

Rainy River Resources (RR-TSXV C\$4.83)

Recommendation: Buy

Catherine Gignac (416) 847-2790; cgignac@wwcm.com

Ovais Habib (416) 847-3406; ohabib@wwcm.com



All values in C\$ unless otherwise noted.

Current Price	\$4.83
Target Price (12-Month)	\$7.00
Target Return	45%

Changes

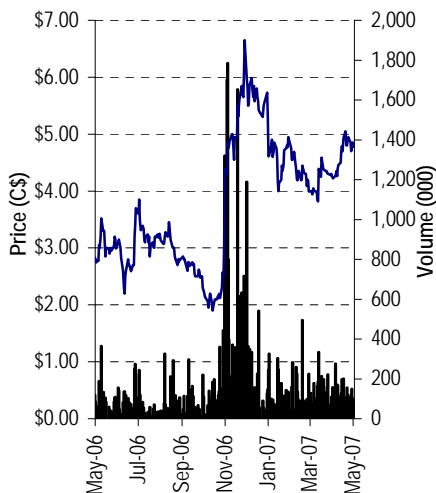
	Old	New
Recomm.	N/A	Buy
Target	N/A	\$7.00

Company Profile

Rainy River Resources is a junior explorer active in northwestern Ontario. An initial resource estimate is pending for the shallow gold-rich zones on the Company's very large property; host to several other precious and base metal rich zones, which have received minimal testing to-date. Three drill rigs are testing strike and depth extensions of the main gold zones, plus parallel and nearby base metal zones.

www.rainyriverresources.com

Price Chart



Source: PC Quote.

Gold-Rich Mining Camp Emerging; Initiating Coverage with \$7.00 Target Price

- Initial inferred resource estimate anticipated shortly.**
 Results from the recent comprehensive drilling program, focused mainly on 800 m or 27% of the known gold trend, are expected to be incorporated.
- Three drill rigs active; good potential to expand mineralization.**
 Concurrent exploration is focused on extending the mineralized zone to the west, east and at depth, plus depth-testing parallel and adjacent zones.
- Advanced exploration in new gold-rich polymetallic mining camp.**
 Well-located with good infrastructure, access and labour pool in a mining friendly province, thus providing year-round exploration programs.
- Buy recommendation with target price of \$7.00 per share.**
 Junior explorer, valuation based on near-term potential for 2 M oz gold at US\$150/oz; potential for resource expansion and market re-rating.

Financial Summary

Shares Out (mill)	47.4	52-Week Range	\$1.89 - \$6.70
Market Cap (mill)	\$229.2	Avg Weekly Volume	793,215
Shares (FD mill)	51.6	Fiscal Year End	Sep-30
Working Capital (mill)	\$12.4	EV/Share	\$4.57

Key Properties:	Status:
Rainy River, Ontario	Initial Rainy River resource estimate expected shortly.
	Comprehensive drilling programs identified the 17 Gold Trend which extends at least 3 km, with most drilling within 800 metres strike.
	Other zones identified include the Beaver Pond, 433 and West Zones.
	34 Zone hosts small lens of nickel, copper, platinum, palladium.
	Off-Lake area, 20 km to NE, with gold, silver, zinc, copper showings.

Key Management:	Key Shareholders (Est. Holding):
Nelson Baker	President, CEO
Wally Rayner	Project Manager
Brad Baker	Investor Relations
	Officers/Directors (9.8%)

Source: Wellington West Capital Markets.

Please see disclaimers at the end of this report.

INVESTMENT SUMMARY

Rainy River Resources has a pending initial resource estimate and three drill rigs active on the Rainy River Project in northwestern Ontario. The first resource estimate from the Company is anticipated within the month, which will give an independent qualification and confirmation of the aggressive drilling programs that have been underway since 2005. Based on preliminary indications of the lateral and depth extent of drilling of the 17 Gold Trend, we believe **2.0 million ounces gold** could be outlined in resource, likely in the inferred category. This covers **only 27% of the known gold trend, and 30% of the tested depth extent, and excludes limited drill-testing of parallel zones, plus nickel, copper, zinc and silver mineralization** which occurs in proximity to the gold-rich zones. With only a small portion of the prospective land package drill-tested, including several large untested geophysical anomalies, we believe the geology suggests this could be a new mining camp with large-scale potential.

Large-scale potential plus higher relative market valuations- we rate the shares Buy with a one-year target price of \$7.00 per share.. There is a good opportunity for a market re-rating as visibility increases and higher market multiples are accorded companies active in mining-friendly regions. The excellent property access should expedite resource delineation.

INVESTMENT POSITIVES

Continuous drilling program. The initial resource estimate to be reported shortly by Rainy River will give an indication of the size of the gold-rich zone comprised of the 17 zone and the ODM zone. It will exclude parallel zones such as Beaver Pond, 433 and 34, the latter two of which also host base metal and platinum group metal mineralization. There is a good opportunity to expand the gold mineralization into untested areas west, east and at depth.

Excellent infrastructure and access. The northwestern Ontario location provides a local labour pool, highway and paved road access into the property, and the advantage of a mining-friendly province, which should assist the permitting process as the project is advanced.

Geological management. Management possesses an extensive depth of technical experience, including the use of consultants with particular expertise in glaciology, volcanology, structural geology, drilling and geophysical programs.

