

FORM 53-901F
MATERIAL CHANGE REPORT UNDER
SECTION 85(1) OF THE *SECURITIES ACT*(BRITISH COLUMBIA)

1. **Reporting Issuer**

War Eagle Mining Company Inc.

2. **Date of Material Change**

July 13, 2005

3. **Press Release**

The Press Release dated July 13, 2005, was disseminated via Market News Publishing and Canada Stockwatch.

4. **Summary of Material Change**

War Eagle Mining Company Inc. engaged a drilling company to test three targets. James Billingsley stepped down as a director, replaced by Donald Padgett.

5. **Full Description of Material Change**

See attached press release dated July 13, 2005.

6. **Reliance on Section 85(2) of the Act**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Senior Officers**

Terence Schorn, President
(604) 606-7973

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia, on the 2nd day of August, 2005.

WAR EAGLE MINING COMPANY INC.

Per: "Terence Schorn"

Terence Schorn, President



July 13, 2005
NEWS RELEASE

TSX Venture Symbol WAR
CUSIP. No. 933901209

SURFACE DIAMOND DRILLING TO COMMENCE IN JULY TRES MARIAS MINE CHIHUAHUA, MEXICO

Vancouver, B.C. - War Eagle Mining Company Inc. (TSX Venture Exchange – WAR) War Eagle Mining Company Inc. has engaged a drilling company to drill test three priority geologic targets with up to eight angle/core holes within one km of the Tres Marias Zinc / Germanium mine in Chihuahua, Mexico. Total drilling is estimated to be 1300 meters. Drilling is expected to commence in July 2005. The targets to be drilled are collapse breccia zones that are geologically similar to those found in the Tres Marias mine and if mineralized could provide additional tonnage for the project.

The first drill site is about 500 meters southeast of the Tres Marias shaft. Four 45° angle holes are planned for this site. The first hole will be drilled to the east to intersect the La Blanca - East structure below the cut where previous surface sampling assayed 26% to 29 % zinc and 110 ppm to 190 ppm germanium at the surface. The second hole will be drilled to the south to intersect the La Blanca – West structure below a surface collapse zone on a continuation of the La Blanca geochemical anomaly. The third hole will be drilled to the southeast to test the La Blanca zone between the first two holes. The forth hole will be drilled to the west to test another structural collapse zone northwest of La Blanca.

The second site is located 700 meters west of the Tres Marias shaft near the intersection of the Comanche fault zone with the Tres Marias fault zone. This site is about one kilometer west of the first drill site. Two 45° angle holes will be drilled at this site to test a breccia zone around this structural intersection.

Site	Hole	Azimuth (degrees)	Inclination (degrees)	Estimated Depth (meters)	Target
1	1	102	45	170	La Blanca - East
1	2	180	45	180	La Blanca - West
1	3	137	45	150	La Blanca - Wash
1	4	282	45	200	Collapse Zone to NW of LA Blanca
2	1	45	45	300	Comanche Breccia Zone
2	2	16	45	300	Comanche Breccia Zone
TOTAL				1300	

Additional drill holes may be drilled at either site depending on results of the initial six drill holes. The drill hole locations as well as the location of the proposed main haulage decline will be posted on the Company's website before the results are released.

The underground channel sampling program is continuing on schedule and a progress report will be released in the near future.

The Company is pleased to report the appointment of Don Padgett as a Director of the Company. Don has extensive experience in all aspects of public company finance and governance. He formerly held senior positions in corporate finance within major Canadian investment firms, practiced as a Securities lawyer, and has been a Director of various public and private Canadian corporations. Mr. Padgett will be replacing Mr. Billingsley, P. Eng, who has retired after serving the Company as a Director for 16 years. He will remain a mining advisor to the Company.

War Eagle Mining Company's web site is available for viewing at www.wareaglemining.com

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

“Terence F. Schorn, P. Geo”

President

War Eagle Mining Company Inc

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