

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Far West Mining Ltd. (the "Company")
Suite 390 – 1090 West Georgia Street
Vancouver, BC V6E 3V7

Item 2. Date of Material Change

October 2, 2006

Item 3. News Release

Disseminated on October 2, 2006 through CCN Matthews.

Item 4. Summary of Material Change

Far West announced a "bought deal" brokered financing to raise gross proceeds of \$10,012,500.

Item 5. Full Description of Material Change

The Company has entered into an engagement agreement dated October 1, 2006 as reconfirmed October 2, 2006 with Blackmont Capital Inc. ("Blackmont") on behalf of a syndicate of underwriters (the "Underwriters") pursuant to which the Underwriters have agreed to purchase on a bought deal basis 2,670,000 units (the "Units") in the capital of the Company, at a price of \$3.75 per Unit, for gross proceeds to the Company of \$10,012,500 (the "Offering"). Each Unit will consist of one common share of the Company and one-half of a transferable common share purchase warrant. Each full warrant will entitle the holder to purchase one common share at \$5.00 for a period of 18 months from the date of closing ("Closing"). Blackmont will manage the Offering and will be entitled to have a minimum syndicate portion of 65%. Blackmont has agreed to invite Research Capital Corporation ("Research") to participate as a syndicate member for 35% of the Offering and if Research does not accept this invitation, then Blackmont has the exclusive right to select syndicate members and to control syndicate arrangements. A copy of the engagement letter is attached hereto as Schedule A.

A commission equal to 6.5% of the gross proceeds raised from the Offering will be paid to the Underwriters. The Underwriters will also be granted a non-transferable option to acquire Units in the amount that is equal to 10.0% of the number of Units sold pursuant to the Offering. The option shall entitle the holder to purchase Units at \$3.75 per Unit exercisable for 18 months from

Closing. The Closing is to occur on October 24, 2006 or such other time as mutually agreed to by the Underwriters and the Company. The private placement is subject to acceptance for filing by the Toronto Stock Exchange.

The proceeds raised from the Offering shall be used, principally, for further exploration and development of the Company's South American and Australian properties and general corporate purposes

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officer

Mr. Robert E. Hindson, President & CEO or Mr. Iain MacPhail, CFO
604-602-9144

Item 9. Date of Report

October 3, 2006

SCHEDULE A



BLACKMONT

CAPITAL™

October 1st, 2006

Far West Mining Ltd.
1090 West Georgia Street
Suite 390
Vancouver, B.C.
V6E 3V7 Canada

Attention: Robert E. Hindson
President & Chief Executive Officer

Dear Sir:

Blackmont Capital Inc. ("Blackmont" or the "Underwriter") hereby offers to purchase, for resale, on a "bought deal" private placement basis, an aggregate of 2,670,000 units (the "Units") in the capital of Far West Mining Ltd. (the "Company") at a price of \$3.75 per Unit (the "Unit Price") for gross proceeds of \$10,012,500 (the distribution of Units is hereinafter referred to as the "Offering"). Each Unit will consist of one Common Share and one half common share transferable purchase warrant (a "Warrant"), with each full warrant exercisable for one common share at \$5.00 for a period of 18 months from Closing. The Offering is subject to the terms and conditions outlined in the term sheet attached to this letter as Schedule "A" and to the indemnity attached as Schedule "B" to this letter, which are incorporated by reference herein.

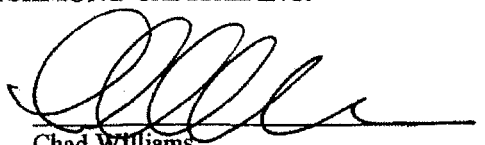
Should you wish to accept the terms of this letter, please sign and deliver one copy to us prior to 08:00 p.m. (Toronto Time) on October 1st, 2006. This offer is subject to reconfirmation by Blackmont before 10:00 a.m. (Toronto Time) on October 2nd, 2006, by signing and returning this letter to you by fax or e-mail, whereupon this letter shall become a binding agreement, subject to (1) the terms and conditions outlined in the attached Bought Deal Term Sheet in Schedule "A" and the Indemnity in Schedule "B", and (2) the authorization by the Company of Blackmont's issuance, forthwith upon reconfirmation of this letter agreement, of the press release attached hereto as Schedule "C".

