BRITISH COLUMBIA
ALBERTA

MATERIAL CHANGE REPORT

Section 85(1) of the *Securities Act* (British Columbia) and corresponding provisions of the securities legislation in other Provinces

Item 1 - Reporting Issuer:

War Eagle Mining Company Inc. (the "Company")
420 – 475 Howe Street
Vancouver, BC V6C 2B3
Phone: 604.606.7979

Item 2 - Date of Material Change:

August 10, 2001

Item 3 - Press Release:

The Press Release dated August 10, 2001 was disseminated via Canada Stockwatch and Market News.

A copy of the Press Release is attached as Schedule "A".

Item 4 - Summary of Material Change:

The Company announced the signing of a Loan Agreement with Canaccord Capital Corporation ("Canaccord") whereby Canaccord will loan the Company $80,000, which is to be used for exploration on the Company's Mac Property.

Item 5 - Full Description of Material Change:

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Schedule "A".

Item 6 - Reliance on Section 85(2) of the Act:

Not Applicable.

Item 7 - Omitted Information:

Not Applicable.

Item 8 - Senior Officer:

Terence Schorn
420 – 475 Howe Street
Vancouver, BC V6C 2B3
Phone: 604.606.7979

Item 9 - Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, BC, this 10th day of August, 2001.

WAR EAGLE MINING COMPANY INC.

Per:

"Terence Schorn"
Terence Schorn,
President and Director

IT IS AN OFFENCE FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN LIGHT OF CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Schedule “A”

WAR EAGLE MINING COMPANY INC.

420 - 475 Howe Street
Vancouver, BC V6C 2B3

August 10, 2001

CDNX Symbol WEM
SEC. No. 82-2008
CUSIP. No. 933901100

NEWS RELEASE

WAR EAGLE MINING COMPANY INC. ANNOUNCES LOAN AGREEMENT WITH CANACCORD CAPITAL CORPORATION

War Eagle Mining Company Inc. (the “Company”) is pleased to announce the signing of a Loan Agreement with Canaccord Capital Corporation (“Canaccord”) whereby Canaccord will loan the Company $80,000, which is to be used for exploration on the Company’s Mac Property. The loan will be re-payable upon the closing of the Company’s short form offering. In consideration of the loan, the Company will issue to Canaccord, 200,000 warrants. Each warrant is exercisable into a common share at a price of $0.15 per share for a period of one year. The loan will also be subject to interest calculated at prime plus 4%. In order to facilitate the granting of the loan, Mr. Terence Schorn, President of the Company, has guaranteed the re-payment of the loan and, in consideration therefor, has been granted 20,000 bonus shares by the Company. The foregoing is subject to Canadian Venture Exchange approval.

For further information, please contact Terence Schorn, President, at 604-606-7971, or Bob Faris, Vice President, Corporate Development, at 1-800-877-1626 or 604-606-7973.

“Terence Schorn”

Terence Schorn, President
WAR EAGLE MINING COMPANY INC.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.