

# Form 51-102F3

## MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

**War Eagle Mining Company Inc**  
Suite 906 – 595 Howe Street  
Vancouver, BC V6C 2T5  
("War Eagle" or the "Company")

**Item 2 Date of Material Change**

February 9, 2012

**Item 3 News Release**

News release was disseminated February 10, 2012

**Item 4 Summary of Material Change**

War Eagle is terminating its previously announced amalgamation agreement with Andromeda Resources Inc. ("Andromeda") due to Andromeda's breach of a key warranty under the agreement. The proposed transaction would have constituted a reverse takeover of the Company by Andromeda.

**Item 5.1 Full Description of Material Change**

War Eagle is terminating its previously announced amalgamation agreement with Andromeda due to Andromeda's breach of a key warranty under the agreement. The proposed transaction would have constituted a reverse takeover of the Company by Andromeda.

Andromeda did not make the required December 2011 payment under the purchase agreement to acquire the Terrazas property. Andromeda believes it negotiated an extension with the property vendor in early January 2012, however, the vendor has not produced a written agreement to confirm the verbal agreement reached. On February 8, 2012, Andromeda received a notice of termination from the property vendor of the purchase and sale agreement for the Terrazas property. Andromeda has advised War Eagle that Andromeda believes that the property vendor is in breach of the verbal agreement reached in January 2012 between Andromeda and the property vendor and Andromeda intends to pursue legal remedies available under the terms of the purchase and sale agreement. Nonetheless, at this time, Andromeda is in breach of its agreement with War Eagle to keep the Terrazas purchase and sale agreement in good standing.

War Eagle's shares have been halted in accordance with the policies of the TSX Venture Exchange since the announcement of the proposed transaction on September 29, 2011. Trading of its common shares is expected to resume on or around February 14, 2012. The Company continues to explore other joint venture opportunities for its exploration projects, particularly its Tres Marias property in Mexico.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Simon Anderson, President at (604) 681-7010 ext. 114

**Item 9 Date of Report**

February 10, 2012