Form 51-102F3 MATERIAL CHANGE REPORT

Item 1 Name and Address of Company
MACDONALD MINES EXPLORATION LTD (the "Company"), 520-141 Adelaide Street West, Toronto, ON M5H 3L5. Telephone No. (416) 364 4986

Item 2 Date of Material Change
August 6, 2010

Item 3 News Release
The News Release was disseminated on August 11, 2010 through various approved public media and was SEDAR filed.

Item 4 Summary of Material Change
On August 6, 2010, the Company implemented a shareholder rights plan (the "Plan"). See Exhibit A attached (Press Release).

Item 5 Full Description of Material Change
On August 6, 2010, the Company implemented the Plan. The Plan is designed to ensure, to the extent possible, the fair treatment of the Company's shareholders in the event of a take-over bid and to provide the board of directors of the Company (the "Board of Directors") and the Company's shareholders with adequate time to evaluate any such take-over bid and, if appropriate, to seek out alternatives to maximize shareholder value.

The Plan requires that any offer to acquire voting shares of the Company be made to all holders of voting shares and the purchase of such voting shares cannot be completed unless shareholders holding at least 50% of the outstanding voting shares (other than those held by the offeror and parties related to or acting jointly or in concert with the offeror) are tendered in favour of the offer. The Plan discourages discriminatory, coercive or unfair take-overs of the Company and gives the Board of Directors time, if the Board of Directors determines in the circumstances that it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited take-over bid is made for all or a portion of the outstanding voting shares of the Company.

Upon implementation of the Plan, the Board of Directors authorized the issuance of one right (a "Right") in respect of each common share of the Company outstanding at the close of business on August 6, 2010 (the "Record Time"). In addition, the Board of Directors authorized the issuance of one Right in respect of each additional common share of the Company issued after the Record Time. The Rights initially trade together with the common shares and are represented by the certificates representing such common shares (including certificates issued prior to the Record Time). Until such time as the Rights separate from the common shares and become exercisable, certificates representing the Rights will not be distributed to shareholders.

If a person (an "Acquiring Person") acquires (other than pursuant to an exemption available under the Plan, one of which is a take-over bid permitted by the Plan (a "Permitted Bid")) beneficial ownership of 20% or more of the voting shares of the Company (a "Flip-in Event"), including voting shares held by persons related to or acting jointly or in concert with such Acquiring Person, the Rights (other than those held by such Acquiring Person and any persons related to or acting jointly or in concert with such Acquiring Person which become void under the terms of the Plan) will separate from the common shares and permit the holder thereof to purchase common shares of the Company at the Exercise Price.

The requirements of a "Permitted Bid" include the following:

(a) the take-over bid is made by means of a take-over bid circular;

(b) the take-over bid is made to all holders of record of voting shares, other than the offeror;

(c) no voting shares shall be taken up or paid for pursuant to the take-over bid prior to a date that is 60 days following the date of the take-over bid and then only if on the date voting shares are first taken up or paid for under the take-over bid, more than 50% of the then outstanding voting shares held by independent shareholders (being persons other than the Acquiring Person and persons related to or acting jointly or in concert with such Acquiring Person) have been deposited or tendered pursuant to the take-over bid and not withdrawn;

(d) voting shares may be deposited pursuant to the take-over bid, unless such take-over bid is withdrawn, at any time prior to the date voting shares are first taken up or paid for under the take-over bid;

(e) any voting shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and

(f) if on the date that voting shares may be taken up and paid for under the take-over bid, more than 50% of the voting shares held by independent shareholders have been deposited or tendered pursuant to the take over bid and not withdrawn, the offeror will make a public announcement of that fact and the take-over bid will remain open for deposits and tender of voting shares for not less than 10 days from the date of such public announcement.

The Plan allows for a competing permitted bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days in accordance with applicable securities legislation.

