

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Josephine Mining Corp.
400 S. Jefferson, Suite 202
Spokane, WA
99204

2. Date of Material Change:

October 6, 2011

3. News Release:

A press release reporting the material change was issued on October 6, 2011 via Marketwire.

4. Summary of Material Change:

The Corporation announced that it has engaged CHF Investor Relations, effective immediately. CHF is a highly regarded Canadian investor relations firm headquartered in Toronto and operating under the same management for the past eighteen years.

5. Full Description of Material Changes:

The Corporation announced that it has engaged CHF Investor Relations, effective immediately. CHF is a highly regarded Canadian investor relations firm headquartered in Toronto and operating under the same management for the past eighteen years.

Subject to TSX Venture Exchange approval, the agreement for investor relations services is for a twelve-month term, subject to a performance review after six months and may be extended by up to one year. Under the terms of the agreement, fees to CHF are \$6,000 per month and eligible expenses will be reimbursed. As part of this agreement, CHF will be granted a total of 300,000 options premium priced; however, under the Company's Stock Option Plan only 150,000 are currently available to grant. Therefore, CHF has been granted, subject to regulatory approval, 100,000 JMC options at an exercise price of \$0.70 and 50,000 options at an exercise price of \$1.00, which will vest no more than 25% in each successive three-month period, to expire in three years. All options granted will be cancelled 30 days after investor relations services are terminated.

Prior to the grant of options, CHF had no direct or indirect interests in the Company or its securities.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

For further information, please contact:

Robert L. Russell, President
Telephone: (509)343-1215

9. Date of Report:

October 7, 2011