Blackmont looks forward to the opportunity to underwrite this issue on behalf of the Company.

Yours very truly,

BLACKMONT CAPITAL INC.

By:



Chad Williams

Director, Investment Banking, Head of Mining

Agreed and accepted this 1st day of October 2006.

FAR WEST MINING LTD.

By:



Robert E. Hindson
President and Chief Executive Officer

Reconfirmed this 2nd day of October 2006.

By:



Chad Williams

Director, Investment Banking, Head of Mining

SCHEDULE "A"

Far West Mining Ltd. Private Placement of Units

Term Sheet

Issuer: Far West Mining Ltd. (the "Company")

Underwriter: Blackmont Capital Inc. (the "Underwriter")

Issue: 2,670,000 Units (the "Units")

Unit Price: \$3.75 per Unit. Each Unit will consist of one common share (the "Common Share") and one half common share transferable purchase warrant (the "Warrants"), with each full warrant exercisable for one common share at \$5.00 for a period of 18 months from Closing.

Amount: \$10,012,500

Use of Proceeds: The Gross Proceeds of the Offering will be used for further exploration and development of the Company's South American and Australian properties and for general corporate purposes.

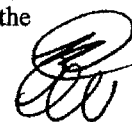
Type of Offering: Bought deal private placement, pursuant to a definitive underwriting agreement.

Minimum Subscription: \$25,000 or such other amount determined at the sole discretion of the Underwriter.

Selling Jurisdictions: The Offering will be made available for sale to qualified investors in all Provinces of Canada except Quebec (the "Selling Provinces"), provided that no prospectus filing, registration requirement or comparable obligation arises in such jurisdictions. Subscribers in the Selling Provinces must be "accredited investors" (as defined under applicable securities laws, rules or policies in such provinces).

Resale Restrictions: The Units shall be freely tradable upon the expiry of a four month hold period from Closing pursuant to Multilateral Instrument 45-102 "Resale of Securities". The Company shall file all applicable documents for the application of such four-month hold period pursuant to Multilateral Instrument 45-102.

Listing: Application will be made to list the Common Shares on the Toronto Stock Exchange ("TSX") under the symbol "FWM". The Warrants will not be listed for trading on the Exchange.



Eligibility: Units will be eligible for RRSPs, RRIFs, RESPs, and DPSPs.

Commission: 6.5% of the Gross Proceeds raised pursuant to the Offering.

The Underwriter will also be granted a non-transferable option to acquire Units in the amount that is equal to 10.0% of the number of Units sold pursuant to the Offering. The option shall entitle the holder to acquire Units at the Unit Price up to 18 months from Closing.

Closing: On October 24th, 2006 or such other time as mutually agreed to by the Underwriter and the Company.

A handwritten signature in black ink, consisting of a large, stylized 'E' or 'C' shape with a horizontal line through it, followed by a cursive 'W'.

Additional Terms and Conditions:

