

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Rae-Wallace Mining Company (the “**Company**”)
365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

2. **Date of Material Change**

November 2, 2015

3. **News Release**

A press release disclosing the material change was released on November 2, 2015, through the facilities of Marketwired.

4. **Summary of Material Change**

The Company announced that it has entered into a termination agreement (the “**Termination Agreement**”) with Pilot Gold Inc. (“**Pilot**”) providing for the full termination of the property option agreement entered into with Pilot on July 22, 2010 (the “**Property Option**”), and Pilot’s option to acquire additional shares and convertible securities of the Company (the “**Pilot Option**”) as contemplated by the original termination agreement entered into between Pilot and the Company on July 19, 2012 (the “**Original Termination Agreement**”).

Pursuant to the terms of the Termination Agreement, in consideration for the full termination of the Pilot Option, the Property Option, and the Original Termination Agreement, and the cancellation of 1,000,000 share purchase warrants of the Company held by Pilot, the Company issued to Pilot 1,552,900 ordinary shares in the capital of the Company.

The material change is fully described in the Corporation’s press release which is attached as Schedule “A” and is incorporated herein.

5. **Full Description of Material Change**

A full description of the material change is contained under Item 4.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

(a) **a description of the transaction and its material terms:**

In consideration for the full termination of the Pilot Option, the Property Option, and the Original Termination Agreement, and the cancellation of 1,000,000 share purchase warrants of the Company held by Pilot, the Company issued to Pilot 1,552,900 ordinary shares in the capital of the Company.

(b) the purpose and business reasons for the transaction:

The termination of the Pilot Option, the Property Option, and the Original Termination Agreement.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Company issued to Pilot 1,552,900 ordinary shares in the capital of the Company.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Pilot acquired 1,552,900 ordinary shares of the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following completion of the transaction, Pilot will own an aggregate of 5,538,000 ordinary shares, representing 19.98% of the issued and outstanding ordinary shares of the Company.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed on October 30, 2015 approving the transaction.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the Termination Agreement, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the transaction. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the transaction.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and MI 61-101 as insiders of the Company acquired an aggregate of 1,552,900 ordinary shares. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(b) of MI 61-101, as the fair market value of the ordinary shares issued to insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the Offering in an expeditious manner.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact George Cole, President and Chief Executive Officer of the Company at (775) 315-0728.

9. **Date of Report.**

This report is dated at Toronto, this 9th day of November, 2015.

RAE-WALLACE MINING COMPANY

Per: "George Cole" (Signed)
George Cole
President and Chief Executive Officer

SCHEDULE "A"



RAE-WALLACE SELLS CERTAIN MINING CLAIMS IN EXCHANGE FOR 0.5% NSR AND TERMINATES OPTION AGREEMENT OVER OTHER PROPERTIES

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

TORONTO, ONTARIO, November 2, 2015 – Rae-Wallace Mining Company (“**Rae-Wallace**” or the “**Company**”) announces that it has entered into a termination agreement (the “**Termination Agreement**”) with Pilot Gold Inc. (“**Pilot**”) providing for the full termination of the property option agreement entered into with Pilot dated July 22, 2010 (the “**Property Option**”), and Pilot’s option to acquire additional shares and convertible securities of the Company (the “**Pilot Option**”) as contemplated by the original termination agreement entered into between Pilot and the Company on July 19, 2012 (the “**Original Termination Agreement**”) (see news release of the Company filed on July 19, 2012).

Pursuant to the terms of the Termination Agreement, in consideration for the full termination of the Pilot Option, the Property Option, and the Original Termination Agreement, and the cancellation of 1,000,000 share purchase warrants of the Company (“**Warrants**”) held by Pilot, the Company agrees to issue to Pilot 1,552,900 ordinary shares in the capital of the Company (the “**Share Issuance**”). For greater certainty, following the Share Issuance, Pilot will cease to have any rights to any securities of the Company and the Company will be fully released from its obligations to issue any further shares or additional Warrants to Pilot.

The ordinary shares issued to Pilot will be subject to a four month hold period from the date of issuance.

Following the issuance of the above noted shares, Pilot will own an aggregate of 5,538,000 ordinary shares, representing approximately 19.98% of the issued and outstanding ordinary shares of the Company.

Pilot has acquired the ordinary shares for investment purposes and may, depending on market and other conditions, increase or decrease his beneficial ownership, control or direction over the ordinary shares, or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. For further details relating to the acquisition, please see the early warning report, a copy which is available on SEDAR.

The issuance of ordinary shares to Pilot constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 (“**MI 61-101**”) as insiders of the Company acquired an aggregate of 1,552,900 ordinary shares. The

Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(b) of MI 61-101, as the fair market value of the ordinary shares issued to insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the transaction, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the transaction in an expeditious manner.

In addition, the Company would like to announce that it has recently entered into an agreement with Nevada Eagle LLC (“**Nevada Eagle**”) whereby the Company has sold its 100% interest in certain un-patented mining claims located in White Pine County, State of Nevada in exchange for a 0.5% net smelter return royalty (“**NSR**”) on potential production from the mining claims. Pursuant to the terms of the purchase and sale agreement Nevada Eagle has the one time option, two months following the completion of a feasibility study, to buy back the NSR for a price of USD\$500,000.

About Rae-Wallace

Rae-Wallace is a mineral exploration company, existing under the laws of the Cayman Islands, that plans to explore and develop properties to the mineral production stage. Rae-Wallace stock currently trades on the OTC market under the symbol “RAEW”

For further information please contact:

George Cole, President and CEO - (775) 315-0728; gcole@raewallace.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Statements in this press release regarding the Corporation’s business which are not historical facts are “forward-looking statements” that involve risks and uncertainties, such as estimates and statements that describe the Corporation’s future plans, objectives or goals, including words to the effect that the Corporation or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.