INVESTMENT RISKS

Relatively unknown exploration company. As a junior explorer with limited investor relations and promotional ability, the Company is relatively unknown in the market. The competitive nature of the industry, particularly at this point in the cycle, requires high relative visibility to investors and analysts.

No region is completely risk-free. The only new mine currently being developed in Ontario is De Beers Canada's Victor diamond mine in northern Ontario (fourth diamond mine in Canada and the first in Ontario). The \$1 billion

mine is in construction, and scheduled for start-up in the first half of 2008. Suddenly in March, the Ontario government announced a proposed royalty on diamond mining. There is no reason why a royalty would replace typical corporate taxes for gold mines, but the sudden announcement creates uncertainty.

Non-operating expertise. The Rainy River team and their consultants have excellent geological experience and expertise. However, as the project is advanced through the feasibility stage, we believe that management will need to bring in additional skill and/or a joint venture partner with operating knowledge. We argue this somewhat restricts the options open to the Company in the future.

VALUATION SUMMARY

Junior gold exploration valuation.

We estimate Rainy River valuation between \$5.45 and \$10.16 per share-initiating with one-year target price of \$7.00 per share and a Buy rating. Rainy River is a junior gold explorer that currently does not generate revenues. The valuation methods used herein focus on the Company's ability to deliver an initial inferred resource in the near-term, with the added potential to substantially expand the mineralization over time. Further upside exists in drilling and delineating the nickel, copper and platinum mineralized zones on the large prospective land package. Due to the lack of production expertise within the Company, we anticipate that an experienced operating partner could be appropriate to joint venture or acquire an interest in the Rainy River Project as the Project advances to the feasibility stage. We use three methods to determine a range of values for the Rainy River Project:

- Resource multiple applied to potential resource - \$5.45 per share;
- Average value of comparable companies - \$10.16 per share.
- Comparable transactions (current resource) - \$7.43 per share;

Exhibit 1: Blended Valuation Drives \$7.00 Target

	Est. Resource (000 oz)	Mkt. Multiple (US\$/oz)	Potential Market Value		
			(US\$000)	(C\$ 000)	(C\$/sh)
(1) Potential Rainy River Resource	2,000	U\$75 U\$150	U\$150,000 U\$300,000	\$172,414 \$344,828	\$3.63 \$7.27
(2) Comparable Transactions	2,000	U\$153	U\$306,653	\$352,474	\$7.43
(3) Comparable Companies			U\$419,408	\$482,078	\$10.16
Average				\$337,948	\$7.12

Source: WWCM Estimates.

RAINY RIVER PROJECT, ONTARIO

Rainy River Resources is delineating a major gold-rich deposit with good upside for discovery of new zones. The 17 Gold Trend extends over 3 km with additional proximal gold and base metal mineralized zones. The Company acquired the project in the Rainy River district in 2005. An independent technical report dated April 2005 is filed on SEDAR (www.sedar.com), with recommendations for Rainy River’s first phase of exploration. Three drill rigs have been steadily active since January 2006, and Rainy River’s first resource estimate is due shortly. Encouraging results to-date have led management to budget about \$7.5 million for this year’s exploration program.

The Rainy River project area covers over 26,000 ha and is developing into what could be a major new mining camp. The property is well-located off the Trans Canada Highway, approximately 50 km west of Fort Frances and 390 km west of Thunder Bay. The region is directly north of the U.S. state of Minnesota.

Exhibit 2: Rainy River Project Location Map



Source: Rainy River Resources.

Historical Exploration

Relatively recent discovery. There is very little outcrop or bedrock occurring at surface for mapping and sampling. Thus it was a “blind” discovery, made in the late 1980’s, subsequent to a regional study commissioned by the Ontario Geological Survey. The glacial till study was designed to identify potentially economic deposits below covers of waste overburden. It successfully targeted an area over 6 km², which was anomalous for gold.

Previous owner discovered three gold and nickel mineralized zones. Nuinsco Resources (NWI-T) consolidated a large land package and spent over \$11 million exploring the property. Nuinsco used mainly cost-effective reverse circulation drilling as an exploration tool, and was successful in identifying three zones of gold and nickel-rich mineralization. Nuinsco’s wide-spaced drilling culminated in an internal estimation of mineralization in May 2004. The indicated resource for the 17 Main Zone at that time was 1.736 million tonnes grading 1.558 g/t gold, 0.03% copper, 0.21% zinc and 4.0 g/t silver and inferred resources totaled 11.025 million tonnes grading 1.329 g/t gold, 0.15% copper, 0.20% zinc and 3.60 g/t silver. Metallurgical sampling indicated free milling gold with recoveries averaging 93%. Nuinsco’s strategy, however, was a nickel focus, resulting in the sale of the property, and technical database, to Rainy River Resources in 2005.

2005-2007 exploration drilling program. Rainy River followed-up Nuinsco’s work with about 100 wide-spaced, shallow reverse circulation holes, identifying three more zones of gold and base metal mineralization. Seventeen core holes were drilled in late 2005. A second rig was added for step-out drilling in Jan. 2006, and a third rig started in June to test the downdip and downplunge extensions to the shallow mineralization. Most drilling is above 300 metres, at 30 metre spacings, often returning multiple intersections of gold in any one hole, indicating possible parallel zones, requiring further testing. The gold-rich deposit also has silver, nickel, copper, zinc, platinum and palladium metal occurrences.

