

RAINY RIVER RESOURCES LTD.
CODE OF BUSINESS CONDUCT AND ETHICS

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CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Rainy River Resources Ltd. (the "Company") is committed to maintaining the highest standards of ethical conduct, promoting integrity, deterring wrongdoing and complying with applicable laws, rules and regulations. In furtherance of this commitment, the Board of Directors (the "Board") has adopted this Code of Business Conduct and Ethics (the "Code") for all directors, officers, employees and consultants of the Company ("Company Individuals"). The principles set forth in this document describe how Company Individuals should conduct themselves. All Company Individuals are expected to comply with the letter and spirit of this Code.

This Code does not address every expectation or condition regarding proper and ethical business conduct. Accordingly, this Code is intended to serve as a source of guiding principles for Company Individuals. Company Individuals are encouraged to discuss issues about particular circumstances that may be relevant to one or more of the provisions of this Code with their supervisor or the Company's Chief Executive Officer. If Company Individuals are uncomfortable in doing so, they are encouraged to express their concerns in accordance with the procedures set out in the Company's Whistleblower Policy.

The Board encourages the reporting of any behaviour by Company Individuals which violates the Code and the Board will not tolerate retaliation against any person who, in good faith, reports such violations to the Board or the Chairman.

1. Compliance with Code

The Code applies to all Company Individuals, and all Company Individuals are accountable for compliance with the Code. The Board is responsible for updating the Code and monitoring compliance with the Code. Waivers from the Code may only be granted by the Board, with any director involved in the transgression abstaining from voting on any decision made in respect of such waiver.

2. Reporting Violations of the Code

Company Individuals must promptly report violations of this Code in accordance with the Company's Whistleblower Policy. In most cases, Company Individuals should advise a supervisor if a Company Individual believes that he or she has observed a violation of the Code by any Company Individual, or by anyone purporting to be acting on the Company's behalf. Pursuant to the Whistleblower Policy, any such reports may be made anonymously.

The Company will not take or allow any reprisal against any Company Individual who, in good faith, reports a suspected violation of this Code. Any reprisal will, in itself, be a very serious breach of the Code and subject to disciplinary action.

3. Compliance with Laws, Rules and Regulations

The Company requires strict compliance from all Company Individuals with applicable laws, rules and regulations. These include all provincial, federal and other laws, including securities and insider trading laws, and the Company's insider trading compliance policies. Company Individuals must comply with and ensure compliance with all of the laws, rules, and regulations of Canada and other countries wherever the Company conducts business. This Code is not a summary of law and the obligation is on each Company Individual to ensure that the applicable

laws are known to him/her. The Company will provide Company Individuals with guidelines and materials that the Company or its lawyers have prepared on specific laws, rules, and regulations as are necessary to maintain compliance. Any case of non-compliance with an applicable law may subject a Company Individual to disciplinary action. The fact that, in some countries, certain standards of conduct are legally prohibited but are not enforced in practice, or their violation is not subject to public criticism or censure, will not excuse an illegal action by a Company Individual.

4. Conflicts of Interest

Shareholders of the Company expect that business decisions are made in the best interest of the Company. Any situation that creates or appears to create a material conflict of interest must be avoided by a Company Individual. A conflict of interest occurs when a Company Individual's private interests interfere in any way with the interests of the Company or any of its subsidiaries and affiliated Companies, including interests in joint ventures and similar arrangements. If a material conflict of interest arises, the Company Individual involved must disclose the conflict to the Chief Executive, General Counsel or the Board and take prompt action to remedy it. The following are examples of conflicts of interest:

- (a) receiving personal loans or guarantees of obligations as a result of one's position as a Company Individual;
- (b) engaging in conduct or activity or entering into any transaction or agreement that competes with the Company's existing or prospective business or takes advantage of an opportunity which should be offered to the Company first;
- (c) accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and
- (d) accepting gifts, favours, entertainment, or services, other than such minor gifts, etc. as are the practice in the industry.

5. Corporate Opportunity

Except as may be approved by the Board, Company Individuals are prohibited from:

- (a) taking any opportunities that belong to the Company;
- (b) taking any opportunities that are discovered through the use of Company corporate property or information, or that are introduced to the Company Individual in the course of fulfilling his or her duties and obligations to the Company;
- (c) using corporate property, information, or position; or
- (d) entering into agreements or arrangements that are competitive with the Company,

that will benefit themselves personally, or benefit their family, or be to the benefit of persons or entities outside the Company, whether or not it has a material impact on the Company's financial performance.

