

UNDERTAKING

TO: ONTARIO SECURITIES COMMISSION
ALBERTA SECURITIES COMMISSION
BRITISH COLUMBIA SECURITIES COMMISSION

Rae-Wallace Mining Company (the “**Company**”) hereby undertakes as follows:

1. in complying with its reporting obligations, the Company will treat Rae Wallace Peru S.A.C. (the “**Subsidiary**”) as a subsidiary of the Company; however, if applicable international financial reporting standards (“**IFRS**”) prohibit the consolidation of financial information of the Subsidiary and the Company, then for as long as the Subsidiary (including any of its significant business interests) represents a significant asset of the Company, the Company will provide its securityholders with separate audited financial statements and unaudited interim financial statements prepared in accordance with IFRS, and related management’s discussion and analysis prepared in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* (or its successor) for the Subsidiary (including information about any of its significant business interests);
2. for so long as the Company is a reporting issuer, it will take the appropriate measures to require: (a) each person who would be a reporting insider of the Subsidiary to file insider reports about trades in securities of the Company (including securities which are exchangeable into securities of the Company), and (b) each person or company in a special relationship with the Subsidiary if the Subsidiary were a reporting issuer to comply with statutory prohibitions against insider trading; and
3. the Company will annually certify that it has complied with this undertaking, and file the certificate on www.sedar.com concurrently with the filing of its annual financial statements.

DATED February 24, 2012.

RAE-WALLACE MINING COMPANY

Per: “George Cole” (Signed)
Name: George Cole
Title: President & Chief Executive Officer