Mineralization open in all directions. Over 150 diamond drill holes (plus over 100 reverse circulation holes) have been drilled by Rainy River in the last 2.5 years. Approximate true width drill intersections and the composite gold grades have varied from low grade, large widths to high grades over narrow widths. As shown in Exhibit 3, the margins of the main drilling area have returned excellent results that require follow-up drilling, especially west, east and at depth.

Exhibit 3: Selected Drill Hole Intersections

<i>Western Extension</i>					
Hole	From (m)	To (m)	Metres	Gold (g/t)	Within Hole
NR-06-119	446.00	450.50	4.50	4.36	5 zones
NR-06-133	271.00	335.50	64.50	1.34	3 zones
NR-06-138	294.50	299.00	4.50	22.64	2 zones
<i>Eastern Extension</i>					
Hole	From (m)	To (m)	Metres	Gold (g/t)	
NR-06-136	452.00	464.00	12.00	7.16	3 zones
NR-06-137	405.50	411.50	6.00	7.07	1 zone
<i>Deepest Intersection</i>					
Hole	From (m)	To (m)	Metres	Gold (g/t)	
NR-06-121	1,355.70	1,360.00	4.30	8.02	4 zones

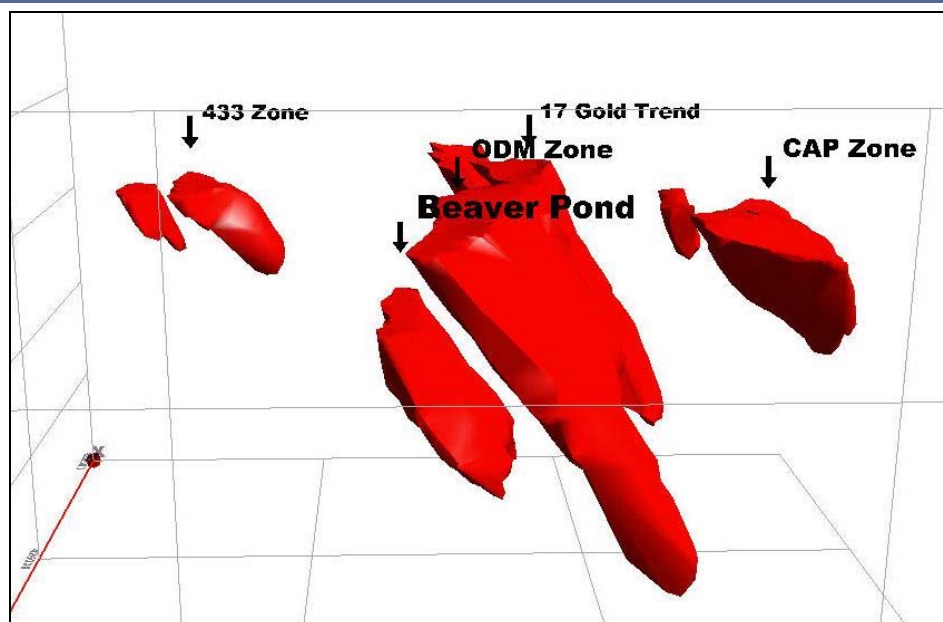
Source: Rainy River Resources.

17 Gold Trend

The 17 Gold Trend extends for 3 km, and is comprised of multiple zones of gold mineralization dipping at about 55° to the south and plunging to the southwest. From east to west the zones are identified as the 17 Main Zone, ODM Zone, Beaver Pond Zone and the West Zone. Most work has concentrated on 800 metres across the **17 Main Zone and the ODM Zone**.

The **West Zone** has had limited drilling, but a second parallel zone was intersected, as shown in the foreground of the central cluster of mineralized areas in the following Exhibit. Thus this area 1.8 km west of the ODM Zone needs to be further drilled. The **433 Zone** has been tested with 17 drill holes, and consists of relatively narrower, high-grade gold and copper mineralization, located 500 metres north of the 17 Gold Trend. The downdip and downplunge extensions to the 17 Gold Trend mineralization need to be drilled.

