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## Project preliminary economic assessment completed

### Mine Environmental Assessment and Permitting to begin in 2012



On November 9th, Rainy River Resources (RR) unveiled the results of a Preliminary Economic Assessment (PEA) for its 100% owned Rainy River Gold Project (RRGP). The independent study was completed by a group of leading industry consultants; BBA Inc., AMEC Environment & Infrastructure and Golder Associates based on RR's current resource estimate. These firms have designed, permitted, and constructed several of the top mining projects in Canada.

Results of the PEA show a robust project with average annual metal production of 329,000 ounces of gold and 497,000 ounces of silver over a 13 year mine life. The plan envisaged will see the RRGP environmental assessment and associated project permitting conducted over roughly a 2 year period starting in early 2012 with construction estimated to begin in 2013 and mine operation by the end of 2015. Pre-production

capital expenses are estimated to be \$681 million during a 20 month construction period. A combination of open pit and underground mining methods are envisioned with a daily production rate of 32,000 tonnes. Mineralized material would be processed on site and taken to final product (gold dore bars). The plan includes the provision for progressive reclamation of the site to ensure productivity of the land long after the mine closes.

The PEA study also evaluated labour requirements over the life of the project. During the construction phase, a peak construction workforce of 675 people is required. The operating phase will see employment levels vary according to production but average 618 people over the life of the project. It is assumed that the majority of these positions will be filled by local labour.

On an operating cost metric, the PEA delivers a very competitive

cost structure in line with RR's peer group with life of mine cash costs of US\$553 per ounce gold net of silver credits. Project economics stand at \$786 million on a pre-tax net present value (5% discount) with a pre-tax internal rate of return of 19.4%. For the purposes of the study, a gold price of US\$1200 ounce was used which reflects long term consensus average. Current gold prices are nearing US\$1800 per ounce.

Ray Threlkeld, President & CEO, adds, "Exploration drilling has been conducted at the RRGP for a number of years now, and this PEA study is an important milestone for the company as we now see that we have a very large gold project in front of us with robust economics. It's an exciting project that will bring great economic benefits to the economy of Northwestern Ontario, and we're moving forward on all fronts to bring this project through feasibility and into production."

# Mining Matters Workshop



At the beginning of August, Rainy River Resources sponsored “Mining Matters,” a workshop for residents of the Rainy River District and area First Nations. Facilitated by the Prospectors and Developers Association of Canada, the workshop taught over 40 children and adults about basic geology, the mining industry and its positive impact on both the Canadian economy, and our everyday lives.

Rainy River Resources also brought the workshop participants up to our exploration site in Blackhawk for a tour of the drill equipment, core cutting operations and core storage facilities.



Judging by their enthusiasm, there may be a few budding geologists from our group of participants! Many thanks to all who were a part of the Mining Matters program – just one more way that Rainy River Resources is helping our neighbours and stakeholders learn more about our project, and its future in the District.

## GOLD Nuggets

The purity of gold is measured in Carats, a unit of mass originally based on the Carob seed, which was used by ancient merchants in the Middle East.

## Area environmental studies continue

This past season has seen another successful baseline environmental program completed at the Rainy River project. Biologists together with other scientists and engineers spent weeks in the field over the course of a seven-month period collecting information about birds, fish, water quality and numerous other key environmental features. The 2011 program was the third consecutive year of such study at the site and now ranks as the most intensive for any mining project in Ontario that is still at the exploration stage. From an environmental perspective, the Rainy River Project is unique in that there are no lakes located within or adjacent to the site. Additionally, the creeks and streams that are present do not support a commercial or recreational fishery. The study of birds within the area is one of the key baseline study areas. In the spring of 2011, Rainy River Resources teamed-up with the Ministry of Natural Resources and Trent University to complete a two-year study of Whip-poor-will presence in the regional area. Through the provision of funding from Rainy River Resources, the scientific study is designed to assist the Province and Rainy River Resources



*Matt Myers from the MNR and Rainy River Resources Director of Environment Kyle Stanfield discuss the RRR-sponsored Whip-poor-will study*

with management planning in support of both conservation as well as industrial development. Environmental monitoring at the Rainy River Project site does not stop when the ground freezes. We continue to sample stream water quality year-round at 14 stations located around the Pinewood and Rainy River watersheds.

