

**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 28, 2011

3. News Release:

A press release reporting the material change was issued on October 28, 2011 via Marketwire.

4. Summary of Material Change:

The Corporation announced, further to the engagement of CHF Investor Relations as previously announced on October 6, 2011, and subject to TSX Venture Exchange approval, that CHF's Market Liquidity Program has been initiated to improve liquidity.

5. Full Description of Material Changes:

The Corporation announced, further to the engagement of CHF Investor Relations as previously announced on October 6, 2011, and subject to TSX Venture Exchange approval, that CHF's Market Liquidity Program has been initiated to improve liquidity.

The Market Liquidity Program, more commonly referred to as market-making, will be conducted through CHF Investor Relations' Calgary office using a registered broker, Mackie Research Corporation, in compliance with Policy 3.4 of the TSX Venture Exchange Corporate Finance Manual, IROC's Universal Market Integrity Rules & Policies (2010) and other relevant policies, so that trading orders in the Company's shares are made to manage volatility and imbalance of orders to improve liquidity. As per Policy 3.4, section 2.8 that states in part "an Issuer may not use its own funds, or provide direct or indirect compensation to other parties to undertake a market-making function in its securities," Josephine and CHF confirm that capital for the purposes of market-making has not and will not be provided from Josephine's treasury.

Terms of the contract for IR and market-making services with CHF remain as previously stated in the news release of October 6, 2011.

Prior to the grant of options announced upon CHF's engagement, CHF has 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:

November 4, 2011