A person who is the beneficial owner of 20% or more of outstanding voting shares of the Company as of the Record Time, including voting shares held persons related to or acting jointly or in concert with such person, is exempt from the dilutive effects of the Plan provided such person (or persons) does not increase its beneficial ownership by more than 1% (other than in accordance with the terms of the Plan). The Company is not aware of any such person or group of persons. In addition, investment advisors (for client accounts), trust companies (acting in their capacity as trustees or administrators), statutory bodies whose business includes the management of funds (for employee benefit plans, pension plans, or insurance plans of various public bodies) and administrators or trustees of registered pension plans or funds acquiring beneficial ownership of greater than 20% of the voting shares of the Company are exempted from triggering a Flip-in Event, provided they are not making, either alone or jointly or in concert with any other person, a take-over bid. Also, a shareholder will not become an Acquiring Person by virtue of having entered into an agreement (a "Permitted Lock-up Agreement") with a person whereby the shareholder agrees to deposit or tender voting shares to a take-over bid made by such person, provided that the agreement meets certain requirements including:

(a) the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available;

(b) the shareholder who has agreed to tender voting shares to the take-over bid (the "Lock-up Bid") made by the other party to the agreement is permitted to terminate its obligation under the agreement in order to tender voting shares to another take-over bid or transaction where: (i) the offer price or value of the consideration payable under the other take-over bid or transaction is greater than the price or value of the consideration per share at which the shareholder has agreed to deposit or tender voting shares to the Lock-up Bid or is equal to or greater than a specified minimum which is not more than 7% higher than the price or value of the consideration per share at which the shareholder has agreed to deposit or tender voting shares under the Lock-up Bid; and (ii) if the number of voting shares offered to be purchased under the Lock-up Bid is less than all of the voting shares held by shareholders (excluding shares held by the offeror), the number of voting shares offered to be purchased under the other take-over bid or transaction (at an offer price not lower than in the Lock-up Bid) is greater than the number of voting shares offered to be purchased under the Lock-up Bid or is equal to or greater than a specified number which is not more than 7% higher than the number of voting shares offered to be purchased under the Lock-up Bid; and

(c) no break-up fees or other penalties that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-up Bid and 50% of the increase in consideration resulting from another take-over bid or transaction shall be payable by the shareholder if the shareholder fails to deposit or tender voting shares to the Lock-up Bid.

At any time prior to the Rights becoming exercisable, the Board of Directors may waive the operation of the Plan with respect to certain events before they occur, including in connection with a take-over bid. If a potential offeror does not desire to make or proceed by a Permitted Bid, it can negotiate with, and obtain the approval of, the Board of Directors to make a take-over bid by way of a take-over bid circular sent to all holders of voting shares. Any waiver of the application of the Plan in respect of a particular take-over bid shall also constitute a waiver of any other take-over bid which is made by means of a take-over bid circular to all holders of voting shares while the initial take-over bid is outstanding. The Board of Directors may also waive the application of the Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding voting shares of the Company within 14 days or such earlier or later date as may be specified by the Board of Directors. With the prior consent of the holders of voting shares, the Board of Directors may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of voting shares otherwise than pursuant to the foregoing, waive the application of the Plan to such Flip-in Event.

The Board of Directors may, with the prior consent of the holders of voting shares, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a take-over bid in respect of which the Board of Directors has waived the application of the Plan.

The adoption of the Plan will not in any way lessen or affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company. The Board of Directors, when a take-over bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

The Plan has been submitted for approval to the TSX Venture Exchange. The Plan will remain in place for six months from August 6, 2010. It is the Company's intention for the Board to reapprove the Plan for a further six months prior to its expiry. The Company will seek approval from the shareholders at the next Annual General Meeting of the Company to be held on or before June 30, 2011.

The Company may, prior to the date of the Meeting, without the approval of the holders of Rights or common shares of the Company, supplement, amend, vary or delete any of the provisions of the Plan and may, after the date of the Meeting (provided the Plan is confirmed by shareholders at the Meeting) with the prior approval of shareholders (or the holders of Rights if the Separation Time has occurred) supplement, amend, vary or delete any of the provisions of the Plan. However, the Company may make amendments to the Plan at any time to correct any clerical or typographical error or, subject to confirmation at the next meeting of shareholders, make amendments which are required to maintain the validity of the Plan due to changes in any applicable legislation, regulations or rules.