1. The Underwriter and the Company will enter into, and it is a condition to Closing that the Company execute in favour of the Underwriter, a definitive underwriting agreement respecting the Offering incorporating the terms and conditions of this engagement letter and containing such indemnification provisions, termination provisions (including, without limitation, provisions relating to default, material change, disaster out, cease trading orders and due diligence), additional representations, warranties and other conditions customary for transactions such as the Offering (the "Agreement"). The Agreement is to be executed by the parties as soon as possible following the execution of this engagement letter and public announcement of the Offering, whereupon the Agreement will supercede this engagement letter in its entirety.
2. Blackmont will lead manage the Offering and will be entitled to have a minimum syndicate position of 65%. Blackmont agrees to invite Research Capital Corporation to participate as a syndicate member for 35% of the Offering. If Research Capital Corp. does not accept this invitation, Blackmont shall have the exclusive right to select syndicate members and to control syndicate arrangements.
3. The Company will enter into, and it is a condition of Closing that the Company execute in favour of the subscribers identified by the Underwriter definitive subscription agreements respecting the Units containing such representations, warranties and conditions customary for transactions such as the offering of Units and, in any case, as approved by Blackmont.
4. In structuring and conducting the Offering, executing this engagement letter and, ultimately, executing the Agreement and completing the transactions contemplated thereby, Blackmont and the Company have relied upon and will continue to rely upon certain exemptions from the registration requirements and prospectus requirements in those Selling Provinces in Canada where the Offering is conducted, in whole or in part.
5. Forthwith upon confirmation of this offer by the Company, the Company will apply for the consent of the TSX (the "Exchange") for the completion of the Offering and the listing of the Common Shares. At Blackmont's request and direction, the Company will take all steps necessary within the Exchange's rules and policies to reserve the issue price for the Units to be issued and sold under the Offering that do not exceed the Unit Price set forth herein. At all times prior to the time of Closing, the Company will use its best efforts to obtain the Exchange's approval for the completion of the Offering. It is a condition of Closing that the Company has received all necessary regulatory, stock exchange and, if necessary, shareholder approvals.
6. Forthwith upon confirmation of this offer by the Company, the Company shall authorize Blackmont to issue the press release substantially in the form attached hereto as Schedule "C", for release in Canada only. The Company's dissemination of any other press releases prior to, but including, the press release to be issued in respect of the closing of the Offering, are subject to Blackmont's prior approval, acting reasonably, of the contents and form thereof; provided, however, that such prior approval will not be required where the contents and/or form of a press release are prescribed by applicable law. It is understood and agreed that the Company will authorize Blackmont to cause the dissemination of the press release announcing the Offering. If this letter is reconfirmed while trading on the Exchange is ongoing, the Company will take all steps necessary to immediately halt the trading in the Common Shares of the Company pending dissemination of such press release.
7. The Company covenants with the Underwriter that it will not issue or announce the issuance of any Units or Common Shares of the Company or any securities convertible into or exchangeable

for or exercisable to acquire Units or Common Shares of the Company without the prior consent of Blackmont, acting reasonably, during a period starting on the date hereof ending 120 days after Closing, other than:

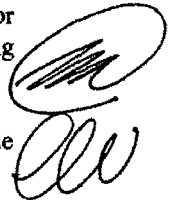
- (a) options granted or available to be granted pursuant to any of the Company's existing stock option plans or stock purchase plans;
- (b) any Common Shares of the Company issued pursuant to the exercise of any options granted or available to be granted pursuant to such option or purchase plans;
- (c) to satisfy obligations under other convertible securities, instruments or agreements outstanding on the date hereof.

8. Whether or not the transaction contemplated herein is completed, each party shall be responsible for and pay its own costs and expenses of or incidental to the creation, issuance and distribution of the Offering.
9. The Company covenants and agrees to indemnify the Underwriter as provided for in Schedule "B" attached hereto.
10. If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this letter agreement, but this letter agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
11. Time is of the essence with respect to the agreements contained in this letter agreement and all aspects hereof.
12. The Company hereby represents, warrants and confirms, and it is a condition of closing that it has, or will have, the necessary corporate and third party approvals (including board approval and approval from the Exchange and, if applicable, shareholder consents or approvals) and no additional third party consents are required for the Offering.
13. Upon acceptance hereof by the Company, this letter agreement reflects the agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or arrangements pertaining thereto, whether written or oral, including, without limitation, any prior engagement letter. No amendment of the provisions hereof is effective unless such amendment is reduced to writing and executed on behalf of each of the parties hereto.
14. The Underwriter may, at any time prior to the Closing Date, by giving notice in writing to the Company, withdraw from this engagement and terminate this letter agreement if: (i) they are not satisfied, in the sole discretion of Blackmont, with the results of any portion of their due diligence review and investigations of the Company provided such review and investigations reveal material information or fact which is not generally known to the public and which might in Blackmont's reasonable opinion materially adversely affect the value or market price of the units; (ii) there should develop or occur any material change in the affairs of the Company, or there should be a previously undisclosed material adverse change (whether actual, proposed or prospective) which is required to be disclosed, or there should occur a change in a material fact contained in the disclosure of the Company, in each case which in the reasonable opinion of Blackmont has or would be expected to have a significant adverse effect on the market price or value of the securities of the Company or on the business, affairs, financial condition, capital or




