Queenston Mining Inc.

FORM 51-102F3

MATERIAL CHANGE REPORT
NATIONAL INTRUMENT 51-102

1. **Name and Address of Company**
   Queenston Mining Inc. ("Queenston")
   Suite 201 – 133 Richmond Street West
   Toronto, Ontario
   M5H 2L3

2. **Date of Material Change**
   August 30, 2012

3. **News Release**
   Queenston Issued a news release dated August 30, 2012 disseminated through Marketwire.

4. **Summary of Material Change**
   Queenston Closes $ 60 Million Sale of JV Lands to Kirkland Lake Gold Inc.

5. **Full Description of Material Change**
   For further information, please see a copy of the Press Release attached to this Material Change Report.

6. **Reliance on subsection 7.1 (2) or (3) of National Instrument 51-102**
   Confidentiality is not requested.

7. **Omitted Information**
   No information has been omitted in respect of the material change.

8. **Executive Officer**
   Charles E. Page,
   President & CEO
   Tel: (416) 364-0001 ext. 224.

9. **Date of Report**
   August 30, 2012

"Jennifer McGuinty"

Jennifer McGuinty
Corporate Secretary
Queenston Mining Inc.

2012-16

Queenston Closes $60 Million Sale of JV Lands to Kirkland Lake Gold Inc.

August 30, 2012 Toronto, Ontario - QUEENSTON MINING INC. (QMI-TSX, Frankfurt; QNMNF-OTCQX) (“Queenston” or the “Company”) is pleased to announce the closing of the transaction dated March 27, 2012 with Kirkland Lake Gold Inc (“KL Gold” KGI:TSX) whereby the Company entered into a purchase and sale agreement (“Agreement”) to sell its 50% interest in the properties held under Joint Venture (“JV”) with KL Gold located in Teck Township to KL Gold for $60 million (“M”) cash and a royalty.

Charles Page, President and CEO states, “The sale of this non-core asset increases Queenston’s working capital to approximately $115 M and provides funds to progress the Upper Beaver project towards advanced underground exploration and feasibility. In February we announced a Preliminary Economic Assessment (“PEA”) on the Upper Beaver project based on constructing a 2,000 tonne per day stand-alone mine-mill operation. The PEA outlined positive economics with annual production of 120,000 oz of gold and 5.3 M pounds of copper.”

Terms of the sale were a $10 M cash payment received on March 27, 2012, $20 M cash received on closing today and $30 M cash due on December 3, 2012. On closing, Queenston received a promissory note representing the balance of the purchase price payable in the principal amount of $30 M, accruing interest at a rate of prime plus 2.5% per annum, secured by way of a first fixed charge and mortgage on the JV properties that are the subject of the sale, due and payable on December 3, 2012. The Company will receive a royalty on production from the sold properties after the first 1.3 M ounces (oz) of gold have been produced equal to $15/oz of gold for the next 1 M oz produced and $20/oz thereafter.

The Company maintains strategic, 100% owned holdings in Teck Township adjoining the JV lands including the Amalgamated Kirkland (“AK”) property where in September 2011 a NI 43-101 compliant indicated mineral resource of 1,145,000 tonnes (“t”) grading 4.47 grams per tonne (“g/t”) gold (“Au”) (164,000 oz) and an inferred resource of 1,530,000 t grading 4.21 g/t Au (207,000 oz). Queenston announced on July 24, 2012 new drilling results including 14.5 g/t Au over 5.9 m and 11.3 g/t Au over 4.2 m that extend the AK deposit, and the commencement of a deep drilling program below the deposit where the potential may exist for South Mine Complex-type mineralization.

In the Kirkland Lake area, Queenston is completing a 2012 exploration budget of $25 M and is spending $10 M this year on the advanced underground exploration program at Upper Beaver. Expenditures will include site clearing, road improvements to site, construction of a transformer station plus power-line and procurement of key equipment that includes a deposit on two of three hoists for the shaft sinking program.

This news release has been reviewed by Queenston’s VP Exploration and QP, William McGuinty, P. Geo.

About Queenston

Queenston is a Canadian mineral exploration and development company with a primary focus on its holdings in the historic Kirkland Lake gold camp comprising 240 km² of prime exploration lands. The Company’s assets include six 100%-owned gold deposits, all with NI 43-101 compliant mineral resources and ongoing exploration and development. The objective of the Company is to advance the flagship Upper Beaver project towards feasibility and production. The Upper Beaver project is currently being permitted for Advanced

Exploration leading to a new shaft development program beginning in 2012. The Company is also very active in exploring and advancing the other five 100%-owned deposits that will provide additional feed for a central milling facility. The Company currently has working capital of $115 million including cash and short-term investments of approximately $85 million with no debt.

For further information, please contact:

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Forward Looking Statements

This news release may contain certain statements regarding future events, results or outlooks that are considered forward looking statements within the meaning of securities regulation. These forward looking statements reflect management's best judgment based on current facts and assumptions that management considers reasonable and include the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential" and "should". Forward looking statements contain significant risks and uncertainties. A number of circumstances could cause results to differ materially from the results discussed in the forward looking statements including, but not limited to, changes in general economic and market conditions, metal prices, political issues, permitting, environmental, exploration and development success, continued availability of capital and other risk factors. The forward looking statements contained in this document are based on what management believes to be reasonable assumptions, however, we cannot assure that the results will be compatible to the forward looking statements as management assumes no obligation to revise them to reflect new circumstances. The Corporation has no knowledge that would indicate the information is not true or is incomplete and the Corporation assumes no responsibility for the accuracy and completeness of the information. Readers should not place reliance on forward looking statements. More information concerning risks and uncertainties that may affect the Company's business is available in Queenston's most recent Annual Information Form and other regulatory filings of the Company at www.sedar.com