

This is the form of material change report required under section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*.

**FORM 53-901F
(Previously Form 27)**

**MATERIAL CHANGE REPORT UNDER
SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)**

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this are complied with.

NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL – SECTION 85", and file in an envelope marked "Confidential – Attention: Supervisor, Financial Reporting".

1 Reporting Issuer

RAINY MOUNTAIN ROYALTY CORP.
2489 Bellevue Avenue
West Vancouver, British Columbia V7V 1E1

Telephone (604) 922-2030

(the "Company" or "Rainy Mountain")

2 Date of Material Change

May 17, 2012

3 Press Release

Issued in West Vancouver, B.C. on May 17, 2012 under Section 85 (1) of the Act and disseminated through the facilities of Market News and Stockwatch.

4 Summary of Material Change

Rainy Mountain Closes Non-Brokered Private Placement

5 Full Description of Material Change

Rainy Mountain announced that, further to its news release dated March 29, 2012, it has closed its non-brokered private placement (the "Private Placement"). The Company has raised \$85,150 by the issuance of 1,010,000 flow through shares (the "FT Shares") at \$0.065 per FT Share and 300,000 non-flow through units (the "NFT Units") at a price of \$0.065 per NFT Unit. Each NFT Unit consists of one common share and one-half of a share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share for a period of 2 years at an exercise price of \$0.10. In connection with the Private Placement, finders' fees were paid in the amount of \$2,437.50 (which were paid through the issuance of 37,500 non-flow through shares). All of the securities issued pursuant to this Private Placement are subject to a hold period expiring on September 17, 2012.

The Company has used the proceeds from this Private Placement for the continued exploration and advancement of the Company's Eva Kitto Property project in Ontario and for general working capital purposes. The Eva Kitto Property is a "PGE" (Platinum Group Elements) exploration project and is located approximately 190 kilometres northeast of Thunder Bay, Ontario. The Property is jointly owned by Rainy Mountain and International Bethlehem Mining Corp.

For further information, contact Mr. Clive Shallow, Shareholder Communications, at 604-922-2030, or visit the Company's website at www.rmroyalty.com

6 Reliance on Section 85(2) of the Act

Not applicable

7 Omitted Information

No information has been intentionally omitted from this form.

8 Senior Officers

Ronald A. Coombes, President & CEO
Sead Hamzagic, Chief Financial Officer

Further information may be obtained from Bruce E. Morley, director of the Company, 2489 Bellevue Avenue, West Vancouver, British Columbia, V7V 1E1, (604) 922-2030.

9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at West Vancouver, British Columbia, this 17th day of May, 2012.

RAINY MOUNTAIN ROYALTY CORP.

"Bruce E. Morley"

Signature

Director
(Official capacity - please print)

Bruce E. Morley
(Please print here name of individual whose signature appears above, if different from name of vendor or agent printed above)