

FORM 51-102F3
Material Change Report

ITEM 1. **Name and Address of Company**

Kokanee Minerals Inc. (the "Company" or "Kokanee")
Suite 809, 27 Alexander Street
Vancouver, B.C.
V6A 1B2

ITEM 2. **Date of Material Change**

October 11, 2011

ITEM 3. **News Release**

The Company's news release dated October 11, 2011 was issued in Vancouver, British Columbia and disseminated through Marketwire.

ITEM 4. **Summary of Material Change**

Kokanee has closed a \$7.5 million non-brokered private placement of 50,000,000 units at \$0.15 per unit (the "Offering").

Kokanee has also received final TSX Venture Exchange approval to proceed with two property option agreements with AFGF (Tanzania) Limited ("AFGF"). Kokanee has acquired the option to earn an 80% interest in Prospecting Licenses 6952/2011, 6903/2011 and 6905/2011 located in the Handeni Mining District of Tanzania (the "Properties").

ITEM 5. **Full Description of Material Change**

5.1 **Full Description of Material Change**

See news release dated October 11, 2011 attached as Schedule "A".

5.2 **Disclosure for Restructuring Transactions**

Not Applicable

ITEM 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable

ITEM 7. **Omitted Information**

No material information has been omitted.

ITEM 8. **Executive Officer**

Additional information respecting the Company or the material changes disclosed under this form may be obtained by contacting Souhail Abi-Farrage at (778) 891-2701.

ITEM 9. **Date of Report**

Dated at Vancouver, British Columbia, this 12th day of October, 2011.

Schedule "A"

KOKANEE MINERALS INC.

809 27 Alexander Street,
Vancouver, BC V6A 1B2

NEWS RELEASE

**KOKANEE CLOSSES \$7.5 MILLION EQUITY FINANCING
AND CONCURRENT PROPERTY OPTION**

October 11, 2011

Symbol: KOK

Vancouver, B.C. – October 11, 2011 – Kokanee Minerals Inc. ("Kokanee") (TSX-V:KOK) announces that it has closed a \$7.5 million non-brokered private placement of 50,000,000 units at \$0.15 per unit (the "Offering"). Each unit consists of one common share and one non-transferable share purchase warrant exercisable into one additional common share of Kokanee at an exercise price of \$0.30 until October 11, 2012. The private placement shares, warrants and any shares issued on exercise of the warrants are subject to a hold period which expires February 12, 2012. The Offering did not result in a change of control of Kokanee. A number of agents assisted Kokanee in placing the Offering and Kokanee has paid a cash commission of seven percent (7%) on proceeds raised by the agents. The Offering has received final TSX Venture Exchange approval.

Kokanee has also received final TSX Venture Exchange approval to proceed with two property option agreements with AFGF (Tanzania) Limited ("AFGF"). Kokanee has acquired the option to earn an 80% interest in Prospecting Licenses 6952/2011, 6903/2011 and 6905/2011 located in the Handeni Mining District of Tanzania (the "Properties"). Kokanee's 80% interest in Prospecting License 6952/2011 can be earned by Kokanee paying a total of \$2 million, issuing 1,200,000 shares and incurring \$3,500,000 in work expenditures on the property. Kokanee can earn its 80% interest in Prospecting Licenses 6903/2011 and 6905/2011 by paying a total of \$3 million, issuing 1,500,000 shares and incurring \$6,500,000 in work expenditures. The 2,700,000 shares being issued to AFGF are subject to a hold period which expires February 13, 2012. Kokanee's interests in the Properties are subject to a 2% net smelter return royalty.

On behalf of the Board of Directors

"Souhail Abi-Farrage"
Souhail Abi-Farrage
President and Director

For more information:

Tel: 604-230-4930

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.