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 From 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

July 10, 2012

3 Press Release

Issued in West Vancouver, B.C. on July 10, 2012 under Section 85 (1) of the Act and disseminated through the facilities of Market News and Stockwatch.

4 Summary of Material Change

The Company provided drilling results for its Eva Kitto Property.

5 Full Description of Material Change

The Company reported the results from its recently completed exploration and core drilling program on its Eva Kitto Property. The Eva Kitta Property is a "PGE" (Platinum Group Elements) exploration project and is located near the town of Beardmore, Ontario and approximately 190 kilometres northeast of Thunder Bay, Ontario. The Property is jointly owned (50/50) by Rainy Mountain and International Bethlehem Mining Corp. ("International Bethlehem" - TSX-V: IBC).

Rainy Mountain's recent exploration was a follow up core drill program based on the exploration and drilling previously completed on the Property by International Bethlehem in 2008 and 2010. Accordingly, Rainy Mountain's Drill Hole EK-12-01 was drilled to explore for the first time a negative magnetic anomaly for potential Ni-Cu-PGE (nickel, copper, platinum group elements) "Noril'sk-type" mineralization, as previously observed by International Bethlehem. This large negative magnetic anomaly lies at the centre of a northern inward dipping ring dike phase of the gabbroic-ultramafic layered "Kitto Intrusion". The Company believes that the magnetic anomaly potentially represents Noril'sk-type basal massive mineralization, or possibly a feeder (bottom of the funnel) to the northern ring dike portion of the intrusion.

As well, Drill Hole EK-12-01 was the first drill hole to explore the northernmost (and thickest) portion of the intrusion. The hole was drilled to a depth of 405 metres (intersecting 377 metres of the Kitto Intrusion below 28 metres of cover rocks) and did not reach the basement contact or basal target. As a result, the magnetic anomaly remains unexplained and merits further exploration and drilling.

Typically, the Noril'sk-type genetic model requires a sulphur source and Rainy Mountain observed that Drill Hole EK-12-01 was successful in intercepting veiny, serpentinized, magnetite and pyrrhotite ingestions possibly remobilized from an iron formation contaminant. Additionally, nearby (on surface) there is coincidental evidence of magnetite and pyrite suggestive of iron formation.

In view of the significant thickness of the intrusion encountered and the limited initial budget for the drilling program, Drill Hole EK-12-01 was discontinued at a depth of 405 metres. The Company intends to follow up on further drilling to extend Drill Hole EK-12-01 to the basement in order to obtain a more complete understanding of the magnetic anomaly.

J. Garry Clark, P.Geo., is acting as the Company's Qualified Person for the Eva Kitto Property project in accordance with regulations under NI 43-101.

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

Douglas L. Mason, CEO
Ronald A. Coombes, President
Sead Hamzagic, CFO

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 10th day of July, 2012.

INTERNATIONAL BETHLEHEM MINING 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)