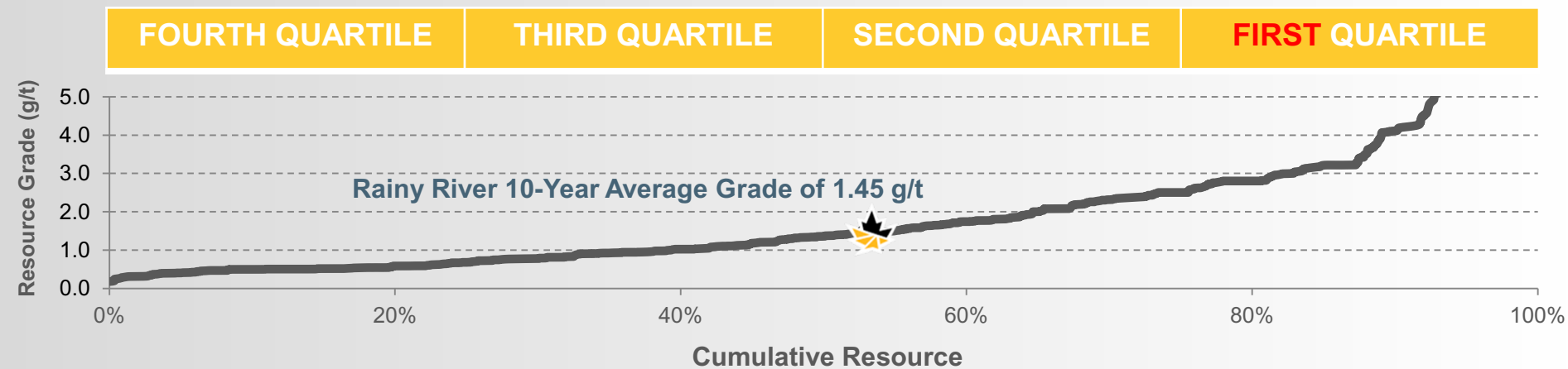
- At \$1250 Au, \$25 Ag: NPV<sub>5%</sub> of \$846M  
IRR of 21.0%  
Payback of 3.8 years  
Free cash flow of \$1.90B, first 10 years

Gold / Silver US\$ per oz			
	\$1250 / \$25 PEA II	\$1600 / \$30	\$2000 / \$40
NPV @ 5%	\$846M	\$1.8B	\$2.9B
IRR	21.0%	34.3%	47.5%
Annual free cash flow (over 10 years)	\$190M	\$304M	\$436M

# 10 Year Production and Cash Flow Profile

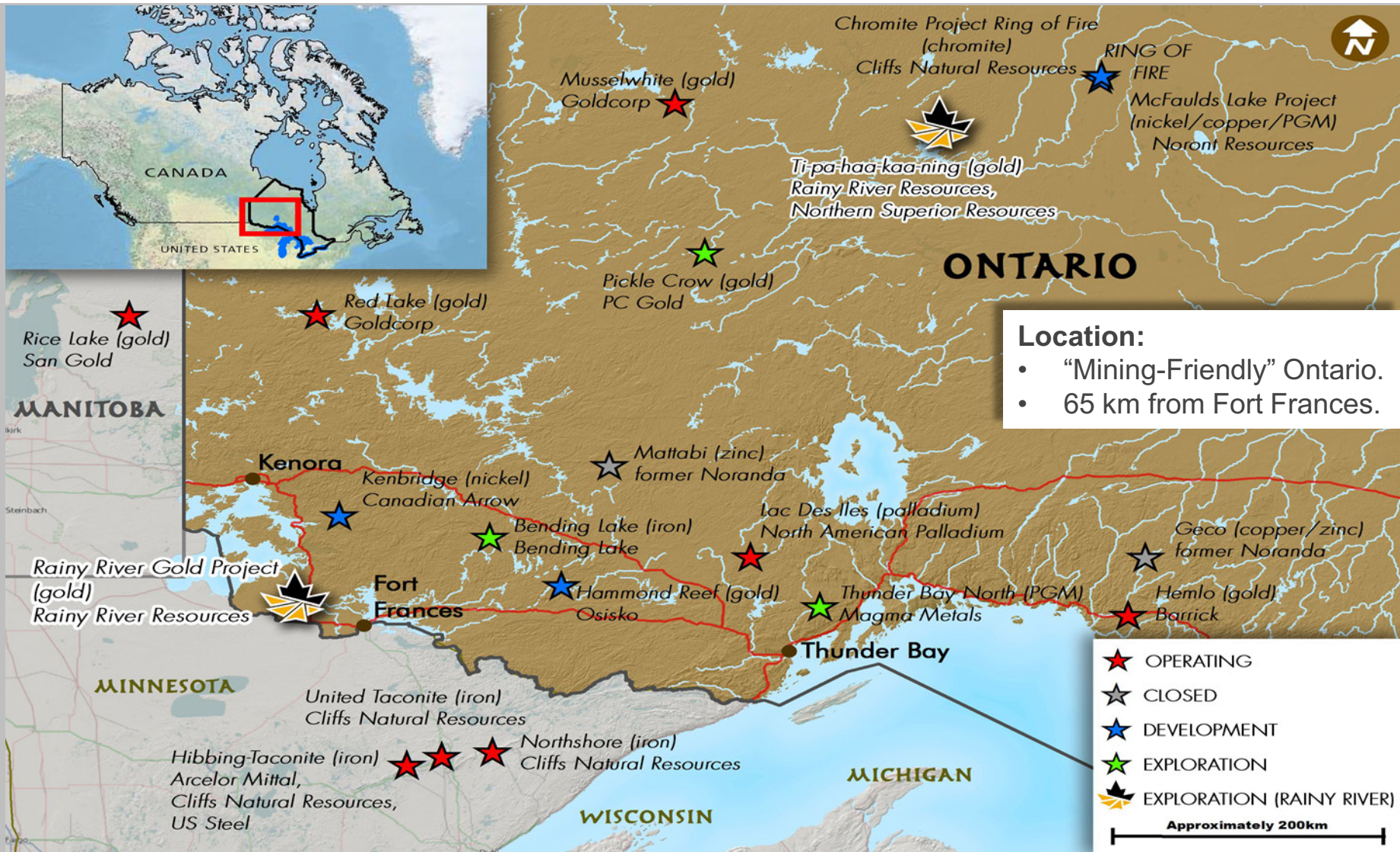


# RRGP Redefined: High Quality, Low Cash Cost



Data from Brookhunt and Metals Economic Group. Data set includes gold producers globally.  
Metals Economic Group data includes reported resources grades for global projects, combining open pit and underground..  
Brookhunt data includes global open pit cash costs in 2016, including Royalties

# An Emerging Canadian Gold District







**POWER LINE**  
(18KM FROM SITE)

**HIGHWAY 71**

HWY 600, Class "A" Gravel Road

Site Topography

- Infrastructure:**
- Power, rail within 25 km.
  - Year round access.





WESTERN AREA

CLASS A GRAVEL ROAD

West Creek

ROEN ROAD

BP WEST  
ZONE

BP ZONE

ODM ZONE

HS  
ZONE

FW SILVER

17 ZONE

17 ZONE EASTERN  
EXTENSION

CAP ZONE

SOUTH  
ZONE

PEA II pit

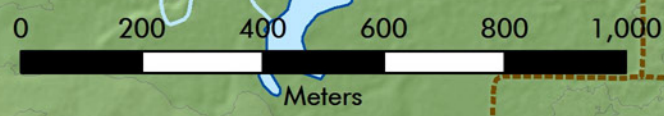
PIT Resources

Pit outlines taken from surface.