Exhibit 4: Cross Section View Looking East



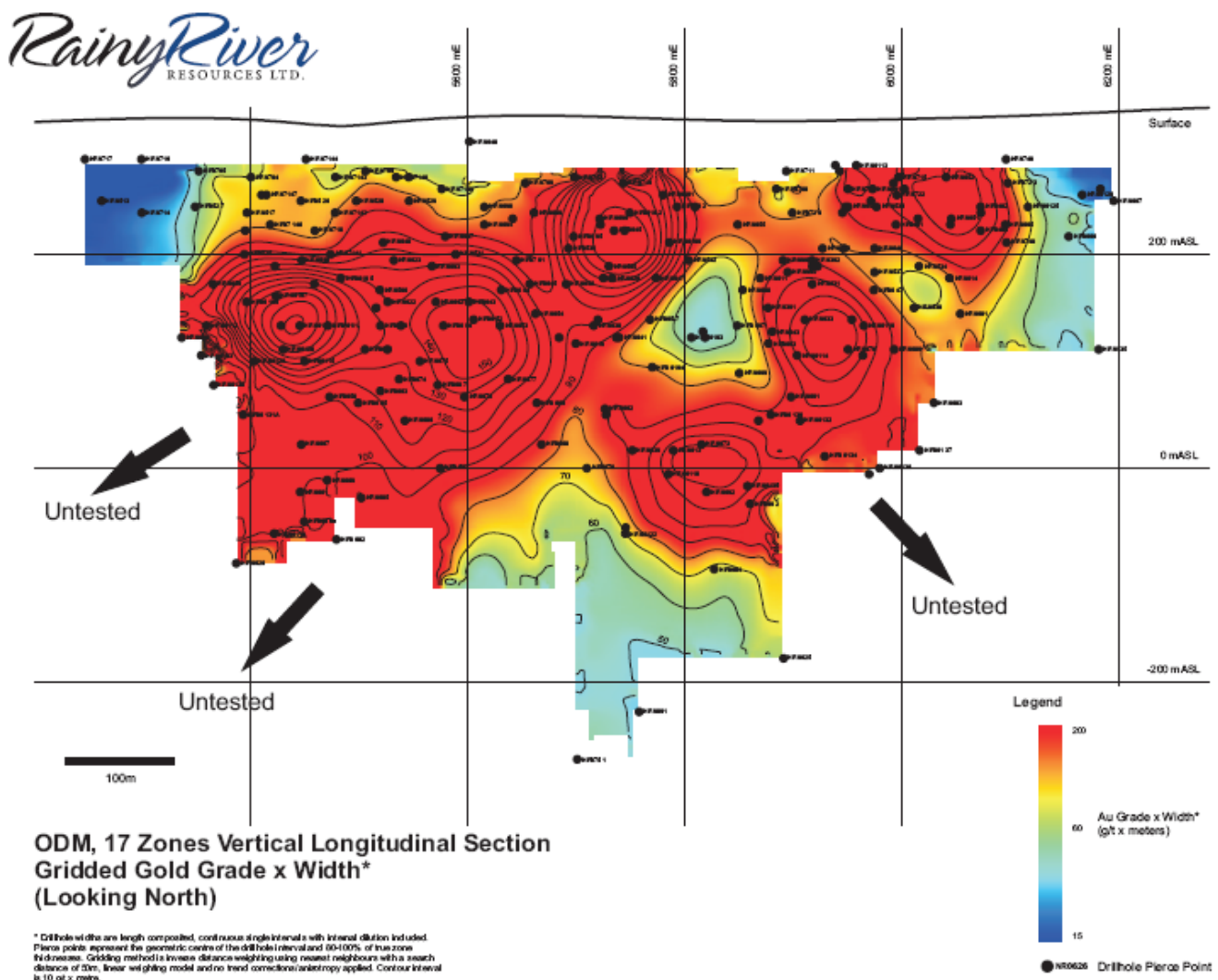
Source: Rainy River Resources.

Drilling and resource estimate focus on ODM and 17 Main Zone. Most of Rainy River's drilling has focused on the high grade, and wider ODM Zone and the 17 Main Zone, shown across 800 metres in longitudinal section in Exhibit 5. The furthest left vertical line (5400 E) on Exhibit 5 is reproduced in Exhibit 6 as a cross section through the ODM Zone. Rainy River's initial resource estimate is expected shortly.

Two million ounce near-term estimate. We believe the ODM and 17 Main Zones could host an initial inferred resource estimate of two million ounces of gold. This is based on 800 metre strike length, 300 metres depth, averaging widths of 20-30 metres and average grades of 4.5 g/t for the 17 Main Zone and 6.5 g/t for the ODM Zone.

There is excellent potential to expand the size of this emerging new mining district. Most of the highest values are at the limits of drilling, indicating step-out drilling to the west and east should expand the mineralization. Coloured contours on the longitudinal section indicate composite gold grades and drill intersection widths, with the highest values shown in red. See Exhibit 3 for some of the results at the margins of this drilling area. Rainy River is drilling at 60 metre spacings, 1.8 km towards the West Zone, and will extend its drilling at the eastern edge of the 17 Zone and in the 433 Zone area. Gold mineralization was returned at 1,000 metres depth, or three times the depth of most of the drilling to-date. In addition, several parallel zones of mineralization (433, West) have not been tested at depth.

Exhibit 5: Longitudinal Section of ODM Zone and 17 Main Zone



Source: Rainy River Resources.