6. Confidentiality

All Company Individuals must maintain the confidentiality of confidential non-public information entrusted to them by the Company in their capacity as a Company Individual in accordance with the Company's Disclosure, Confidentiality and Insider Trading Policy. "Confidential Information" is all non-public information entrusted to or obtained by a Company Individual by reason of his or her position as a Company Individual. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company, its shareholders, or its customers if disclosed, such as:

- (a) non-public information about the Company's financial condition, detailed sales and profit figures, drill results, assay results, reserve and resource estimates, economic assessments, mine plans and models, new product or marketing prospects or plans, its marketing and sales programs and research and development information, business processes, salary data, employee lists, as well as information relating to mergers and acquisitions, stock splits and divestitures;
- (b) non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners, which the Company is under an obligation to maintain as confidential; and
- (c) non-public information about discussions and deliberations relating to business issues and decisions, between and among Company Individuals.

Company Individuals must keep confidential information strictly confidential, limiting access to those who have a need to know, avoiding discussion of confidential information in public areas such as aeroplanes, elevators, and restaurants and on mobile phones and avoiding inadvertent disclosure of confidential information through the use of laptop computers or other similar electronic devices in public places.

Whenever feasible, Company Individuals should consult an appropriate supervisor if they believe they have a legal obligation to disclose confidential information.

Generally, no Company Individual shall:

- (a) use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and
- (b) disclose Confidential Information outside the Company, either during or after his or her service as a Company Individual, except as required to conduct the Company's business or as may be otherwise required by law.

7. Fair Dealing

All Company Individuals must treat the Company's customers, suppliers, competitors, creditors, directors, officers, and employees fairly and with respect. No Company Individual may take unfair advantage of anyone dealing or involved with the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other

unfair dealing practice. All Company Individuals have the right to pursue their careers at the Company free from harassment and free from discrimination based on any ground prohibited by law, including race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation or age.

8. Protection and Proper Use of Company Assets

All Company Individuals must perform their duties in a manner that protects the Company's assets and resources and ensures their efficient use. Company assets may only be used for legitimate Company business purposes and not for personal benefit or gain. "Assets" include equipment, inventory, supplies and intellectual property.

Examples of prohibited personal use of Company assets are:

- (a) removal of Company property for personal use;
- (b) unauthorized use of Company vehicles, equipment or residences;
- (c) use of Company-paid contractors to perform work at a Company Individual's home;
- (d) unauthorized copying of software, tapes, books, and other legally protected work; and
- (e) misuse of Company information.

All Company Individuals must comply with security procedures in place to protect Company assets.

9. Accuracy of Business Records

Honest and accurate recording and reporting of information is extremely important. Investors rely on the Company to provide accurate information about it and its affiliates and to make responsible business decisions based on reliable records. All books, records and accounts must accurately reflect transactions and events, and all financial records must conform both to generally accepted accounting principles and to the Company's internal control systems. Undisclosed or unrecorded funds or assets are not allowed. No entry may be made that intentionally hides or disguises the true nature of any transaction.

10. Accounting and Auditing

The Audit Committee of the Board is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Company Individuals who have concerns or complaints regarding such matters must promptly submit those concerns or complaints in accordance with the Company's Whistleblower Policy. The Whistleblower Policy also applies to concerns and complaints about matters unrelated to auditing and accounting.

11. Competitive Information

Information about competitors, customers and suppliers is a valuable asset in the competitive markets in which the Company operates. The Company will obtain this information legally. Theft of proprietary information, inducing disclosures by a competitor's past or present employees and any actions that could create an appearance of an improper agreement in respect of

competitors is prohibited. Any Company Individual who is authorized to retain a consultant to gather competitive information must take steps to ensure that the consultant adheres to these policies. When in doubt about the propriety of any information-gathering technique or about whether a competitor, supplier, or other external contact has provided confidential information, a Company Individual should contact an appropriate supervisor, the Chief Executive Officer or General Counsel.

12. Amendment

This Code may be amended by the Company's Board, subject to the disclosure and other provisions of applicable corporate securities legislation and regulations and stock exchange policies.

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