Pinewood River

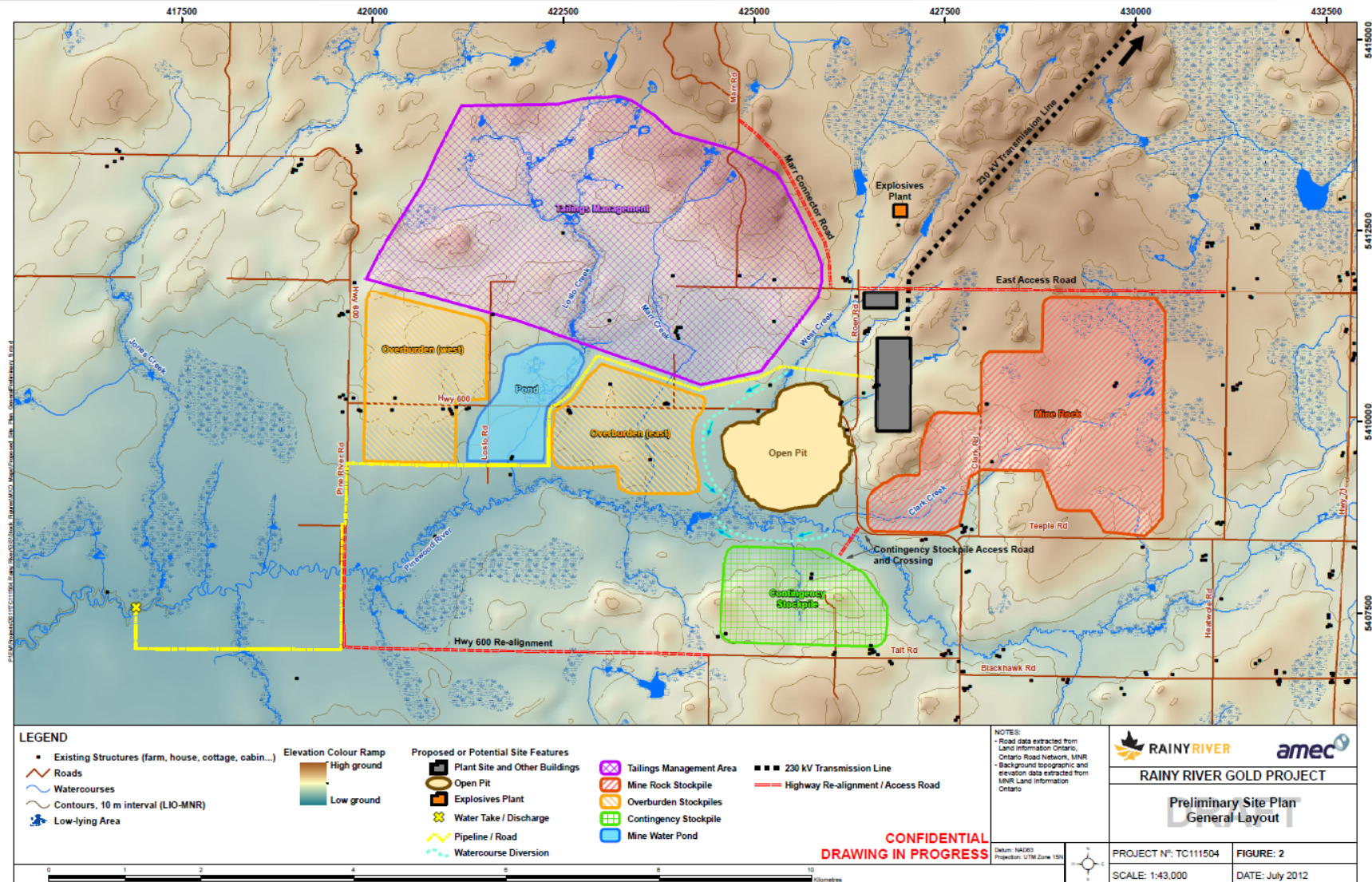
Blocks in Ultimate pit

- Aueq > 2.5 g/t
- Aueq > 1.0 g/t and < 2.5 g/t
- Aueq > 0.3 g/t and < 1.0 g/t
- Zone (Au, Ag)





# Site Layout



# Mine Environmental Assessment & Permitting



# Community and Environment

## Environmental Risk Mitigation

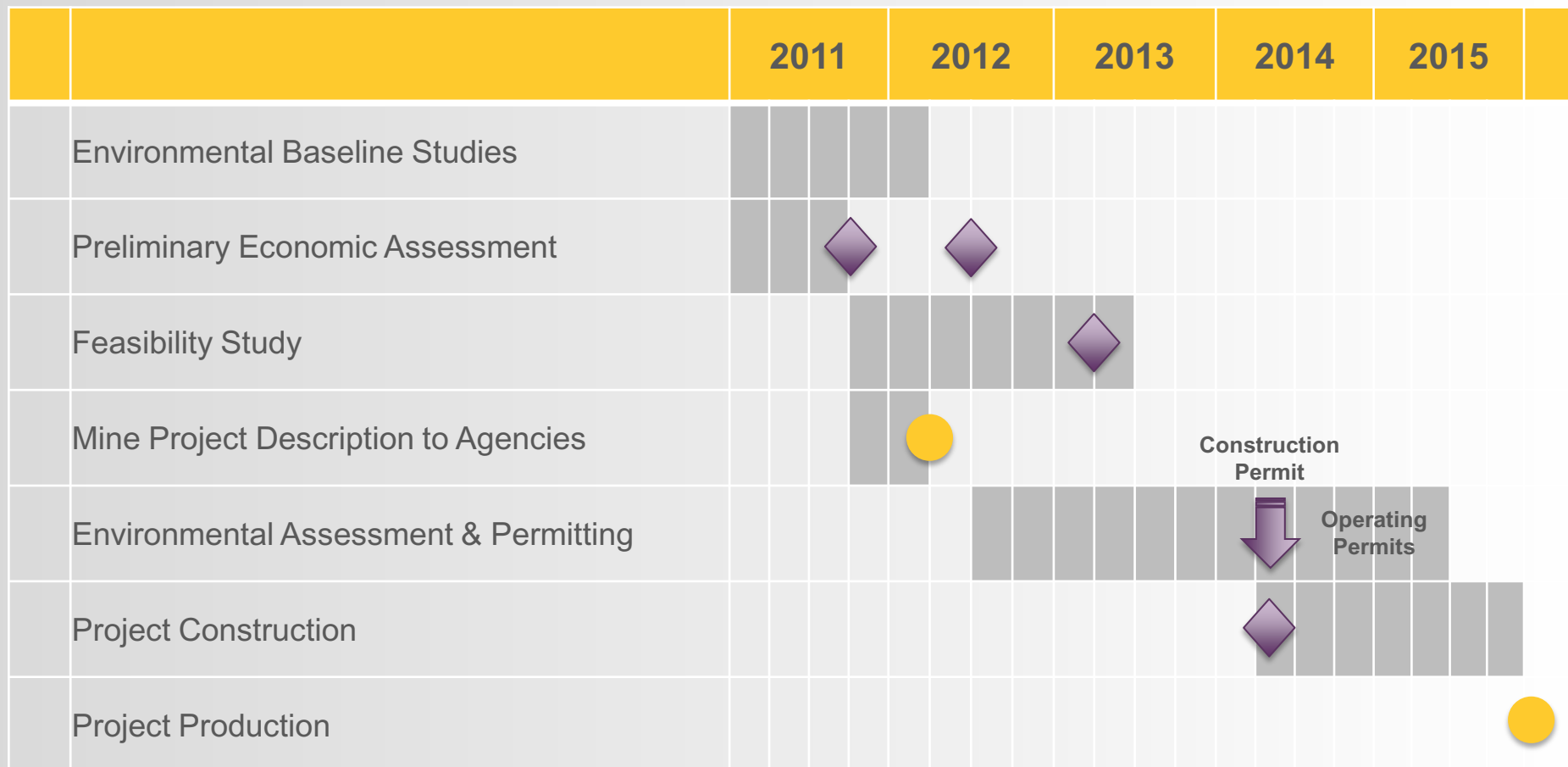
- No fish bearing lakes
- Design with no-effect discharge
- Plan for less than 50% of post-acid generating rock encapsilization
- Submerged tailings closure design (standard Canadian procedure)
- Private land