prospects of the Company; (iii) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which in the reasonable opinion of Blackmont seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole; (iv) there is an inquiry, action, suit, investigation or other proceedings (whether formal or informal) by any domestic or foreign federal, provincial, state, municipal or other domestic or foreign government department, commission, board, bureau, agency or instrumentality including, without limitation, the Exchange or any securities regulatory authority which, in the reasonable opinion of Blackmont operates to prevent or restrict the trading of securities of the Company or adversely affects or involves or will adversely affect or involve the financial markets or business, operations or affairs of the Company; or (v) the Company is in breach of a term, condition or covenant of this letter agreement or the Agreement or any representation or warrant given by the Company is or becomes false.

15. At all times prior to Closing, the Company will allow the Underwriter and their representatives and counsel to conduct all due diligence which they may reasonably require in order to fulfil the obligations of the Underwriter. Without limiting the scope of the due diligence inquiries and investigations that may be conducted by or on behalf of the Underwriter, the Company will use its best efforts to make available, its senior management, counsel, auditors and independent engineers, and other applicable experts, to answer any questions which the Underwriter has or may have including, without limiting the generality of the foregoing, the participation of such persons in one or more due diligence sessions to be held prior to Closing (the "Due Diligence Session") for which the Underwriter or their counsel have distributed or may distribute a list of written questions (which list may be augmented by additional questions posed at the Due Diligence Session) to be answered at such Due Diligence Session.
16. Without limiting the generality of the preceding paragraph, the Company will allow the Underwriter and their counsel to conduct all reviews of the Company's proposed expenditure program(s) intended for the Gross Proceeds of the Offering received through the Offering.
17. In order to complete the necessary due diligence, the Underwriter, or their counsel, may need to collect, use and disclose personal information about individuals associated with the Company. Due to recently enacted Privacy legislation which is meant to protect individuals against unduly extensive or invasive collections of personal information about them, it will be necessary to obtain the consent to the collection, use and disclosure of information of a personal nature from the individuals identified by the Underwriter, or their counsel, or the Company, as being important to the Company's past operations, management, and future operations and plans. In the event such personal information is required, such consents will be required to be completed by the individuals referred to above and the Company agrees to assist however necessary to obtain those consents.
18. On or prior to Closing, the Company shall deliver to the Underwriter: (i) evidence of all requisite approvals, including the approval of the Exchange; (ii) certificates of responsible officers of the Company; and (iii) favourable legal opinions of counsel to the Company, in a form customary for transactions of this nature and in a form satisfactory to the Underwriter and its counsel acting reasonably.
19. This letter agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.



20. This agreement will be effective as of the date hereof and will continue unless terminated, as set out herein, to the Closing Date. However, the Company's obligations pursuant to paragraphs 8, 9 18 and 19 hereof shall survive completion of this engagement, withdrawal, termination or a decision not to proceed with offering as set out herein or until the Underwriting Agreement is executed and delivered.

A handwritten signature in black ink, consisting of a stylized 'S' followed by 'CW'.

SCHEDULE "B"

INDEMNITY

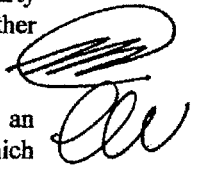
In consideration for Blackmont accepting the engagement (the "**Engagement**") pursuant to the engagement letter (the "**Agreement**") to which this Indemnity is attached, the Company (as such term is defined in the attached letter agreement) agrees to indemnify and save harmless the Underwriter (as such term is defined in the Agreement), their respective affiliates and their respective directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Engagement whether performed before or after the Company's execution of the Agreement and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim; provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) an Indemnified Party has been negligent or dishonest or has committed any fraudulent act in the course of such performance or that an Indemnified Party was guilty of wilful misconduct or acted in bad faith; or
- (b) the Indemnified Party has breached any material provision of the Agreement; and
- (c) the Claims were caused by the negligence or result from wilful misconduct or bad faith, dishonesty or fraud referred to in (a) or the breach of any material provision of the Agreement referred to in (b).