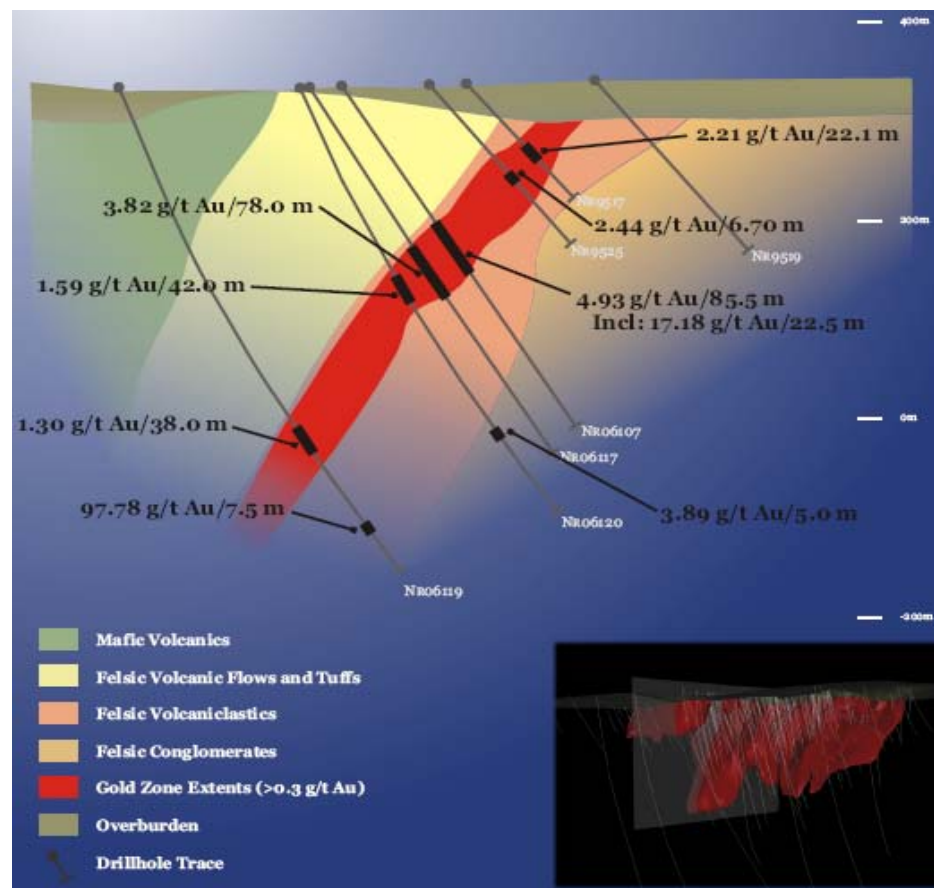
34 Zone

Source of nickel-copper mineralization to be sought. The 34 Zone contains nickel and copper mineralization and is located on the eastern edge of the 17 Main Zone. A historical internal resource estimate consisted of 100,000 tonnes grading 2.0 g/t gold, 1.9% copper, 2.0% nickel, 21 g/t silver, 2.50 g/t platinum and 6.0 g/t palladium. Using current metal prices, we estimate the value at over US\$445/tonne. This style of high-value, polymetallic, ultramafic mineralization is unlikely to be isolated, thus additional drilling could identify a much larger deposit and/or the source of this mineralization. Management is expected to drill-test the area around drill hole NR-06-73, which encountered similar types of host rocks at the top of the hole, which could indicate the upper extent of the 34 Zone.

Off-Lake Zone

New mineralized volcanic centre to be tested. Located 20 km northeast of the main exploration area and is considered a possible new mineralized volcanic centre with gold, silver, zinc and copper mineralization. Rainy River recently added to its land holdings, and plans an initial six holes in this Off Lake area.

Exhibit 6: ODM Zone – 5400E Cross Section (Looking West)



Source: Rainy River Resources.

GOLD-RICH VMS DEPOSITS

Rainy River gold-rich VMS deposits. The Rainy River district consists of Archean-aged volcanics and sediments, which have been deformed, altered and intruded with later volcanic activity. This type of deposit is referred to as a gold-rich volcanogenic massive sulphide (VMS).

Gold-rich VMS deposits are relatively rare, occurring in less than 1% of all types of gold deposits. The Rainy River system can be considered an “epithermal high sulphidation” deposit. Epithermal deposits are associated with shallow volcanic intrusions. The magmas created at the time of the eruptions are under high temperature and pressure, and carry gold. As the fluids cool and rise through breaks in the earth’s crust, they mix with surface waters, causing chemical alteration of the surrounding rocks. Metals and sulphides are typically precipitated across a wide area, thus usually creating large, low-grade deposits.

Low-grade, large tonnage, multi-million ounce. Current reserves for selected comparable mines and deposits are listed in Exhibit 7. The average deposit contains 6.74 million ounces of gold, within a range of 0.6-18.0 million ounces. There is also a considerable range in tonnage, partly as historical production and additional resources are excluded from these figures. The gold reserve grade herein averages 2.7 g/t within a broad range of 1.0-6.4 g/t. All of the deposits are economic mines, or have a good likelihood to be developed in the case of Pueblo Viejo and Angostura. A close comparable to Rainy River may well be the LaRonde, LaRonde Deep, Bousquet, Doyon and Mouska deposits in proximity to the Cadillac regional fault in Quebec, which collectively have a current reserve totaling 5.7 million ounces. Grades are shown for additional metals occurring within the same deposits, including silver, copper and zinc.

