
RAINY RIVER COMPLETES BUY-OUT OF NSR ROYALTY

VANCOUVER, British Columbia – Rainy River Resources Ltd. (TSX-V:RR) (the “**Company**”) is pleased to announce that it has completed the purchase of a 3% net smelter return royalty (“**NSR**”) held by two arm’s length optionors (the “**Optionors**”) on lands forming part of the Company’s Rainy River project in northwestern Ontario. The buy-out agreement was previously disclosed in the Company’s news release dated May 13, 2009.

Under the buy-out agreement, the Company has purchased the entire NSR for the aggregate one-time purchase price of \$475,000 cash and 600,000 common shares of the Company (the “**Consideration Shares**”) at a deemed value of \$2.65 per share, being the volume weighted average trading price of the Rainy River common shares on the TSX Venture Exchange over the five trading days immediately preceding the day on which the TSX Venture Exchange gave written notice to Rainy River of its conditional acceptance of the transaction.

The purchase of the NSR is a continuation of the Company’s strategy of improving the potential economics of its Rainy River project. In November of 2008 the Company purchased a tonnage royalty held by Nuinsco on the properties. The completion of the buy-out of the NSR royalty will result in there being no royalty burdens held by any third parties over the core properties comprising the Rainy River project.

The Consideration Shares are subject to a four-month hold period that will run from the date the shares are issued.

**On behalf of the Board of Directors of
Rainy River Resources Ltd.,**

Nelson W. Baker, President

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

Forward-Looking Statements: *this press release contains forward-looking statements within the meaning of Canadian securities laws applicable to the Company’s disclosures regarding the proposed acquisition of the above-described NSR royalty pursuant to an agreement with two arm’s length optionors. While the Company believes that the proposed agreement is likely to receive regulatory acceptance and will close, it can give no assurance that its expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions that any forward-looking statements made by the Company are not guarantees of future results, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company’s inability to obtain the necessary TSXV acceptance to proceed with the proposed transaction. Readers are urged to review the Company’s public filings available through the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com for a more complete discussion of the risk factors associated with the Company’s business and their potential effects. This press release is not, and is not to be construed in any way as, an offer to buy or sell securities.*

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