## Community Engagement: Completed to-date

- ✓ Participation Agreement (PA) with Fort Frances Chiefs Secretariat
- ✓ Memorandum of Understanding (MOU) with Big Grassy First Nations
- ✓ Setup Advisory Committee under PA to:
  - Maintain consultation
  - Facilitate communication and understanding of the EA process
  - Potential effects and inclusion of Traditional Knowledge



# Project Timeline: Focus on De-Risking



# Strong Capital Structure and Institutional Support



Basic Shares Outstanding	88.7 million
FD Shares Outstanding	96.9 million
Cash and Equivalents (June 30, 2012)	C\$80.5 million
Debt	C\$0
Market Value Basic (based on \$4.44 share price)	C\$394 million
Enterprise Value (based on \$4.44 share price)	C\$313 million
Rated by 8 Analysts	6 “buys”, 2 “holds”
Ownership	60% Institutional
	37% Retail
	3% Management
Significant Institutional Shareholder Base	Top 5 own 31%
Ticker Symbol	RR on the TSX Main Board

# Capital Position

- Cash and Cash Equivalents of C\$81 M (June 30, 2012)
- Planned use of funds from Q3/2012 to Q2/2013:
  - Feasibility Study
  - Resource Update (September)
  - Deep Drilling/District Drilling
  - General and Administrative

# Capital Plan

- Earmark portion of current cash for initial capital costs
  - \$25-\$40M
- Secure remaining financing over a 3 year window
- Numerous funding alternatives under review, including:
  - Monetization of silver production from the mine 6.75 Moz
  - Project financing
  - Lease financing
  - High yield debt financing
  - Convertible debentures
  - Equity

***Plan is to raise the necessary capital, while minimizing equity dilution.***

# District Potential for Growth





# Deposit Cross Section



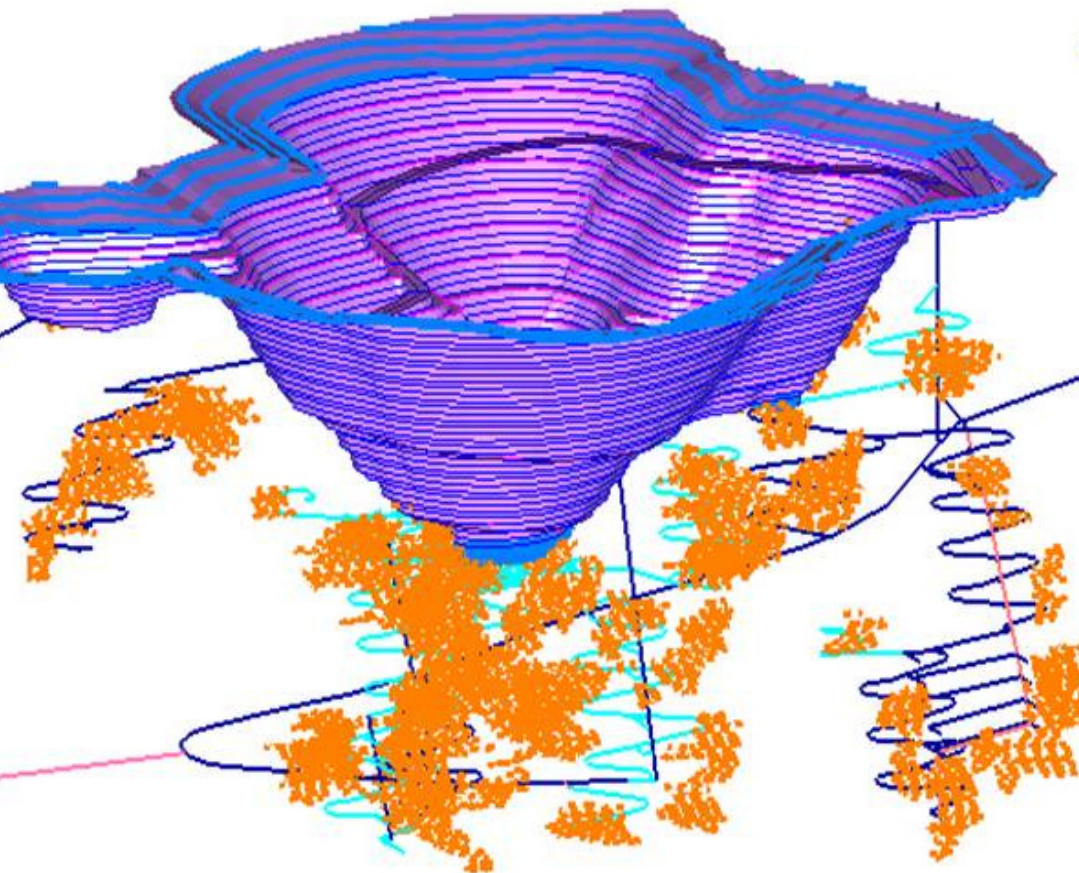
# Management Team:

