

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:

January 11, 2012

3. News Release:

A press release reporting the material change was issued on January 11, 2012 via Marketwire.

4. Summary of Material Change:

The Corporation announced the final assay results from the very successful 2011 summer diamond drilling program, totalling 12,279.4 feet (3,742.6 meters), at the Turner Gold Project in O'Brien, Oregon.

Significant results include:

Hole	Zone	From ft	To ft	Interval *	Au g/t	Ag g/t	Cu %	Zn %	AuEq g/t**
TJM-73	Main Upper	246.0	255.0	9.0	8.62	29.58	4.12	0.45	15.59
TJM-73	Main Lower	898.9	922.2	31.1	3.12	13.83	2.86	3.15	9.14
TJM-74	Main Upper	450.0	530.0	80.0	4.00	8.18	0.90	1.84	6.32
TJM-74	Main Lower	775.0	835.0	60.0	1.76	54.29	0.87	11.00	8.65
TJM-74	Main Lower	879.6	813.4	33.8	8.69	8.59	2.05	1.19	12.50
TJM-75	Main Lower	983.3	1020.0	36.7	2.24	163.55	0.88	23.01	15.80

* Interval footage does not represent true widths

**Assuming 100% recovery, and converted to an equivalent gold grade for each interval using the following metal prices: \$1,200 per ounce Au, \$15 per ounce Ag, \$3/lb Cu and \$0.85/lb Zn.

5. Full Description of Material Changes:

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In addition, the Corporation announced that assay results from diamond drill hole TAB-60, previously excluded from the diamond drill database used to develop the Turner Gold Preliminary Economic Assessment (PEA), will be included in the 1Q2012 PEA update. A location verification criterion for TAB-60 that had failed during development of the 2009 PEA has been rectified through the diligent efforts of JMC site personnel. All other criterion for inclusion of TAB-60 data in the PEA had been met during the 2009 due diligence work, allowing JMC to use the TAB-60 data for the scheduled PEA update. Note that TAB-60 assay information dates from the mid-1980s and was calculated using ounces per short ton rather than grams per metric tonne, and is reported accordingly below.

Significant results include:

Hole	Zone	From ft	To ft	Interval *	Au opt	Ag opt	Cu %	Zn %	AuEq g/t**
TAB-60	Main Upper	315.0	340.0	25.0	0.003	2.480	0.940	11.31	0.241
TAB-60	Main Upper	360.0	370.0	10.0	0.293	0.350	3.780	0.310	0.491
TAB-60	Main Lower	800.4	875.6	75.2	0.103	0.280	1.960	3.881	0.260

* Interval footage does not represent true widths

**Assuming 100% recovery, and converted to an equivalent gold grade for each interval using the following metal prices: \$1,200 per ounce Au, \$15 per ounce Ag, \$3/lb Cu and \$0.85/lb Zn.



Assay Information

The following is additional information regarding the drill holes and assay results from TJM-73, TJM-74, TJM-75, and historic drill hole TAB-60. The data were averaged over the specific intervals referenced. Contained metal values are used throughout. Assays are converted to an equivalent gold grade (shown in the right hand column of the tables) for each interval using the following metal prices: \$1,200 per ounce Au, \$15 per ounce Ag, \$3/lb Cu and \$.85/lb Zn.

The intercepts have visible pyrite, chalcopyrite and sphalerite, and are likely connected to the layer zones denoted in the Company's NI 43-101 report on the property (see www.sedar.com) as the MUZ – Main Upper Zone and the MLZ – Main Lower Zone. The mineral resource is a Cyprus-type, ophiolite-hosted volcanogenic massive sulfide (VMS) gold, copper, and zinc deposit.

TJM-73 Assays

TJM-73 is an “HQ” diamond drill core hole with a collar elevation of 2,874 feet (876 meters) located at Northing: 15256076 meters and Easting: 1434936 meters (UTM NAD 83) with a surface azimuth of 200.3 degrees and an inclination of 75.5 degrees from the horizontal.

The following tables provide relevant available assay information for diamond drill hole TJM-73, which was completed to a depth of 1,133.9 feet (345.6 meters) and intercepted zones of massive and semi-massive sulfides associated with both the Main Upper Zone (MUZ) and the Main Lower Zone (MLZ). The assay information has been reported over specific intercepts within the MUZ from 246 to 255 feet (75.0 to 77.7 meters) and within the MLZ from 898.9 to 922.2 feet (274.0 to 281.1 meters).