Exhibit 7: Proven & Probable Reserves of Selected Gold-rich VMS Deposits

Mine	Location	Owner	Tonnes (mill)	Gold (g/t)	Gold Oz (mill)	Silver (g/t)	Copper (%)	Zinc (%)
Pueblo Viejo	Dom. Rep.	Barrick Gold/Goldcorp	179.3	3.14	18.0	18.13	0.10%	0.69%
Yanacocha	Peru	Newmont/Buenaventura	533.1	1.02	17.4	--	--	--
Pascua/Lama	Chile/Argentina	Barrick Gold	355.0	1.47	16.9	60.03	0.07%	--
Lagunas Norte	Peru	Barrick Gold	186.7	1.47	8.8	3.41	--	--
Angostura*	Colombia	Greystar Resources	173.4	1.33	7.4	6.00	--	--
LaRonde Deep	Quebec	Agnico-Eagle	19.9	5.99	3.8	21.73	0.31%	0.79%
Chelopech	Bulgaria	Dundee Prec. Metals	21.7	3.60	2.5	--	1.40%	--
Mulatos	Mexico	Alamos Gold	39.7	1.61	2.1	--	--	--
LaRonde	Quebec	Agnico-Eagle	15.8	2.61	1.3	69.93	0.32%	3.63%
Pierina	Peru	Barrick Gold	29.6	1.26	1.2	5.80	--	--
El Sauzal	Mexico	Goldcorp	13.7	2.11	0.9	--	--	--
Doyon/Mouska	Quebec	IAMGOLD	2.8	6.40	0.6	--	--	--
Average			130.9	2.67	6.74			

Source: Company Reports, Wellington West Capital Markets; * Indicated Resource.

VALUATION

Junior gold exploration valuation.

We estimate Rainy River valuation between **\$5.45 and \$10.16 per share-initiating with one-year target price of \$7.00 per share and a Buy rating.** Rainy River is a junior gold explorer that currently does not generate revenues. The valuation methods used herein focus on the Company's ability to deliver an initial inferred resource in the near-term, with the added potential to substantially expand the mineralization over time. Further upside exists in drilling and delineating the nickel, copper and platinum mineralized zones on the large prospective land package. Due to the lack of production expertise within the Company, we anticipate that an experienced operating partner could be appropriate to joint venture or acquire an interest in the Rainy River Project as the Project advances to the feasibility stage. We use three methods to determine a range of values for the Rainy River Project:

- Resource multiple applied to potential resource - **\$5.45 per share;**
- Average value of comparable companies - **\$10.16 per share.**
- Comparable transactions (current resource) - **\$7.43 per share.**

Source: Blended Valuation

	Est. Resource (000 oz)	Mkt. Multiple (US\$/oz)	Potential Market Value		
			(US\$000)	(C\$ 000)	(C\$/sh)
(1) Potential Rainy River Resource	2,000	US\$75	US\$150,000	\$172,414	\$3.63
		US\$150	US\$300,000	\$344,828	\$7.27
(2) Comparable Transactions	2,000	US\$153	US\$306,653	\$352,474	\$7.43
(3) Comparable Companies			US\$419,408	\$482,078	\$10.16
Average				\$337,948	\$7.12

Source: WWCM Estimates.

Resource Market Multiple Implies Average \$5.45/share Trading Value

Low political risk in Canada and the U.S. There are several advanced-stage producers and explorers active in what is now considered mining-friendly regions such as the U.S. and Canada. Selected companies with mainly all of their valuation derived from one key asset are listed in **Exhibit 8**. We believe Rainy River could outline a resource of at least 2.0 million ounces, with expansion opportunities over time. Applying multiples of **US\$75-\$150/oz** to this estimate implies a potential trading value for Rainy River of \$3.63-\$7.27, averaging **\$5.45** per share.

Comparable Company EV Implies Average \$10.16/share Trading Value

The average comparable enterprise value of US\$419 million (Exhibit 8) applied to Rainy River gives trading value of \$10.16/share. Based on reported measured, indicated and inferred resources, the average market value is US\$157/oz mineralization, ranging from US\$55-\$318/oz. Presuming this is representative of what the market will pay for an advanced-stage project, Rainy River shares appear significantly undervalued relative to their longer term potential.

Exhibit 8: Comparable Resource Market Multiples

	Symbol	Price (C\$)	Mineralization* (000 Oz)	Enterprise Value (US\$ 000)	EV/ Mineraliz. (US/oz)
Miramar Mining	MAE.T	\$4.82	8,854	\$782,129	\$88
Aurizon Mines Ltd.	ARZ.T	\$3.86	2,997	\$556,986	\$186
Cumberland Resources	CLG.T	\$7.34	1,432	\$455,293	\$318
Western Goldfields Inc.	WGI.T	\$2.12	1,406	\$193,522	\$138
Queenstake Resources	QRL.T	\$0.19	1,967	\$109,109	\$55
Rainy River Resources	RR.V	\$4.83	--	\$95,032	
Average W/O Rainy River Resc.			3,331	\$419,408	\$157

Source: PC Quote, Company Reports; * resource refers to total reported mineralization.

Two takeovers, three pre-production. Both Cumberland Resources (CLG-T) and Queenstake Resources (QRL-T) are the subject of friendly takeover offers, which should close shortly. Aurizon Mines (ARZ-T) is a new producer, expecting to declare steady-state production at its Casa Beradi underground mine in Quebec in coming months. Western Goldfields (WGI-T) is developing its Mesquite open pit mine in California for start-up mid-2008, and Miramar Mining (MAE-T) is advancing its northern Canadian project for start-up later in 2008.