## Proven Mine Builders and Financiers



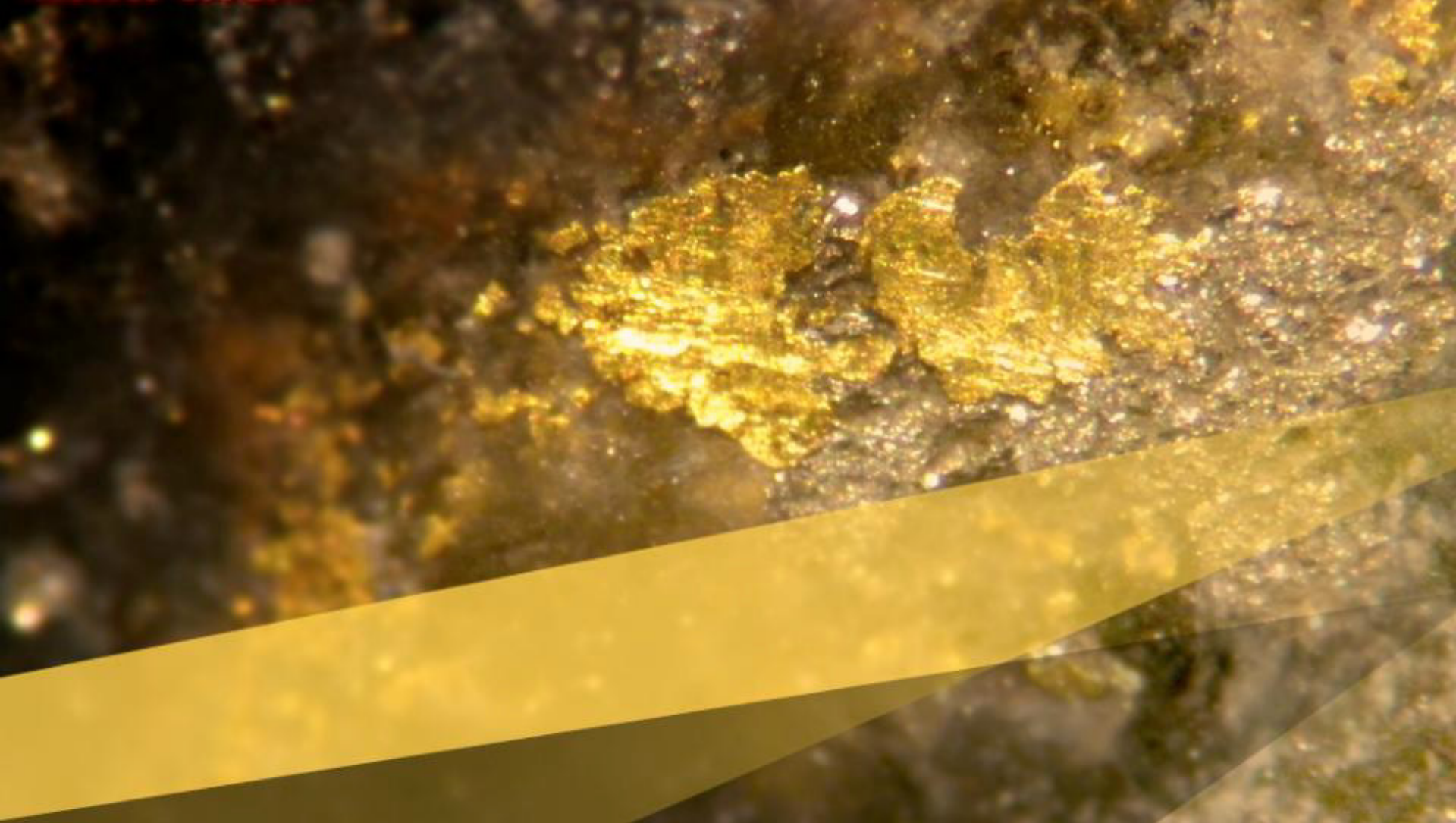
Raymond Threlkeld, President and CEO	30+ years in industry. Former President & CEO of Western Goldfields. Former VP Project Development of Barrick Gold Corp.
Mike Mutchler, VP and COO	30+ years in industry. 20 years with ASARCO as Engineer, Mine Manager and General Manager. Former Kinross VP, Project Development Services, Project Manager Paracatu, Mining Manager Cerro Casale.
Nick Nikolakakis, VP and CFO	17 years in corporate finance, accounting, including as VP Finance at Barrick Gold Corp, Regional CFO at Placer Dome. Former investment banker with BMO Nesbitt Burns.
Kerry Sparkes, VP Exploration	22+ years experience in mineral exploration; P. Geo. Instrumental in the discovery and delineation of the Voisey's Bay nickel deposit.
Garett Macdonald, VP Operations	15+ years experience in mine engineering and operations. Professional Engineer and MBA. Previously with Placer Dome and Suncor Energy.
Kyle Stanfield, VP, Environment & Sustainability	15+ years environmental assessment and mine permitting. Led BC's largest harmonized mining environmental assessment. Previously with Placer Dome: Africa, South America, Canada
Gerry Shields, VP and General Counsel	20+ years as a lawyer, advising public and private entities. Advised on equity financings, M&A, corporate governance and general corporate and securities law.

# Rainy River Gold Project



- **High quality, low risk project**
- “Unrealized **District** Potential”
- **Proven Management Team**
- **Strong Financial Position**

***Defining Canada's Newest Gold District***



**RAINY**RIVER

**QUESTIONS?**



# TPK Joint Venture Project

## One of the largest gold grain anomalies in the world

- Meadowbank: 3.5 Moz Proven and Probable  
1.4 Moz Indicated
- Meliadine: 2.6 Moz Probable  
1.5 Moz Indicated
- Casa Berardi: 1.5 Moz Proven and Probable  
0.8 Moz Measured & Indicated
- RRGp: 5.7 Moz Measured & Indicated

## 2012 program completed in May

- JV with Northern Superior Resources Inc.
- 450 km NE of Thunder Bay, Ontario
- Earn-in 51% by spending \$11 m over 2.5 years
- \$6 M spent to-date; approx. \$3 M planned 2012





# History

The Rainy River Gold Project has attracted exploration interest since 1967. Various companies including Noranda, International Nickel Corporation of Canada, Hudson's Bay Exploration and Development and Mingold Resources operated in the area centred on the Rainy River Gold Project between 1967 and 1989. The Ontario Geological Survey undertook geological mapping in 1971 and again in 1987 to 1988 in conjunction with a rotasonic overburden drilling program. Nuinsco Resources Limited undertook exploration activities between 1990 and 2004, with Rainy River continuing from 2005 onwards.

Nuinsco drilled a series of widely spaced reverse circulation drill holes from 1994 to 1998, defining a fifteen kilometre long "gold-grains-in-till" dispersal train emanating from a thickly overburden-covered, six square kilometre "gold-in-bedrock" anomaly. Nuinsco completed a series of diamond drill programs to assess the mineral potential of the above anomalies which led to the initial discovery of the 17 Zone in 1994. Nuinsco subsequently discovered the 34 Zone in 1995 and 433 Zone in 1997. Between 1994 and 1998, Nuinsco drilled 597 reverse circulation holes and 217 diamond drill holes (49,515 metres). These were mostly in the Richardson area. The 34 Zone was further drill tested between 1999 and 2004.

In June 2005, Rainy River completed the acquisition of a 100 percent interest in the project from Nuinsco. In the same year, Rainy River relogged key sections of the historical core drilled on the property and then input all of the data into a GIS database. Rainy River subsequently drilled in excess of 100 reverse circulation holes in three phases to better define the gold-in-till and gold-in-bedrock anomalies.

Between 2005 and 2007, 209 diamond drill holes for 95,340 metres were drilled. In April 2008, a mineral resource estimate was completed by CCIC. In 2009, SRK prepared a mineral resource statement incorporating information from an additional 112 core boreholes (59,719 metres) drilled during 2008. In early 2010, SRK prepared a revised mineral resource statement to incorporate information from 124 core boreholes (68,453 metres) drilled on the project during 2009. In early 2011, SRK updated the mineral resource statement to incorporate information from 163 core boreholes (84,648 metres) drilled on the project during 2010. A further 17,100 metres were included in the June 29, 2011 resource statement, with a further 170,000 metres incorporated in the February 24, 2012 statement.

## Regional and Local Geology

The Rainy River Gold Project falls within the 2.7 billion year Rainy River Greenstone Belt that forms part of the Wabigoon Subprovince. The Wabigoon Subprovince is a 900 kilometre long east-west trending area of komatiitic to calc-alkaline metavolcanics that are in turn succeeded by clastics and chemical sediments. Granitoid batholiths have intruded into these rocks, forming synformal structures in the supracrustals that often have shear zones along their axial planes.

The Wabigoon Subprovince basement lithologies were overlain by Mesozoic (Jurassic and Cretaceous) sediments and were subjected to deep lateritic weathering followed by Quaternary glaciation. Limited preservation of the Mesozoic cover sediments and saprolite occurs in localized palaeo-lows.