Table 1: TJM-73 Assays (MUZ intercept)

Start (ft)	End (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
246.0	247.5	1.5	23.6747	37.1945	5.086%	0.198%
247.5	251.8	4.3	8.6972	39.0089	5.961%	0.259%
251.8	255.0	3.2	1.4578	13.3356	1.181%	0.830%

Table 2: TJM-73 Assays (MLZ intercept)

Start (ft)	End (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
898.9	905.0	6.1	3.3992	12.8820	3.044%	2.634%
905.0	910.0	5.0	3.9889	19.0508	4.219%	4.777%
910.0	915.0	5.0	2.9366	17.8715	3.124%	4.031%
915.0	920.0	5.0	2.7914	8.8904	1.732%	1.703%
920.0	922.2	2.2	1.5667	6.6224	1.274%	2.154%

TJM-74 Assays

TJM-74 is an “HQ” diamond drill core hole with a collar elevation of 2,752 feet (838.8 meters) located at Northing: 15256084 meters and Easting: 1435150 meters (UTM NAD 83) with a surface azimuth of 211.2 degrees and an inclination of 63.4 degrees from the horizontal.

The following tables gives relevant available assay information for diamond drill hole TJM-74, which was completed to a depth of 1,015.0 feet (309.4 meters) and intercepted zones of massive and semi-massive sulfides associated with both the MUZ and the MLZ. The assay information has been reported over specific intercepts within the MUZ from 450 to 530 feet (137.2 to 161.5 meters) and within the MLZ from 775.0 to 835.0 feet (236.22 to 254.5 meters) and from 879.6 to 913.4 feet (268.1 to 278.4 meters).

Table 3: TJM-74 Assays (MUZ intercept)

Start (ft)	End (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
450.0	455.0	5.0	2.0684	11.5212	0.494%	4.022%
455.0	460.0	5.0	2.6308	9.2533	0.500%	3.273%
460.0	465.0	5.0	5.3614	9.4347	0.814%	2.722%
465.0	470.0	5.0	3.9190	6.6224	0.602%	0.943%
470.0	475.0	5.0	2.8123	4.6266	0.206%	2.121%
475.0	480.0	5.0	3.3294	3.5380	0.203%	0.516%
480.0	485.0	5.0	4.6085	4.4452	0.356%	0.247%
485.0	490.0	5.0	3.7830	5.9874	0.528%	0.282%
490.0	495.0	5.0	4.6176	6.1688	0.803%	0.150%
495.0	500.0	5.0	2.8395	7.4389	0.622%	0.973%
500.0	505.0	5.0	4.5903	9.1625	0.932%	0.958%
505.0	510.0	5.0	6.2777	16.0571	1.650%	5.947%
510.0	515.0	5.0	7.6113	20.1395	3.720%	5.485%
515.0	520.0	5.0	1.9777	5.3524	0.984%	1.265%
520.0	522.4	2.4	1.3698	1.1793	0.346%	0.078%
522.4	525.0	2.6	3.4201	4.8081	0.847%	0.305%
525.0	530.0	5.0	5.2163	8.0739	1.370%	0.292%

Table 4: TJM-74 Assays (MLZ intercepts)

Start (ft)	End (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
775.0	780.0	5.0	1.6511	74.4797	0.663%	2.946%
780.0	785.0	5.0	0.7720	77.7456	0.100%	6.971%
785.0	790.0	5.0	1.1521	69.0366	0.128%	6.927%
790.0	795.0	5.0	3.3929	90.2647	0.364%	13.269%
795.0	800.0	5.0	1.5422	126.0984	0.417%	37.331%
800.0	805.0	5.0	3.1751	76.6569	1.270%	31.935%
805.0	810.0	5.0	1.8507	26.8526	1.140%	7.953%
810.0	815.0	5.0	1.1249	30.4813	1.571%	9.619%
815.0	820.0	5.0	2.8848	27.3062	1.760%	10.127%
820.0	823.1	3.1	3.2296	16.1479	3.790%	3.328%
823.1	826.0	2.9	0.3656	2.3587	0.336%	0.931%
826.0	826.6	0.6	0.9798	13.5170	1.620%	5.194%
826.6	830.0	3.4	0.0590	0.2722	0.031%	0.084%
830.0	835.0	5.0	1.2428	39.3717	0.248%	1.645%
879.6	885.0	5.4	3.3566	10.6140	3.220%	0.463%
885.0	890.0	5.0	3.0028	8.6182	2.920%	0.730%
890.0	895.0	5.0	3.3294	6.8039	1.850%	0.167%
895.0	900.0	5.0	44.8148	15.4221	3.480%	1.875%
900.0	905.0	5.0	1.2701	5.6245	0.863%	2.035%
905.0	910.0	5.0	1.2156	4.6266	0.438%	1.380%
910.0	913.4	3.4	2.1500	8.0739	1.170%	1.982%

TJM-75 Assays

TJM-75 is an “HQ” diamond drill core hole with a collar elevation of 2,753 feet (839.1 meters) located at Northing: 15256088 meters and Easting: 1435153 meters (UTM NAD 83) with a surface azimuth of 209.8 degrees and an inclination of 73.1 degrees from the horizontal.