Comparable Transactions Support the Estimated \$7.43 Trading Value

The friendly acquisition of **Cumberland Resources** is virtually completed by Agnico-Eagle Mines (AEM-T). The transaction was initiated in February 2007 and to-date is over 81% complete. Agnico-Eagle will take up the remaining outstanding shares to acquire control of the Meadowbank gold project in Nunavut, which contains proven and probable reserves of 21.32 million tonnes grading 4.2 g/t or 2.89 million ounces. There is significant potential to expand the resources in, around and below the delineated open pits, thus an advanced exploration program is planned for this year. Production is forecast to commence in 2010. The value of the transaction is based on 14.4 million new Agnico shares issued and the trading range since the announcement of \$39.00-\$47.00/share. This leads to an enterprise value for Cumberland of **US\$123-\$158/oz reserve**.

Queenstake Resources received an offer to be acquired in a friendly transaction by YGC Resources (YGC-T) in March 2007. Queenstake owns the established Jerritt Canyon underground gold mine in Nevada, which has been challenged to control costs in recent years. The mine has produced over 7.5 million ounces in

its 25-year history. In an underground operation, it is usually not cost-effective to outline substantial reserves in advance of mining, thus measured and indicated resources are a better indication of mineralization. Measured and indicated resources total 1,907,000 oz and include proven and probable reserves of 485,700 oz. The value of the Queenstake transaction is based on 62.9 million new YGC shares to be issued (on a ratio of 10-for-1). At a current price of C\$1.95, this leads to an enterprise value US\$143.7 million, or **US\$75/oz measured and indicated resource**.

The Tasiast gold project in Mauritania is being sold to Red Back Mining (RBI-T) by an associated company, Lundin Mining (LUN-T). The latter is acquiring the Tasiast project via the friendly corporate takeover of Rio Narcea Gold Mines (RNG-T) and is in turn selling the project to Red Back. The acquisition price is valued at US\$267.50 million in cash (84%) and project debt (16%). Proven and probable reserves total 1,040,000 oz grading 2.7 g/t for this planned open pit mine in western Mauritania. Production start-up is targeted for mid-2007 with their first mine in this large prospective new mining district. The value of Red Back's acquisition of the project is **US\$257/oz reserve**. The higher relative value appears to be mainly due to the near-term production start-up.

The average of these transactions is US\$153/oz, within a range of US\$75-\$257/oz. The multiples are in line with other North American companies' current valuations. Applying this market multiple to our estimate of 2.0 million ounces implies a potential market value of **\$7.43/share**.

Selected Junior "New Discoveries"

Multi-million ounce potential. The following Exhibit shows four selected comparable junior gold explorers active in interesting geological terrains that appear to have the potential to host multi-million ounce deposits. The market values range from \$83 million to over \$1 billion. The companies are generally at the same stage, preparing to report initial resource estimates. Inter-Citic Minerals (ICI-T) recently announced a preliminary resource of 1.8 million ounces at their Dachang project in China, which will be further updated after this year's drilling program, now underway.

Senior company "proxies" with relatively high market valuations. The associated senior companies listed with the selected juniors are active in the same general areas. The highest market valuation (US\$450/oz enterprise value to reserve ounce) is attributed to Goldcorp (G-T) which has all of the eleven mines and projects in North and South America – perceived mining-friendly regions, plus being the largest company – size garners market value. The lowest market valuation (US\$84/oz) is attributed to Gabriel Resources (GBU-T), which has one asset located in Romania, plus is the smallest by market capitalization, and is not yet in production.

Higher market value for mining-friendly regions and market visibility. Applying these observations of the senior companies to Rainy River, implies the Company has the opportunity to command higher market valuations due to their project location. The Company could also benefit from broadening their management/board and/or bringing in a senior company in a joint venture. A

listing on the senior TSX exchange would also be advantageous to improve their market visibility.

Exhibit 9: Selected Comparable “New Discoveries” and Senior Company “Proxies”

	Rainy River Resources (RR-T)	Inter-Citic Minerals (ICI-T)	Aurelian Resources (ARU-T)	U.S. Gold (UXE-T)	Carpathian Gold (CPN-T)
Project	Rainy River	Dachang	Condor	Tonkin Springs	Rovina/Colnic
Location	Ontario	China	Ecuador	Nevada	Romania
Price (C\$)	\$4.83	\$1.35	\$34.20	\$6.65	\$1.30
Shares (mill)	47.4	62.7	33.3	50.0	122.0
Mkt. Cap. (mill)	\$229.2	\$84.7	\$1,138.2	\$332.5	\$158.6
Initial Resource		Mar-07	Jun-07	--	Jun-07
Tonnes (mill)	--	14.8	--	--	--
Grade (g/t)	--	3.71	--	--	--
Ounces (mill)	--	1.8	--	--	--
2007 Program (mill)	U\$8	U\$6	U\$15	U\$10	U\$12
"Local Senior Proxies"					
	Goldcorp (G-T)	Eldorado Gold (ELD-T)	IAMGOLD (IMG-T)	Newmont Mining (NEM-N)	Gabriel Resc. (GBU-T)
Price (C\$)	\$27.60	\$6.12	\$7.78	U\$41.97	\$4.10
Shares (mill)	705.3	340.7	319.7	453.5	253.2
Mkt. Cap. (mill)	\$19,466.2	\$2,084.8	\$2,487.2	U\$19,035.3	\$1,038.3
Project	Ont. Mines	TJS Mine	Quimsacocha	NV Mines	Rosia Montana
Location	Ontario	China	Ecuador	Nevada	Romania
Resv/Resc Oz (mill)	8.2	1.2	3.4	33.3	10.6
% Co. Total	21%	13%	21%	36%	100%
Total EV (US\$/oz)	U\$448	U\$291	U\$254	U\$212	U\$74
Location of Other Mines/Projects	North and South America	Turkey, Brazil	West Africa, Ont. Quebec, S. Amer.	Global	--

Source: Company Reports, Wellington West Capital Markets Estimates.