The Wabigoon basement rocks and remnant Mesozoic cover sediments are overlain by Labradorian till of northeastern provenance. This till has been found to contain anomalous concentrations of gold grains, auriferous pyrite and copper-zinc sulphides. It is overlain by a glaciolacustrine clay and silt horizon and by argillaceous and calcareous Keewatin till of western provenance.

The Rainy River Gold Project is primarily underlain by a series of tholeiitic mafic rocks that are structurally overlain by calc-alkalic intermediate to felsic metavolcanic rocks. Intermediate rocks (dacites) host most of the gold mineralization. At a regional scale, the strongest and earliest deformation event produced a well-defined penetrative fabric. This foliation is approximately parallel to the trend of the metavolcanic rocks that strike at approximately 120 degrees and dip fifty to seventy degrees to the south. Structural geology studies by SRK suggest that the current geometry and plunge of the gold mineralization is the result of high strain deforming features associated with gold mineralization and rotating the mineralization plunge parallel to the stretching direction.

## Deposit Types and Mineralization

At least two stages of gold mineralization exists in the Rainy River Gold Project:

Early (low to moderate grade) gold mineralization associated with sulphide (pyrite-sphalerite-chalcocopyrite-galena) stringers and veins and disseminated pyrite in quartz-phyric volcanoclastic rocks and conglomerate; and Late (high-grade) gold mineralization associated with quartz-pyrite-chalcocopyrite-gold veins and veinlets.

Both styles of gold mineralization have been progressively overprinted by deformation. The gold mineralization is interpreted as a hybrid deposit type consisting of an early gold-rich volcanogenic sulphide mineralization overprinted by shear-hosted mesothermal gold mineralization.

In addition to the gold mineralization, the project also contains nickel, copper and platinum group metals sulphide mineralization associated with a differentiated ultramafic-mafic intrusion. That magmatic-hydrothermal mineralization occurs within the main auriferous zones and crosscuts the volcanogenic sulphide mineralization and the later mesothermal gold mineralization associated with the regional deformation.

# Rainy River Resource: Organic Growth

## Grade

g/t gold

- Measured
- Indicated
- Inferred



## Resource Growth

Gold oz, millions

- Measured
- Indicated
- Inferred



As of June 2012: **717,300 metres** of diamond drilling  
**1,889 drill holes**  
**396,700 assays**

Qualified Persons – The mineral resource statement was prepared by Dorota El-Rassi, P.Eng. (APEO #100012348) and Glen Cole, P.Geo (APGO #1416), of SRK, both “independent qualified persons” as that term is defined in National Instrument 43-101. Rainy River’s exploration program in Richardson Township is being supervised by Kerry Sparkes, P.Geo (APEGBC #25261), Vice-President Exploration and a Qualified Person as defined by National Instrument 43-101. The Company continues to implement a rigorous QA/QC program to ensure best practices in sampling and analysis of drill core. The procedures of the QA/QC program are detailed on Rainy River’s website at [www.rainyriverresources.com](http://www.rainyriverresources.com).

# RR Gold Project – Resources (Feb 2012)

## Mineral Resource Statement, Rainy River Gold Project, SRK Consulting, February 24, 2012\*

	Quantity	Grade		Metal	
	'000 t	Au gpt	Ag gpt	Au '000 oz	Ag '000 oz
<b>Open Pit**</b>					
Measured	23,154	1.29	2.00	960	1,491
Indicated	112,778	1.09	2.39	3,963	8,673
<b>Measured and Indicated</b>	<b>135,932</b>	<b>1.12</b>	<b>2.33</b>	<b>4,923</b>	<b>10,164</b>
Inferred	22,679	0.93	2.18	675	1,588
<b>Out of Pit***</b>					
Indicated	11,476	0.81	3.37	298	1,242
Inferred	64,437	0.67	2.35	1,387	4,871
<b>Underground**</b>					
Measured	89	4.62	2.55	13	7
Indicated	3,083	4.32	5.00	429	495
<b>Measured and Indicated</b>	<b>3,172</b>	<b>4.33</b>	<b>4.93</b>	<b>442</b>	<b>502</b>
Inferred	1,172	4.12	5.82	155	219
<b>Combined Mining</b>					
Measured	23,243	1.30	2.00	973	1,498
Indicated	127,337	1.14	2.54	4,690	10,410
<b>Measured and Indicated</b>	<b>150,580</b>	<b>1.17</b>	<b>2.46</b>	<b>5,663</b>	<b>11,908</b>
Inferred	88,288	0.78	2.35	2,217	6,678

\*Mineral resources are reported in relation to an elevation determined from conceptual pit shells, and not all of the inferred resources lie within the optimized pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All assays have been capped where appropriate. Due to a reporting discrepancy, the underground resources reported in the February 24 press release differ nominally from the ounces indicated in the table above.

\*\*Open pit mineral resources are reported at a cut-off of 0.35 g/t gold, underground mineral resources are reported at 2.5 g/t gold. Optimized cut-off grades are based on a gold price of US\$1,100 per ounce, a silver price of \$22.50 per ounce and a foreign exchange rate of 1.10 Canadian dollar to 1.0 US dollar. Metallurgical recoveries include gold recovery of 88% for open pit resources and 90% for underground resources with silver recovery at 75%. \*\*\*Out of pit resources are based on a gold price of US\$1,600 per ounce.

Qualified persons - The mineral resource statement was prepared by Dorota El-Rassi, P.Eng. (APEO #100012348) and Glen Cole, P.Geo (APGO #1416), of SRK, both "independent qualified persons" as that term is defined in National Instrument 43-101. Rainy River's exploration program in Richardson Township is being supervised by Kerry Sparkes, P.Geo. (APEGBC #25261), Vice-President Exploration and a Qualified Person as defined by National Instrument 43-101. The Company continues to implement a rigorous QA/QC program to ensure best practices in sampling and analysis of drill core.

# RR Gold Project – Resources (Feb 2012)

## Mineral Resource Statement, Rainy River Gold Project, SRK Consulting, February 24, 2012\*

Silver Zone	Quantity	Grade		Metal			
	'000 t	Au gpt	Ag gpt	AuEq gpt	Au '000 oz	Ag '000 oz	AuEq '000 oz
<b>Open Pit**</b>							
Indicated	126	0.23	48.07	1.07	3.18	654.79	14.57

\*Excluded from previous table. Mineral resources are reported in relation to conceptual pit shells. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

\*\*Open pit mineral resources are reported at a cut-off of 0.35 g/t gold-equivalent. Gold-equivalent grade is based on a gold price of US\$1,100 per ounce, a silver price of \$22.50 per ounce and a foreign exchange rate of 1.10 Canadian dollar to 1.0 US dollar. Metallurgical recoveries include gold recovery of 88% with silver recovery at 75%.

