

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

War Eagle Mining Company Inc
Suite 900 – 595 Howe Street
Vancouver, BC V6C 2T5
("War Eagle" or the "Company")

Item 2 Date of Material Change

January 15, 2014

Item 3 News Release

News release was disseminated January 16, 2014.

Item 4 Summary of Material Change

War Eagle has completed the sale of the *Tres Marias* zinc-lead-germanium project in Chihuahua, Mexico to Contratista y Operaciones Mineras SA de CV ("COMSA"), a Mexican mining company.

Item 5.1 Full Description of Material Change

War Eagle has completed the sale of the *Tres Marias* zinc-lead-germanium project in Chihuahua, Mexico to COMSA, a Mexican mining company. Total consideration for the sale was US\$5,000,000 cash which will be satisfied by (i) US\$65,000 cash received on closing with the balance of US\$2,435,000 in fixed periodic cash payments over three years and (ii) a 2% net smelter return royalty to a maximum of a further US\$2,500,000 with (iii) a possible increase in the royalty to a maximum of up to US\$3,300,000 depending on metal sales volumes and prices.

The sale of *Tres Marias* has received the approval of the shareholders of the Company and the approval of the TSX Venture Exchange.

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

Betty Anne Loy, Corporate Secretary at (604) 689-1515 x 103

Item 9 Date of Report

January 16, 2014