The Company also agrees that no Indemnified Party will have any liability (either direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on the Company's behalf or in right for or in connection with the Engagement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted from the gross negligence or wilful misconduct of such Indemnified Party.

In the event and to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable determines that an Indemnified Party was negligent or guilty of wilful misconduct in connection with a Claim in respect of which the Company has advanced funds to the Indemnified Party pursuant to this indemnity, such Indemnified Party will reimburse such funds to the Company and thereafter this indemnity will not apply to such Indemnified Party in respect of such Claim. The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

In case any action, suit, proceeding or claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt



written notice of any such action, suit, proceeding, claim or investigation of which the Indemnified Party has knowledge and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure by the Indemnified Party to so notify will not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in forfeiture by the Company of substantive rights or defences.

No admission of liability and no settlement, compromise or termination of any action, suit, proceeding, claim, or investigation will be made without the Company's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld. Notwithstanding that the Company will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

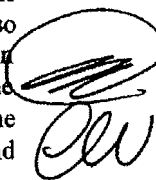
- (a) employment of such counsel has been authorized in writing by the Company;
- (b) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Company;

in which case such fees and expenses of such counsel to the Indemnified Party will be for the Company's account. The rights accorded to the Indemnified Parties hereunder will be in addition to any rights an Indemnified Party may have at common law or otherwise.

If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or is insufficient to hold them harmless, the Company will contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Company or the Company's shareholders on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Company will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

The Company hereby constitutes Underwriter (as defined in the attached Agreement) as trustee for each of the other Indemnified Parties of the Company's covenants under this indemnity with respect to such persons and Blackmont agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The Company agrees to reimburse the Underwriter monthly for the time spent by the Underwriter's personnel in connection with any Claim at their normal per diem rates. The Company also agrees that if any action, suit, proceeding or claim will be brought against, or an investigation commenced in respect of the Company or the Company and the Underwriter and personnel of the Underwriter will be required to testify, participate or respond in respect of or in connection with the Engagement, the Underwriter will have the right to employ its own counsel in connection therewith and



the Company will reimburse the Underwriter monthly for the time spent by its personnel in connection therewith at its normal per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of the Underwriter's counsel.

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SCHEDULE "C"
PRESS RELEASE

FAR WEST MINING LTD. ANNOUNCES A BROKERED FINANCING FOR \$10,012,500

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

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless an exemption from such registration is available.

October 2nd, 2006 - Vancouver, British Columbia – Far West Mining Ltd. (TSX: FWM)

("Far West" or the "Company") is pleased to announce that it has entered into an agreement with Blackmont Capital Inc. ("Blackmont"), pursuant to which Blackmont has agreed to purchase on a bought deal basis 2,670,000 units (the "Units") in the capital of Far West, at a price of \$3.75 per Unit, for gross proceeds to Far West of \$10,012,500 (the "Offering"). Each Unit will consist of one common share of the Company and one half common share transferable purchase warrant. Each full warrant would be exercisable for one common share of the Company at a price of \$5.00 for a period of 18 months from Closing.

A commission, equal to 6.5% of the Gross Proceeds raised from the Offering, will be paid to the Underwriter. The Underwriter will also be granted a non-transferable option to acquire Units in the amount that is equal to 10.0% of the number of Units sold pursuant to the Offering. The option shall entitle the holder to acquire Units at the Unit Price up to 18 months from Closing.

The proceeds raised from the Offering shall be used, principally, for further exploration and development of the Company's South American and Australian properties and general corporate purposes.

Robert E. Hindson
President and Chief Executive Officer
1090 West Georgia Street
Suite 390
Vancouver, B.C.
V6E 3V7 Canada

No regulatory authority has approved or disapproved the information contained in this news release. The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

Forward Looking Statement

This release includes certain statements that may be deemed "forward-looking statements". Other than statements of historical fact all statements in this release that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. For more information on Far West, Investors should review the Company's home jurisdiction filings that are available at www.sedar.com.