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# RR Gold Project – Resources (Jun 2011)

## Mineral Resource Statement, Rainy River Gold Project, SRK Consulting, June 29, 2011\*

	Quantity	Grade		Metal	
	'000 t	Au gpt	Ag gpt	Au '000 oz	Ag '000 oz
<b>Open Pit**</b>					
Measured	15,660	1.26	1.93	636	973
Indicated	99,927	1.08	2.48	3,481	7,967
<b>Measured and Indicated</b>	<b>115,587</b>	<b>1.11</b>	<b>2.41</b>	<b>4,117</b>	<b>8,940</b>
Inferred	16,602	0.94	2.63	504	1,405
<b>Out of Pit**</b>					
Inferred	57,211	0.75	2.82	1,380	5,184
<b>Underground**</b>					
Measured	100	4.74	2.67	15	9
Indicated	1,775	4.83	3.10	276	177
<b>Measured and Indicated</b>	<b>1,875</b>	<b>4.82</b>	<b>3.08</b>	<b>291</b>	<b>185</b>
Inferred	3,628	3.82	3.84	445	448
<b>Combined Mining</b>					
Measured	15,760	1.28	1.94	651	981
Indicated	101,702	1.15	2.49	3,757	8,144
<b>Measured and Indicated</b>	<b>117,462</b>	<b>1.17</b>	<b>2.42</b>	<b>4,407</b>	<b>9,125</b>
Inferred	77,442	0.94	2.83	2,330	7,038

\*Mineral resources are reported in relation to an elevation determined from conceptual pit shells, and not all of the inferred resources lie within the optimized pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All assays have been capped where appropriate.

\*\*Open pit mineral resources are reported at a cut-off of 0.35 g/t gold, underground mineral resources are reported at 2.5 g/t gold. Optimized cut-off grades are based on a gold price of US\$1,100 per ounce, a silver price of \$22.50 per ounce and a foreign exchange rate of 1.10 Canadian dollar to 1.0 US dollar. Metallurgical recoveries include gold recovery of 88% for open pit resources and 90% for underground resources with silver recovery at 75%.

Qualified persons - The mineral resource statement was prepared by Dorota El-Rassi, P.Eng. (APEO #100012348) and Glen Cole, P.Geo (APGO #1416), of SRK, both "independent qualified persons" as that term is defined in National Instrument 43-101. Rainy River's exploration program in Richardson Township is being supervised by Kerry Sparkes, P.Geo. (APEGBC #25261), Vice-President Exploration and a Qualified Person as defined by National Instrument 43-101. The Company continues to implement a rigorous QA/QC program to ensure best practices in sampling and analysis of drill core.

# PEA II Assumptions

Gold Price	\$1,250 USD/oz
Silver Price	\$25 USD/oz
Exchange rate:	1.00 CAD: 1.00 USD (Initial) 1.05 CAD: 1.00 USD (Operations)
Discount rate	5%
Mine Equipment Lease	4.5% over 7 years
Gold Recovery	91.0% (variable by grade)
Silver Recovery	67.4% (variable by grade)
Open Pit Production	18,000 tpd
Underground Production	2,000 tpd
Process Plant Capacity	20,000 tpd
Mine Life	16 years



# Mine Design

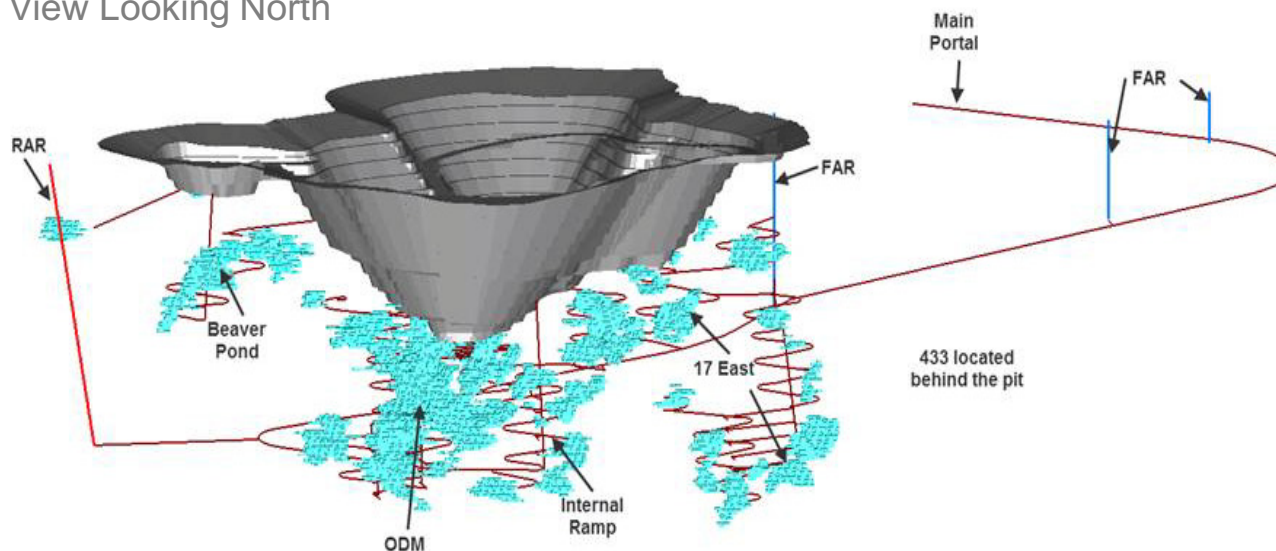
## Open Pit Design

- 68.6 Mt @ 1.26 g/t Au, 2.83 g/t Ag
- Stockpile: 40.6 Mt @ 0.35 g/t Au, 2.00 g/t Ag
- Production:
  - 2.93 Moz Au, 5.97 Moz Ag
- 2.5 operating strip ratio
- Up to 20,000 tpd ore to mill
- 10 year mine life, excluding stockpile