The following table gives relevant available assay information for diamond drill hole TJM-75, which was completed to a depth of 1,085.4 feet (330.8 meters) and intercepted zones of massive and semi-massive sulfides associated with the MLZ. The assay information has been reported over a specific intercept within the MLZ from 983.3 to 1020.0 feet (299.7 to 310.9 meters).

Table 5: TJM-75 Assays (MLZ intercept)

Start (ft)	End (ft)	Interval (ft)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
983.3	986.1	2.8	1.905	16.148	0.207%	0.150%
986.1	988.1	2.0	0.596	40.007	0.145%	8.429%
988.1	990.0	1.9	4.717	230.424	0.845%	4.520%
990.0	995.0	5.0	2.041	157.850	0.301%	23.792%
995.0	1000.0	5.0	2.032	237.682	0.232%	42.523%
1000.0	1005.0	5.0	1.769	234.960	0.478%	42.214%
1005.0	1010.0	5.0	3.892	292.113	1.577%	30.006%
1010.0	1011.7	1.7	3.819	211.374	1.565%	15.490%
1011.7	1016.0	4.3	0.684	34.382	1.000%	9.813%
1016.0	1020.0	4.0	2.132	79.741	2.513%	14.325%

TAB-60 Assays

TAB-60 is an “NQ” diamond drill core hole with a collar elevation of 2,758 feet (840.6 meters) located at Northing: 15255933 meters and Easting: 1435193 meters (UTM NAD 83) with a surface azimuth of 253.2 degrees and an inclination of 61.1 degrees from the horizontal.

The following tables gives relevant available assay information for diamond drill hole TAB-60, which was completed to a depth of 876.2 feet (267.1 meters) and intercepted zones of massive and semi-massive sulfides associated with the MUZ and MLZ. The assay information has been reported over three specific intercepts: from 315 to 340 feet (96.0 to 103.7 meters); from 360 to 370 feet (109.8 meters to 112.8 meters); and from 800.4 to 875.6 feet (244.0 meters to 267.0 meters.)

Table 6: TAB-60 Assays (MUZ intercepts)

Start (ft)	End (ft)	Interval (ft)	Au (opt)	Ag (opt)	Cu (%)	Zn (%)
315.0	320.0	5.0	0.005	2.48	1.15	12.5
320.0	325.0	5.0	0.002	3.07	0.69	13.0
325.0	330.0	5.0	0.001	1.08	0.61	7.90
330.0	335.0	5.0	0.005	3.07	1.00	14.5
335.0	340.0	5.0	0.001	2.70	1.25	8.65
360.0	365.0	5.0	0.569	0.37	4.15	0.28
365.0	370.0	5.0	0.017	0.34	3.4	0.33

Table 7: TAB-60 Assays (MLZ Intercepts)

Start (ft)	End (ft)	Interval (ft)	Au (opt)	Ag (opt)	Cu (%)	Zn (%)
800.4	805.0	4.6	0.071	0.52	1.35	6.45
805.0	810.0	5.0	0.066	0.60	1.45	8.85
810.0	815.0	5.0	0.003	0.17	0.90	4.55
815.0	820.0	5.0	0.048	0.43	1.05	8.20
820.0	825.0	5.0	0.060	0.27	1.1	4.15
825.0	830.0	5.0	0.196	0.34	1.95	3.50
830.0	835.0	5.0	0.055	0.27	1.45	4.95
835.0	840.0	5.0	0.091	0.26	1.80	5.20
840.0	845.0	5.0	0.110	0.29	1.30	4.65
845.0	850.0	5.0	0.315	0.29	3.15	3.25
850.0	855.0	5.0	0.172	0.30	5.20	2.00
855.0	860.0	5.0	0.116	0.27	3.85	1.05
860.0	865.0	5.0	0.116	0.17	1.60	0.83
865.0	870.0	5.0	0.088	0.10	2.35	0.85
870.0	875.6	5.6	0.045	0.04	0.99	0.39

Assay Methodology: Metcon Research (METCON), in Tucson Arizona has performed all primary sample preparation. ICP lab analyses have been completed by METCON and American Analytical Lab (AAL) in Sparks, Nevada. Gold fire assays with AA finish and ICP checks of METCON were completed by AAL. Gold fire assay checks and ICP checks of AAL were completed by Activation Laboratories, Ltd. in Thunder Bay, Ontario.

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:

January 12, 2012