

**EARLY WARNING REPORT
FILED UNDER NATIONAL INSTRUMENT 62-103**

1. Name and address of the offeror.

Pilot Gold Inc.
Suite 1900, 1055 West Hastings Street
Vancouver, British Columbia V6E 2E9

(the “Offeror”)

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.

On November 2, 2015, pursuant to the terms of a termination agreement (the “Agreement”) dated November 2, 2015 between the Offeror and Rae-Wallace Mining Company (the “Company”), the Offeror acquired 1,552,900 ordinary shares (each an “Ordinary Share”) in the capital of the Company.

The Ordinary Shares acquired by the Offeror pursuant to this transaction, together with other Ordinary Shares of the Company held by the Offeror, represent approximately 19.98% of the total issued and outstanding Ordinary Shares of the Company as of November 2, 2015.

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 the obligation to file a news release.

After giving effect to the subscription for ordinary shares outlined in Item 2 above and including the 3,985,100 Ordinary Shares previously purchased by the Offeror, and assuming that no other convertible securities of the Company are converted or exchanged, the Offeror would hold 5,538,000 Ordinary Shares of the Company, representing approximately 19.98% of all issued and outstanding Ordinary Shares of the Company.

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 joint actors, has ownership and control,**

After giving effect to the subscription for ordinary shares outlined in Item 2 above, the Offeror will own 5,538,000 Ordinary Shares, representing approximately 19.98% of the issued and outstanding ordinary shares of the Company.

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

Not applicable.

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

Not applicable.

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.**

Consideration for the securities acquired by the Offeror pursuant to the Agreement the Offeror is detailed at Item 10.

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 Ordinary Shares referred to in Item 2 above were acquired for investment purposes and the Offeror may, depending on market and other conditions, increase or decrease its beneficial ownership of Ordinary Shares or other securities of the Company whether in the open market, by privately negotiated agreement or otherwise.

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 securities.**

Refer to Item 10.

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

Not applicable.

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 in Canadian dollars of the consideration paid by the offeror.**

In consideration for the securities acquired by the Offeror pursuant to the Agreement the Offeror has agreed to (i) surrender for cancellation 1,000,000 warrants it holds to acquire Ordinary Shares of the Company, and (ii) terminate certain other rights to acquire equity and equity instruments in the Company exercisable upon the closing of a going public transaction which would result in the listing of the Company's shares on a recognized stock exchange, including (a) a right to receive such additional Ordinary Shares in the Company such that the Offeror would maintain its pro rata interest in the Company upon completion of a 'going-public' transaction; and (b) additional share purchase warrants exercisable for an additional 9.99% of the shares of the Company.

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 of National Instrument 62-103 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.**

S. 2.3 of NI45-106.

DATED this 2nd day of November, 2015.

PILOT GOLD INC.

\s\ John Wenger

Name: John Wenger

Title: Chief Financial Officer