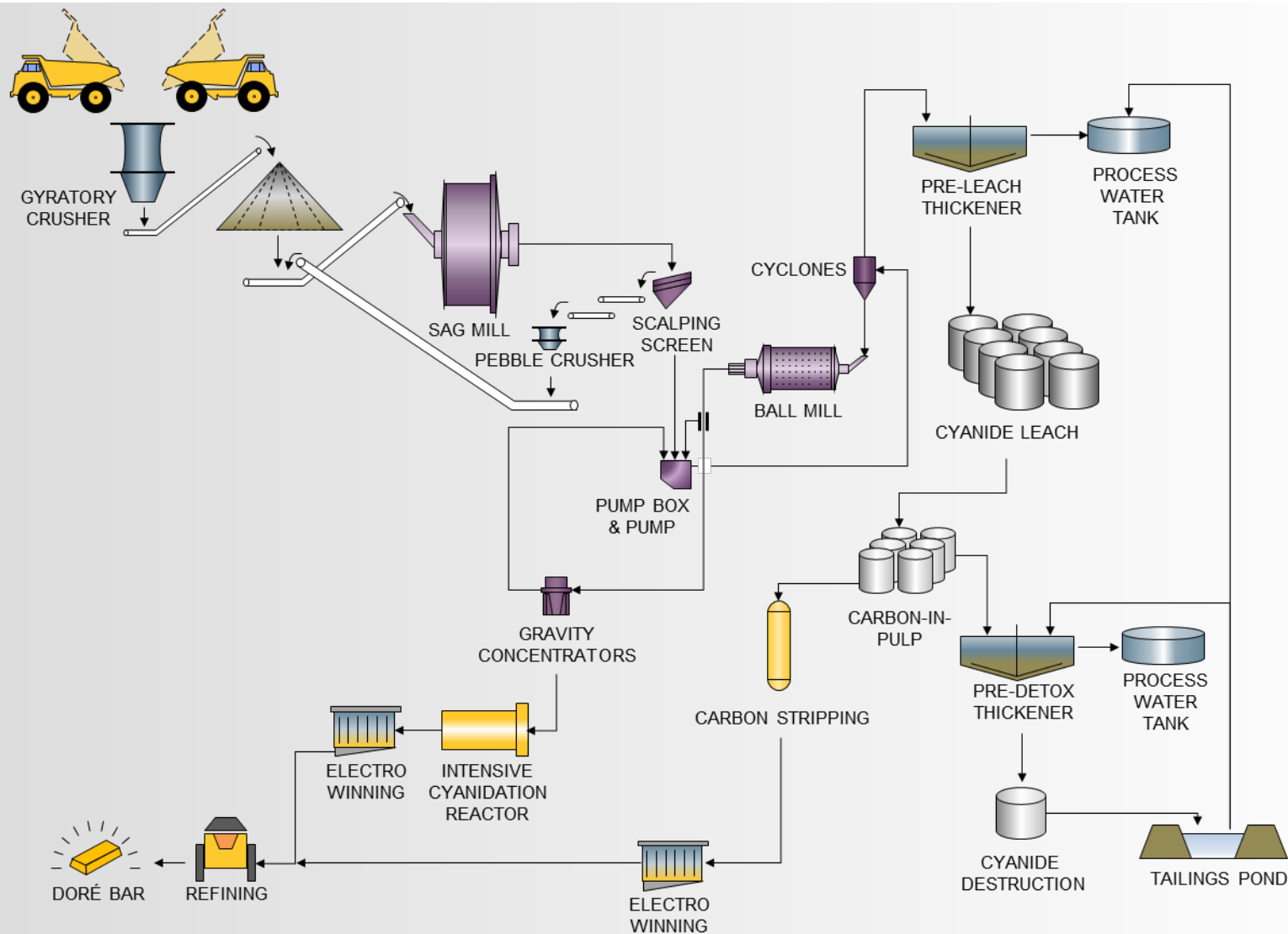
## Underground Design

- 6.81 Mt @ 4.20 g/t Au, 5.30 g/t Ag
- Production:
  - 0.84 Moz Au, 0.78 Moz Ag
- Cut and Fill mining method
- 2,000 tpd ore to mill
- 13 year mine life incl. development