A copy of the Plan is available on SEDAR at www.SEDAR.com.

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

Not applicable.

Item 7 Omitted Information

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

Item 8 Executive Officer

J.A. Kirk McKinnon, President and Chief Executive Officer and Richard Schler, Vice President and Chief Financial Officer, are knowledgeable about the material change and this report and can be reached at 520-141 Adelaide Street West, Toronto, ON M5H 3L5. Telephone No. (416) 364 4986

Item 9 Date of Report

DATED at Toronto, Ontario, this 11th day of August, 2010.

/s/ Richard Schler
Richard Schler
Chief Financial Officer

Exhibit A

MacDonald Mines Exploration Ltd.

MacDonald Mines Initiates Shareholder Rights Plan

Press Release

(Toronto, ON, Canada, August 11, 2010) - MacDonald Mines Exploration Ltd. (TSX.V: BMK) ("MacDonald" or the "Company") announces that its Board of Directors (the "Board") approved the adoption of a shareholder right plan (the "Plan") dated August 6, 2010.

The purpose of the Plan is to provide both shareholders and the Board sufficient time to adequately consider a take-over bid and to allow for competing and alternative proposals to emerge during the period between the announcement of the proposed take-over bid and the period of review allowed within the Plan. The Plan is similar to those adopted by other Canadian public companies, and MacDonald is currently unaware of any party contemplating or preparing a proposal to acquire control of the Company.

At the close of business on August 6, 2010 existing shareholders of the Company were granted "Rights" to acquire additional common shares. The Rights were granted for no cash or non-cash consideration. These Rights are attached to each share as long as the Plan remains in effect. Each subsequent shareholder who invests in the Company's common shares will also be entitled to the Rights for no consideration.

The value of these Rights are that they allow shareholders, other than the take-over bidder, to purchase, at the Exercise Price one common share of the Company for each common share held. This Right is triggered only if a party attempts to acquire 20% or more of the outstanding shares of the Company and this proposed acquisition does not meet the Permitted Bid requirements set forth within the Plan. Under the Plan, bids that meet certain requirements intended to protect the interests of all Shareholders are deemed to be Permitted Bids. Permitted Bids must remain open for 60 days and must be made by way of a take-over bid circular prepared in compliance with applicable securities laws.

The Board's approval of the Plan is subject to the TSX Venture Exchange's acceptance and the Plan will remain in place for six months. It is the Company's intention for the Board to reapprove the Plan for a further six months prior to its expiry. The Company will then seek approval of the Plan from the shareholders at the next Special and Annual General Meeting to be held on or before June 30, 2011.

All capitalized terms within this press release without definition have the meanings attributed to them in the Plan. The shareholder rights plan will be available on SEDAR shortly for those shareholders who wish to view the document in its entirety.

About MacDonald Mines Exploration Ltd.

MacDonald Mines is a mineral exploration company with an established exploration history in the Canadian Northlands. MacDonald Mines has set upon a strategic direction of exploration with particular focus on nickel, chrome, copper and zinc in the “Ring of Fire” area of the James Bay Lowlands of Northern Ontario.

As detailed in the Company’s recent press releases, MacDonald Mines has multiple mineral plays across multiple properties in the James Bay Lowlands.

On its McNugget Property, new volcanogenic massive sulphide (VMS) mineralization of substance has been discovered. Four VMS mineralized greenstone fold limbs, all of which have now yielded VMS mineralization over a potential cumulative strike length of approximately 20 kilometres, have been identified and the McNugget Property has the potential to host a new VMS camp with characteristics similar to those seen at Matagami or Noranda in Quebec.

MacDonald’s highly prospective Hulbert-Salo Property contains very conductive and discrete targets within a layered magnetic structure, which is typical of magmatic massive sulphides containing nickel. The Hulbert-Salo appears to have the potential to host a Voisey’s Bay-type nickel deposit.

The Company’s Big Mac Property exhibits high-priority nickel and copper targets with geological and geophysical signatures similar to the significant chrome discoveries of Freewest and KWG-Spider.

More detailed information is available on the website at www.macdonaldmines.com.

For more information, please contact:

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or
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