

NEWS RELEASE

July 29, 2008

**RAINY RIVER DEFINES TWO MAJOR NEW GOLD-IN-TILL ANOMALIES
AND ADDS TO GLOBAL GOLD RESOURCE IN RICHARDSON TOWNSHIP
17 ZONE EXTENDED EAST: NR08-258 intersects 10.5 m grading 2.83 g/t Au
ODM ZONE: NR08-262 intersects 38.0 m grading 4.02 g/t Au**

Nelson W. Baker, President and CEO of Rainy River Resources Ltd. (**RR.TSX-V**) is pleased to report that the Company's Richardson Township area drill program, designed to add to its near-surface gold resource previously announced in a news release dated February 28, 2008, continues to be very successful. Recent diamond drilling has extended the 17 Zone east of any historical drilling on the property, and RC drilling west of the Cap and 433 Zones has further defined **two gold-grains-in-till anomalies** that are similar in size and strength to those associated with the 17/ODM gold deposit. Since RC drilling within the 6 km² auriferous Richardson Township caldera dacite sequence has been the exploration tool responsible for locating every near-surface gold zone discovered to date in the area, the two new gold-in-till anomalies are considered to be high priority targets for drill testing.

This release provides the final results for **NR08-255, 258 and 262**, designed to test the upper portion of the 17 Zone, the eastern extension of this zone, and a gap in the western part of the ODM Zone at the -200 m level, respectively. The details of all intervals for the three holes are highlighted in Table I below and the hole locations will be posted on the Company's website www.rainyriverresources.com.

17/ODM Zone (Eastern Extension)

Last October the Company reported a new gold discovery in hole NR07-187 a few hundred metres east-southeast of the 17 Zone with a wide interval of 61.5 m grading 1.77 g/t Au including **9.0 m grading 6.64 g/t Au** (October 15, 2007 news release). **NR08-258**, collared 60 m east of **NR07-187**, was successful in intersecting this same gold zone with an interval of 25.5 m grading 1.57 g/t Au including a higher grade interval of **10.5 m grading 2.83 g/t Au**. This new gold zone is interpreted to represent either the faulted eastern extension of the 17 Zone or a new stacked gold horizon lying between the 17 and Cap Zones. NR08-258, lies 60 m west-southwest of the Burns Block owned by Bayfield Ventures Corp. (BYV.TSX-V) and under an Option Agreement with the Company (December 3, 2007 news release). Detailed drilling is planned to trace the limits of this new gold zone.

ODM ZONE (in-fill)

NR08-262 was designed to intersect both the ODM Zone at approximately the -200 m level, where previous drill spacing was greater than 60 metres, and the HS Zone deeper in the hole. This hole returned an impressive wide gold interval of **38.0 m grading 4.02 g/t Au including a higher grade interval of 7.0 m grading 17.91 g/t Au**. This intersection confirms the excellent continuity of the ODM gold zone.

HIGH SILVER INTERSECTION

NR08-255, which was drilled to test the upper part of the 17 Zone and also the eastern extension of the HS and 433 Zones, intersected all three gold horizons but the most significant mineralization was in the 17 Zone which returned a true width of **28.5 m grading 1.27 g/t Au**. Unrelated to any of the gold horizons was an unusual wide silver intersection of **19.5 m grading 115.38 g/t Ag** situated stratigraphically below the 17 Zone and above the HS Zone.

Three drill rigs (with a fourth scheduled to commence on or about August 5) are actively drilling in Richardson Township. All of the drilling completed to date by the Company in Richardson Township has been centered within a 1 km² area of the 6 km² auriferous caldera dacites which host mineralization typical of gold-rich volcanogenic sulphide deposits such as those of the Bousquet district in Quebec.

Details on the current mineral resource are available in the April 2008 Technical Report which has been posted on SEDAR (www.sedar.com) and on the Company's website www.rainyriverresources.com.

Rainy River's exploration program is being managed by Project Manager, Wally Rayner, P. Geo., a Qualified Person within the meaning of NI 43-101. Nelson W. Baker, P.Eng., is the Qualified Person for the project and the person responsible for the contents of this news release. The Company has implemented a rigorous QA/QC program to ensure best practices in sampling and analysis of drill core. The procedures of the QA/QC program are detailed on Rainy River's website at www.rainyriverresources.com.

About Rainy River Resources Ltd.

Rainy River Resources is a Canadian precious metals exploration company whose key asset is the Rainy River gold project. With a \$36 million treasury, the Company is well funded to conduct an aggressive, year-round resource definition drilling program and regional drill testing of high-priority gold targets generated from a systematic regional exploration program. The Company's property is located in western Ontario near the U.S. border. It is accessed by a network of roads and is close to hydro-electric infrastructure. The Rainy River district has a skilled labour force and is one of the lowest-cost areas for mineral exploration in Canada. Ontario has low political risk and, according to the annual Fraser Institute global survey of the mining industry, has consistently ranked as one of the top jurisdictions embracing mineral development.

Table I

| Hole | From | To | Width | Au | Trend |
|------------------|--------------|--------------|--------------|---------------|------------------------|
| | <i>(m)</i> | <i>(m)</i> | <i>(m)</i> | <i>(g/t)</i> | |
| NR08-258 | 507.5 | 533.0 | 25.5 | 1.57 | 17 Zone East |
| <i>Including</i> | 521.0 | 531.5 | 10.5 | 2.83 | |
| NR08-262 | 257.0 | 295.0 | 38.0 | 4.02 | ODM (west) |
| <i>Including</i> | 278.0 | 285.0 | 7.0 | 17.91 | ODM (west) |
| | 381.5 | 383.0 | 1.5 | 11.05 | HS Zone |
| | 465.5 | 477.5 | 12.0 | 0.53 | 433 Zone (?) |
| NR08-255 | 111.5 | 140.5 | 28.5 | 1.27 | 17 Zone (upper) |
| | 204.5 | 236.8 | 32.3 | 0.74 | HS Zone (?) |
| | 266.0 | 285.5 | 19.5 | 115.38 | g/t Ag (silver) |
| | 314.0 | 321.5 | 7.5 | 0.93 | |

Note: All intersected widths are estimated to be true width intervals and all gold and silver values listed above are uncut.

Nelson W. Baker
President

For further information, please contact Brad Baker at 604.639.4495 or by e-mail at bwb@rainyriverresources.com.

The TSX Venture Exchange has not reviewed and does not accept the responsibility for the adequacy or accuracy of this news release.

This release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expects, are forward-looking statements. Although management believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results or developments may differ materially from those in the forward-looking statements. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause actual results to differ materially from those in forward-looking statements, including market prices, exploration and development successes, continued availability of capital and financing, and general economic, market or business conditions. Please see the public filings of the Company at www.sedar.com for further information.