3D View Looking North

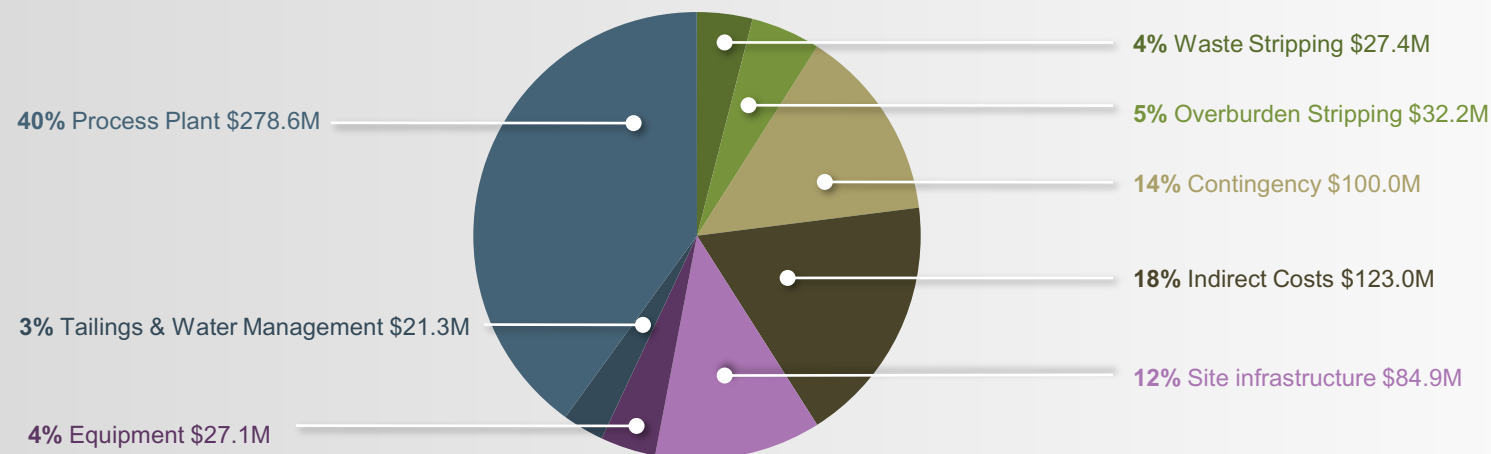


# Metallurgical Processes

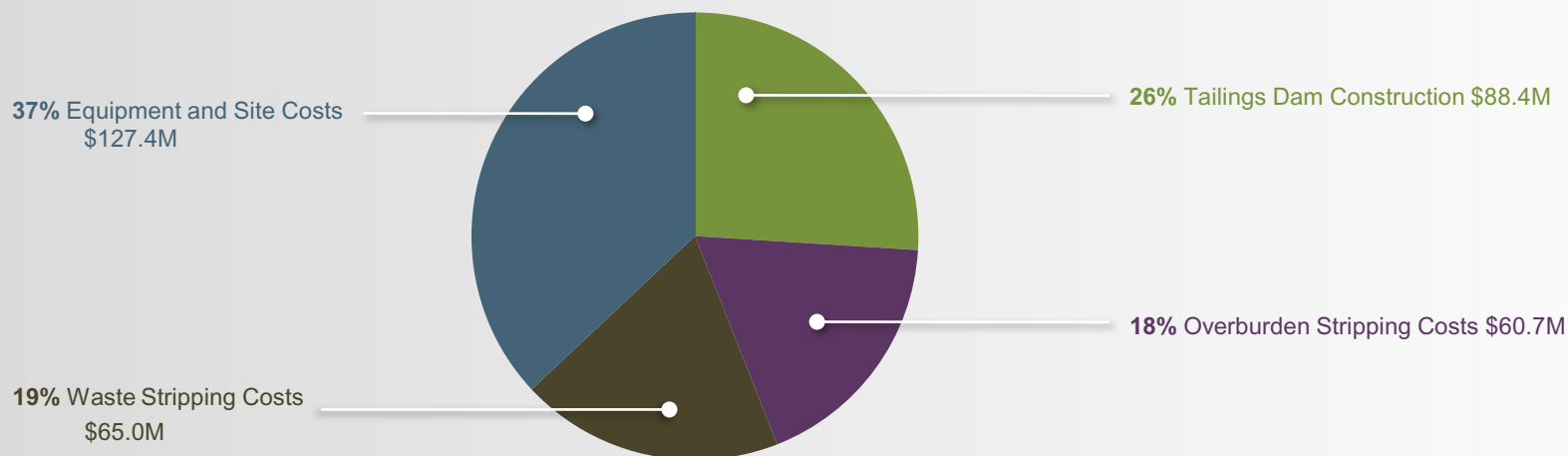


# Project Capital: Open Pit Components

Pre-Production Capital: \$694 M

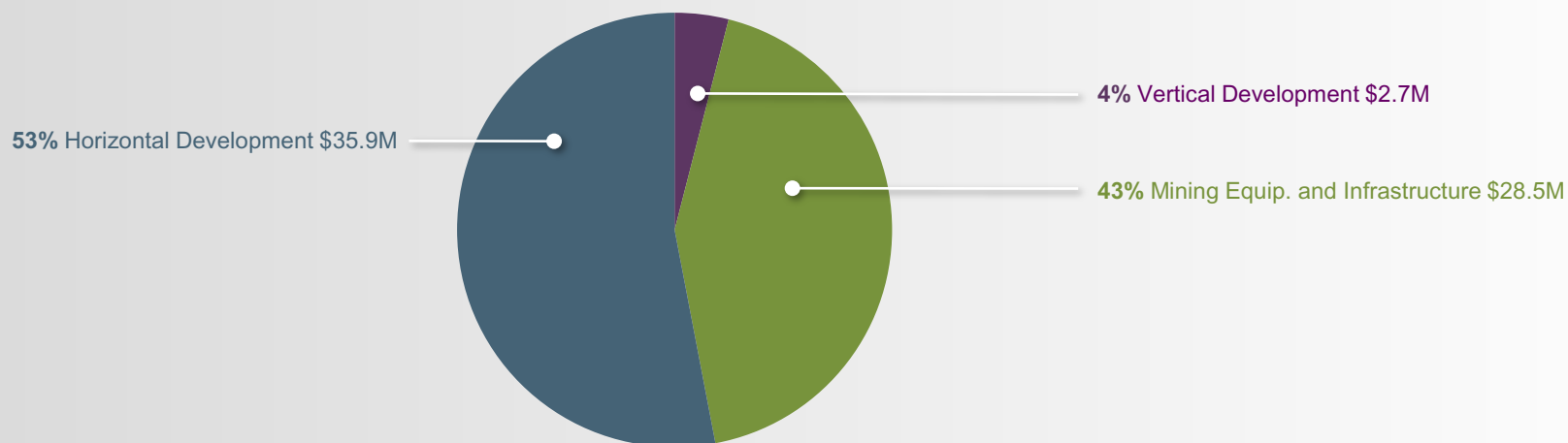


Sustaining Capital: \$340 M

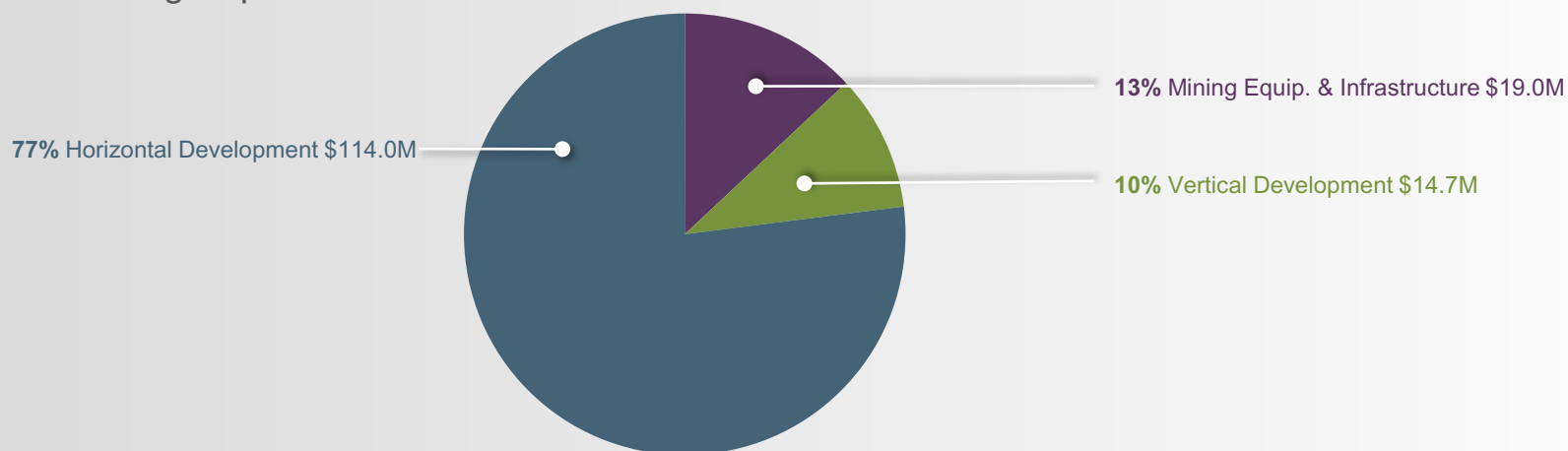


# Project Capital: Underground Components

Development Capital: \$67 M



Sustaining Capital: \$148 M



# Consultants and Contractors

- Engineering and Procurement – BBA
  - Osisko, Detour, Thompson Creek
- Construction Management – Merit
  - Copper Mountain, Goldcorp Red Lake
- Permitting & Environmental – AMEC
  - Detour Lake (Detour), Victor (De Beers), Hollinger (Goldcorp)
- Resources – SRK
- UG Mine Planning – Golder Associates
  - Mercedes (Yamana), Kiggavik (AREVA)

# Proven Management Team

## Raymond Threlkeld, President & CEO

- Over 30 years experience in exploration, mine development, mine operations and executive management
- Former President & CEO of Western Goldfields
- Former Vice President, Project Development with Barrick Gold Corp.

## Michael Mutchler, COO

- 30 years of underground and open pit mining experience in both operations and projects.
- Former Kinross VP, Project Development Services, Project Manager - Paracatu Mine Optimization feasibility study in Brazil, Mining Manager - Cerro Casale Mine feasibility study in Chile, and Operations Manager - Round Mountain Mine in Nevada.
- 20 years with ASARCO Incorporated in positions of increasing responsibility ranging from Mine Engineer, Mine Foreman, Mine Manager and General Manager.

## Kyle Stanfield, VP, Environment & Sustainability

- 15+ years environmental assessment and mine permitting.
- Led largest harmonized mining environmental assessment in B.C. (Galore Creek).
- Environmental Engineer with Placer Dome: Africa, South America and Canada

## Nicholas Nikolakakis, Vice President & CFO

- 17 years experience in corporate finance, accounting and senior management
- Former VP Finance with Barrick Gold Corporation, Regional CFO with Placer Dome, and investment banker with BMO Nesbitt Burns

## Garett Macdonald, Vice President, Operations

- P. Eng and MBA with over 15 years experience in mine engineering and operations with Placer Dome and Suncor Energy

## Kerry Sparkes, Vice President, Exploration

- P. Geo with over 22 years experience
- Instrumental in the discovery and delineation of the Voisey's Bay nickel deposit

## Gerry Shields, Vice President and General Counsel

- Lawyer with over 20 years of experience in advising both public and private companies on a broad range of legal matters including equity financings, mergers and acquisitions, takeovers, corporate governance and general corporate and securities law



# Board Expertise: Projects, Finance, Governance



## Leo Berezan, Chairman of the Board

- Established a successful career over past 30 years in commercial real estate development and property management
- Audit Committee member

## Dale Peniuk, Independent Director & Audit Committee Chair

- B.Comm and C.A.
- Provides financial consulting services to a number of mining companies
- Formerly an assurance partner with KPMG's Vancouver office, specializing in the mining area and the leader of KPMG's Vancouver office mining industry group

## Stuart Averill, Independent Director

- P.Geol and founder and owner of Overburden Drilling Management (ODM)
- Played critical roles in the several discoveries in Canada including the Collins Bay "B" uranium mine (SK), the Casa Berardi gold district (QC) and the original #17 and #433 gold discoveries at Rainy River

## Richard Pettit, Independent Director

- C.A.
- Over 30 years of experience as a C.A., mainly with PricewaterhouseCoopers where he was a senior partner of their Corporate Advisory and Restructuring practice
- Brings strong financial literacy as well as analytical and risk management skills to the Rainy Board
- Audit Committee member

## Jim Excell, Independent Director

- Metallurgical Engineer with extensive senior executive, mine management and process engineering experience
- Over 30 years with BHP Billiton, responsible for overseeing the management and development of some of the world's premier mining projects including the EKATI diamond mine in the Northwest Territories.

## Raymond Threlkeld, Director

## Gerry Shields, Director

# Analyst Coverage



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