FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: RAIN

Number of Outstanding Listed Securities: **82,826,416**

Date: August 4, 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 ("DLE") technologies and building strategic development pathways across the Lithium Triangle and other high-potential jurisdictions. The Company is a party to a joint venture agreement with Lithium Argentina Investments SA to pursue DLE-related opportunities in Argentina, although no operations under that joint venture had commenced as at July 31, 2026. In April 2026, the Company entered into a non-binding term sheet with Ion Source LLC, a Texas-based water-purification technology company, providing for a 90-day exclusivity period to negotiate definitive agreements for a proposed DLE and water-purification collaboration, including exclusive licensing rights for the Company in South America; during the month of July 2026, the exclusivity period under that term sheet was extended for a further 90 days, on the same terms. The Company also holds a 7.5% ownership interest in Avonlea Lithium Corporation, a Calgary-based company that has developed a proprietary DLE process ("ACCELi"), and is a party to a memorandum of understanding with Yacimientos de Litio Bolivianos, Bolivia's state lithium company, and a Memorandum of Agreement with Fundación Fraunhofer Chile Research, each entered into in May 2026, establishing frameworks for brine evaluation, research and technology collaboration in Argentina, Bolivia and Chile. During the month of July 2026, the Company continued to work to progress its DLE technologies and to advance its discussions with Ion Source LLC under the extended exclusivity period.

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

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

- general management and administrative matters.
- the Company continued to work on additional financing for general working capital, including arranging interim funding from Related Persons and addressing the maturity of its outstanding convertible loan, each as described below.
- the Company continued developing its new website to better communicate its current business and opportunities to the investment community. The website is expected to launch in August 2026.

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

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.

   No new business relationships were entered into during the month. During the month of July 2026, the Issuer and Ion Source LLC extended the exclusivity period under the non-binding term sheet dated April 17, 2026 for a further 90 days, on the same terms. Ion Source LLC is an arm's length party and is not a Related Person of the Issuer.

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.

During the month of July 2026, the Issuer incurred the following indebtedness and amended the terms of existing indebtedness: (a) the Issuer received unsecured advances from Related Persons totalling $32,145, which are non-interest bearing, unsecured and repayable on demand (see "Provide details of any loans to or by Related Persons" below); and (b) the Issuer's unsecured convertible loan in the principal amount of US$47,500, bearing interest at 5% per annum, matured on July 11, 2026. In place of repayment, the Issuer and the holder agreed that the loan would continue as an unsecured demand loan denominated in United States dollars, bearing interest at 5% per annum calculated as simple interest and repayable on demand, and that the holder's right to convert the loan and the interest accrued on it into common shares would be released. Accrued interest of US$2,375 to July 11, 2026 was capitalized into principal, resulting in an outstanding balance of US$49,875. The holder is an arm's length party and is not a Related Person of the Issuer.

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

None

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

During the month of July 2026, the Issuer received unsecured advances from Related Persons totalling $32,145, comprising $25,000 from Mr. David Shaw, Chairman of the Board and a director of the Issuer, and $7,145 from Ms. Jacqueline Danforth, Chief Financial Officer of the Issuer. The advances were made to fund ongoing operations and working capital, and are non-interest bearing, unsecured and repayable on demand. No loans were made by the Issuer to a Related Person during the 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 under the Issuer's profile on SEDAR+ at www.sedarplus.ca.

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: August 4, 2026

Benjamin Hill
Name of Director or Senior Officer

"Benjamin Hill"
Signature

Director and CEO
Official Capacity

Issuer Details Name of Issuer Rain City Resources Inc.	For Month End July 2026	Date of Report YY/MM/DD 2026/08/04
Issuer Address 145-251 Midpark Blvd SE		
City/Province/Postal Code Calgary, Alberta T2X 1S3	Issuer Fax No. N/A	Issuer Telephone No. 403-693-8004
Contact Name Benjamin Hill	Contact Position CEO	Contact Telephone No. 403-693-8004
Contact Email Address info@raincityresources.com	Website Address www.raincityresources.com	