

RAINY RIVER RESOURCES LTD. AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

This charter (the “Charter”) sets forth the purpose, composition, procedures, organization, responsibilities, duties, powers and authority of Audit Committee (the “Audit Committee”) of the Board of Directors (the “Board”) of Rainy River Resources Ltd. (the “Company”).

1. **Purposes, Duties, and Responsibilities**. The Audit Committee represents the Board of Directors in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls over financial reporting, accounting and audit activities and legal compliance of the Company and its subsidiaries; however, the Audit Committee’s function shall not relieve the Company’s management of its responsibilities for preparing financial statements which accurately and fairly present the Company’s results and financial position or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) Recommend to the Board the appointment (including terms of appointment such as compensation and scope of duties) and discharge of the external auditors of the Company (the “auditors”) who perform the annual audit or other audit, review or attest services in accordance with applicable securities laws, which auditors shall be ultimately accountable to the Board of Directors through the Audit Committee. The auditors of the Company must report directly to the Audit Committee;
- (b) Have the authority to communicate directly with the auditors of the Company;
- (c) Review with the auditors the scope of the audit and the results of the annual audit examination by the auditors and any reports of the auditors with respect to reviews of interim financial statements or other audit, review or attest services. The Audit Committee will be responsible for resolving any disagreements between management and the auditors regarding financial reporting;
- (d) Review information, including written statements, if any, from the auditors concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (e) Review and discuss with management and the auditors the Company’s annual audited financial statements prior to their public disclosure, including a discussion with the auditors of their judgments as to the appropriateness of the Company’s accounting principles.
- (f) Review the Company’s annual and interim financial statements, MD&A and earnings press releases (if any) before the Company publicly discloses this information;
- (g) Review the services to be provided by the auditors to assure that the auditors do not undertake any engagement for services for the Company that would constitute prohibited services under applicable securities laws under the rules of any stock exchange or trading market on which the Company’s shares are listed for trading, or could be viewed as compromising the auditors’ independence. The Audit Committee

must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the auditors;

(h) Review with management and the auditors the results of any significant matters identified as a result of the auditors' interim review procedures prior to the filing of each quarterly financial statements or as soon thereafter as possible;

(i) Review the annual program for the Company's internal audits, if any, and review audit reports submitted by the internal auditing staff, if any;

(j) Periodically review the adequacy of the Company's internal controls over financial reporting;

(k) Review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and make comments on the foregoing to the Board of Directors;

(l) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company;

(m) Periodically review the adequacy of this Audit Committee Charter;

(n) Make reports and recommendations to the Board of Directors within the scope of its functions;

(o) Approve material contracts where the Board of Directors determines that it has a conflict;

(p) Establish procedures for receipt, retention and treatment of complaints received by the Company regarding auditing, internal accounting controls or accounting matters, and establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(q) Where considered necessary by the Audit Committee to carry out its duties, have the authority to engage independent counsel and/or other advisors at the Company's expense upon the terms and conditions, including compensation, determined by the Audit Committee, provided that the expenses incurred in connection with any particular matter may not exceed \$25,000 without the prior approval of the Board;

(r) Satisfy itself that management has put into place procedures that facilitate compliance with the disclosure and financial reporting controls provisions of applicable securities laws, including adequate procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements. The Audit Committee will assess the adequacy of these procedures annually;

(s) Review all loans to officers;

(t) Review and monitor all related party transactions which may be entered into by the Company as required by rules of the stock exchange or trading market upon which the Company's shares are listed for trading; and

(u) Ensure all public disclosure regarding the Audit Committee is made in compliance with applicable stock exchange rules and securities legislation.

2. **Members.** The Board of Directors will appoint an Audit Committee of at least three (3) members, a majority of whom should be "independent" directors of the Board. "Independent" means a director who meets the definition of "independence" under National Instrument 52-110 or any successor policy promulgated by securities regulatory authorities.

All members of the Audit Committee should be "financially literate". An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each appointed member of the Audit Committee shall be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

1. **Meetings.** The Audit Committee will, when expedient, meet to review the Company's quarterly and annual financial statements and MD&A, and will hold special meetings as it deems necessary or appropriate in its judgment. The Audit Committee will endeavour to meet at any time that the auditors indicate that communication to the Audit Committee is required. As it deems appropriate, but not less than once each year, the Audit Committee will meet in private session with the I auditors. The majority of the members of the Audit Committee will constitute a quorum and shall be empowered to act on behalf of the Audit Committee. The members of the Audit Committee will designate one member as chair. Meetings may be held in person or by telephone, and shall be at such times and places as the Audit Committee determines.

Approved by the Board of Directors on May 10, 2011.