

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Rain City Resources Inc. (the "Issuer").

Trading Symbol: RAIN

Number of Outstanding Listed Securities: 82,826,415

Date: June 5, 2026

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Rain City Resources Inc. is a Canadian public company focused on advancing next-generation Direct Lithium Extraction technologies and building strategic development

pathways across the Lithium Triangle and other high-potential jurisdictions. The Company is committed to supporting more efficient, scalable and sustainable lithium production through technical innovation, disciplined execution and regional partnerships. The Company is a party to a joint venture agreement with Lithium Argentina Investments SA ("Lithium Argentina") to pursue DLE-related opportunities in Argentina, although no operations under that joint venture had commenced as at May 31, 2026. In April 2026, the Company entered into a non-binding term sheet with Ion Source LLC ("Ion Source"), a Texas-based water-purification technology company, providing for a 90-day exclusivity period to negotiate definitive agreements for a proposed collaboration on direct lithium extraction, critical mineral recovery and water-purification technologies, including joint technology development and exclusive licensing rights for the Company in South America. The Company also holds a 7.5% ownership interest in Avonlea Lithium Corporation ("Avonlea"). Avonlea is a Canadian company based in Calgary, Alberta, that has developed a new, proprietary and innovative approach to direct lithium extraction called "Advanced Chemical & Cavitation Extraction of Lithium" ("ACCELI"). During the month, the Company entered into a memorandum of understanding with Yacimientos de Litio Bolivianos ("YLB") and a Memorandum of Agreement with Fundación Fraunhofer Chile Research, each described under "New business relationships" below.

2. Provide a general overview and discussion of the activities of management.

During the month of May 2026, management's activities consisted of:

- general management and administrative matters.
- the Company continued to work on additional financing for general working capital.
- During the month, the Company entered into a memorandum of understanding with Yacimientos de Litio Bolivianos ("YLB") and a Memorandum of Agreement with Fundación Fraunhofer Chile Research, each described under "New business relationships" below.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

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5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Company entered into a Memorandum of Agreement ("MoA") with Fundación Fraunhofer Chile Research, part of the broader Fraunhofer network. Under the MoA, the Company and Fraunhofer Chile will establish a framework for collaboration in technology validation, process optimization, pilot development, renewable energy integration, circular economy solutions, sustainability assessment and broader project execution related to advanced lithium extraction and processing, with a focus on Argentina, Bolivia and Chile. The MoA also provides for project-specific agreements, feasibility studies, technical exchanges, coordinated oversight and potential funding initiatives tied to future collaborative programs, and contemplates pilot installations, prototype testing and commercial demonstration projects, together with an International Joint Steering Committee to oversee implementation. The parties have committed to move toward binding project agreements within a defined post-signing implementation period. As at the date of this report, no definitive commercial agreements or material financial commitments had been finalized under the arrangement.

Further, the Company entered into a Memorandum of Understanding ("MOU") with Yacimientos de Litio Bolivianos ("YLB"), Bolivia's state lithium company, establishing a framework for the evaluation of Bolivian brines and laboratory-scale research related to the Company's direct lithium extraction ("DLE") platform. Under the MOU, the parties will advance a structured research process that includes a formal proposal, technical coordination, periodic reporting and a joint Technical Coordination Commission to oversee progress and evaluation. The MOU does not grant concession rights, resource ownership or a commercial production agreement.

6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from, or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

7. Describe the acquisition of new customers or loss of customers.

None

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None

10. Report on any labour disputes and resolutions of those disputes if applicable.

None

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

13. Provide details of any securities issued and options or warrants granted.

None

14. Provide details of any loans to or by Related Persons.

No additional loans from Related Persons in the current month.

15. Provide details of any changes in directors, officers or committee members.

None

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer's business involves certain risks and uncertainties that are inherent to the Issuer's industry. For disclosure on risks related to an investment in the Issuer, please refer to the Issuer's most recent Management's Discussion and Analysis under the titles "FINANCIAL INSTRUMENTS AND RISK", which is available on SEDAR at www.sedar.com.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: June 5, 2026

Benjamin Hill

Name of Director or Senior Officer

"Benjamin Hill"

Signature

Director and CEO

Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer		YY/MM/DD
Rain City Resources Inc.	May 2026	2026/06/05
Issuer Address		
145-251 Midpark Blvd SE		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Calgary, Alberta T2X 1S3	N/A	403-693-8004
Contact Name	Contact Position	Contact Telephone No.
Benjamin Hill	CEO	403-693-8004
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