CORPORATE AND FINANCIAL

Rainy River has focused on advancing their key project since 2005. In June 2005, Rainy River closed on their agreement with Nuinsco Resources (NWI-T) to acquire 100% of the Rainy River property package. The transaction was a major change for the Company, requiring shareholder and regulatory approvals and involved a four-for-one stock split and name change. The total consideration was valued at \$3.85 million incorporating cash installments (totaling \$1.75 million, now paid), 2.2 million shares, 6.4 million units (1 share and 1 warrants), 1.5 million stock options and a finder's fee. Rainy River will also pay a production bonus of \$2.5 million, plus \$1/tonne ore paid quarterly from mine revenues. To the end of 2006, Rainy River expended \$6.6 million (Sept) in exploration costs.

The Company has successfully raised \$15.3 million in private placements since September 2005. There are about 4.1 million options outstanding, at an average exercise price of \$1.81, which could bring in an additional \$7.5 million to the Company.

We believe Rainy River has a solid financial footing. Rainy River has approximately \$12.4 million in working capital, no long term debt, and an enterprise value of \$215.3 million or \$4.54 per share. Rainy River is sufficiently financed for its planned budget of \$7.5 million for the current year. However, based on results, the Company will likely require additional funds for future programs. These may be sourced through equity placements and/or through industry participation through option or joint venture.

Technical ability and consultants. Rainy River has a technically “heavy” list of officers and directors. The Company makes extensive use of independent consultants covering areas of glaciology, volcanology, structural geology, drill supervision and database management to augment and maximize its advance its projects.

Officers and Directors (Date Appointed Director)

Charles Raymond, Chairman, CEO (1994): Mr. Raymond has over 30 years of senior management and venture capital experience in various industries. Mr. Raymond has been the President of CMR Capital Corp. since 1993.

Nelson Baker, President, Director (2005): Professional engineer, President of Nelson W. Baker Geological Services Ltd., since 1984. He possesses over 40 years of successful experience in all aspects of mineral exploration and development in Canada and internationally. Mr. Raymond now actively serves on the board of Opal Energy Inc., Temex Resources Corp., and RPT Uranium Corp.

Leo Berezan, Director (1998): Land management and real estate developer, Director of R.M. Berezan & Sons Ltd. Director Gallery of History Ltd.

Stuart Averill, Director, (2005): Glaciology Geological Consultant, previously President Overburden Drilling Management Ltd., since 1974. Mr. Averill and his staff played an essential role in the discoveries of the Collins Bay "B" uranium mine, Saskatchewan, the Casa Berardi gold district, Quebec and in the original #17 and #433 gold zone discoveries within the Company's Rainy River Project, Ontario.

Mark See, Director (2007): Mining Engineer, President and Director of Rockwell Petroleum Inc. Mr. See has more than 20 years of experience in operating, engineering and managing projects, facilities and sites worldwide for a number of corporations including ORE LLC, Petrotech Resources, Goldfields of South Africa and Parsons Brinckerhoff.

Gerald Shields, Director (2007): Management consultant, formerly lawyer in private practice for ten years to November 2006. Director of OSI Geospatial Inc. and Heartland Resources Ltd. Mr. Shields has spent approximately 27 years as a practicing lawyer.

Dale Peniuk, Director (2007): CA, Financial consultant to several mining companies; Director of Lundin Mining and Corriente Resources. Mr. Peniuk previously led KPMG’s Vancouver mining industry group.

Corporate Support

Wally Rayner, Project Manager: Geological consultant, N.W. Rayner & Associates.

C.J. Baker, Regional Exploration Manager.

R. Joe Dhami, Corporate Development.

Brad Baker, Investor Relations: Mr. Baker spent seven years working as an explorationist for several junior mining companies in Ontario, British Columbia, Saskatchewan and in the Northwest Territories.

Elizabeth Caridi, Corporate Secretary: Ms. Caridi has over nine years of experience in managing compliance and communications for junior exploration companies.

James Grinnell, CFO: CGA. Mr. Grinnell has over 30 years of experience in senior financial positions in both the public and private sector. His experience includes positions with Canadian Forest Products, Balco Industries Inc., Drew Sawmills Ltd., McIntyre Mines Limited Smoky River Coal Division, Napier Environmental Technologies Inc. and Opal Energy Inc.

Dr. Lorne Ayres: Volcanology Geological Consultant.

Dr. Howard Paulsen: Structural Geological Consultant.

Clark Exploration Consulting Inc.: Drill supervision, field support; services also include prospecting and mapping.

Caracle Creek International Consulting Inc. (CCIC): Database management, resource estimation; services also include geological mapping, prospecting and diamond drill programs.

Exhibit 10: Visible Gold In ODM Zone Drill Core



Source: Rainy River Resources.

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Company Name	Ticker Symbol	Applicable Disclosure
Rainy River Resources Ltd.	RR-TSXV	11, 12

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