

## EARLY WARNING REPORT

### PURSUANT TO NATIONAL INSTRUMENT 62-103

**1. Name and address of the Offeror.**

Libra Advisors, LLC (“Libra”)  
777 Third Avenue, 27<sup>th</sup> Floor  
New York, New York 10017

Acting as investment advisor to Libra Fund II (Luxembourg) S.à r.l. (the “Fund”).

**2. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.**

As of the date on which Rae-Wallace Mining Company (“Rae-Wallace”) became a reporting issuer, the Fund owns a total of 2,000,000 common shares and 2,000,000 common share purchase warrants (“warrants”) of Rae-Wallace. Each whole warrant is exercisable for one common share.

The Fund owns 2,000,000 common shares, representing approximately 8.6% of the total outstanding common shares of Rae-Wallace and 2,000,000 warrants of Rae-Wallace that, if exercised, together represent approximately 15.9% of the total outstanding common shares of Rae-Wallace.

**3. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the news release.**

The Fund owns 2,000,000 common shares, representing approximately 8.6% of the total outstanding common shares of Rae-Wallace and 2,000,000 warrants of Rae-Wallace that, if exercised, together represent approximately 15.9% of the total outstanding common shares of Rae-Wallace.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

- (i) **the offeror, either alone or together with any joint actors, has ownership and control;**

Not applicable.

- (ii) **the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor; and**

Not applicable.

- (iii) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Libra as investment advisor to the Fund has control over the securities of Rae-Wallace held by the Fund. The Fund now owns 2,000,000 common shares, representing approximately 8.6% of the total outstanding common shares of Rae-Wallace and 2,000,000 warrants of Rae-Wallace that, if exercised, together represent approximately 15.9% of the total outstanding common shares of Rae-Wallace.

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

Not applicable.

6. **The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

Not applicable.

7. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The transaction was made in the ordinary course of business for investment purposes and Libra may, on behalf of the Fund, make additional investments in or dispositions of securities of Rae-Wallace in the future, depending on price, availability and general market conditions.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

Not applicable.

- 9. The names of any joint actors in connection with the disclosure required by this form.**

Libra Fund II (Luxembourg) S.à r.l.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.**

Not applicable.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

Not applicable.

**DATED** this 14<sup>th</sup> day of July, 2011.

*“Ranjan Tandon”*

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**Ranjan Tandon, Managing Member**