# Rainy River moves to TSX

On September 28, 2011, Rainy River Resources was officially delisted from the Toronto Venture Stock Exchange (TSX-V), and graduated to the Toronto Stock Exchange (TSX) after completing all the regulatory requirements. As President and CEO Raymond Threlkeld stated, "We are proud of Rainy River's graduation to the main Toronto Stock Exchange, as it represents a natural part of our progression toward becoming a leading Canadian intermediate gold producer."

The main difference between the two exchanges being the TSX provides service to senior equity markets while the Venture



Photo: Serdar Gurbuz Photography

Exchange provides service to the public venture equity market. Rainy River Resources can now

be found trading common shares on the TSX main board under the symbol "RR."

## Community Information Session

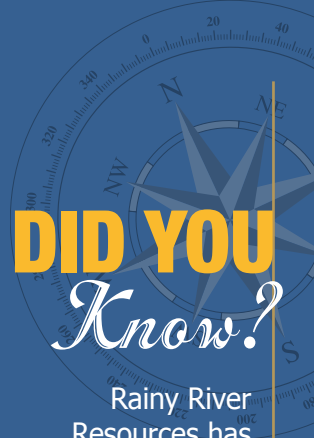
The Rainy River Resources Gold Project continues to progress with significant additional exploration success. On August 22, the company held a community information session, at which CEO Ray Threlkeld, VP of Operations Garrett Macdonald, and

Director of Environment and Sustainability Kyle Stanfield discussed the objectives for the next 12 months. There are currently twelve drills operating on the Blackhawk site, continuing to grow the resource base and solidify drilling results seen so far.

Environmental studies and monitoring continue at the site, and Rainy River Resources is committed to continuing to inform and engage the surrounding communities, its stakeholders and partner First Nations as the project progresses.



CEO Ray Threlkeld updates attendees on the status of the Rainy River gold project



Rainy River Resources has had over 100 local community members take a tour of our site in the last six months, including the MNR Citizen's Committee and Stewardship Committee, the Fort Frances Chamber of Commerce, members from our local First Nations communities, and area residents participating in our Mining Matters workshop.

# A rich history in the Rainy River District

*Over a century of gold mining & exploration across the region*

The Rainy River District and surrounding area has a rich history in the gold mining industry that few today are aware of; between 1890 and 1910, mining activity near Lake of the Woods accounted for over 55% of gold production in the whole of Ontario. Gold was discovered in the Lake of the Woods in 1878; by 1900 several mines were in production.

Gold mining activity was not just restricted to the Lake of the Woods area. Prospectors made discoveries all across the region; mining camps were created at Gold Rock on Upper Manitou Lake and Mine Centre, east of Fort Frances. However, by 1912, economic conditions forced the mines to close.

Activity resumed after the price of gold increased in 1934, and gold was produced south of Kenora, at Gold Rock and on Straw Lake, northeast of Fort Frances. Most gold mining ended in 1943 due to World War II conditions.

Mining and exploration has been an integral part of the development of our local communities in the last 125 years, and gold is certainly one of the most valuable minerals that has been produced in the Rainy River District.



*Unidentified miner in Mine Centre (above); Little America Gold Mine circa 1894 (left).*

*Photos courtesy of Koochiching Museums*



*Rainy River* **PART OF THE**  
RESOURCES LTD. **COMMUNITY**

Congratulations to Dan and Debbie Bird of Fort Frances, crowned as champions of the third-annual Naicatchewenin First Nation Fall Walleye Classic on October 1, 2011! Rainy River Resources was proud to be a sponsor of this year's tournament.

**For more information, please contact us:**

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