<u>**FORM 51-102F3**</u>

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Polar Star Mining Corporation ("**Polar Star**" or the "**Company**")
10 King Street East
Suite 500
Toronto, Ontario
M5C 1C3

Item 2 Date of Material Change:

November 2, 2012

Item 3 News Release:

A news release attached hereto as Schedule "A" was disseminated by Polar Star on October 25, 2012 via CNW Group news service and was subsequently filed on SEDAR.

Item 4 Summary of Material Change:

The Company has issued 65,150,000 common shares at a price of $0.10 per share (the "**Subscription Price**") for gross proceeds of $6,515,000 by way of a private placement, previously announced on October 5, 2012 (the "**Private Placement**"), the second and final tranche of which closed on November 2, 2012. As a result of the Private Placement and the conversion of the previously announced and funded $750,000 promissory note plus accrued interest in favour of Praetorian Resources Limited ("**Praetorian**"), Praetorian owns 11.7% of the issued and outstanding common shares of the Company.

The common shares issued pursuant to this Private Placement are subject to a hold period of four months plus one day from the date of closing.

The proceeds of the Private Placement will be used to support capital development at the Company's Chépica mine in Chile and for general corporate purposes.

Item 5 Full Description of Material Change:

For a full description of the material change, please refer to the press release of Polar Star dated October 25, 2012 attached hereto as Schedule "A".

Item 6 Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations:*

Not applicable

Item 7 Omitted Information:

No information has been omitted in respect of the material change.

Item 8 Executive Officer Knowledgeable of Material Change:

Adam Rochacewich, Chief Financial Officer
Telephone: (416) 987-0711

Item 9 Date of Report:

November 12, 2012

Schedule "A"

Not for distribution to United States wire services or dissemination in the United States

POLAR STAR ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Toronto, Ontario – October 25, 2012, Polar Star Mining Corporation ("Polar Star" or the Company") (TSX:PSR) is pleased to announce the closing of the first tranche of the private placement of up to 65,000,000 common shares of the Company (the "Private Placement") at a price of $0.10 per common share (the "Subscription Price") previously announced on October 5, 2012. The remainder of the Private Placement will be completed upon receipt of TSX approval, expected within two weeks.

The Company has issued 54,119,474 common shares at a price of $0.10 per share for gross proceeds of $5,411,947.40, and an additional 7,650,000 common shares to Praetorian Resources Limited ("Praetorian") in connection with the conversion of the previously announced and funded $750,000 promissory note plus accrued interest in favor of Praetorian.

As of today's date, Praetorian owns 15,919,474 common shares, representing 9.9% of the issued and outstanding shares of the Company. Upon receipt of TSX approval, an additional 3,380,526 common shares will be issued to Praetorian bringing their total ownership to 19,300,000 common shares which will represent 11.7% of the then issued and outstanding common shares of the Company.

The common shares issued pursuant to this Private Placement are subject to a hold period of four months plus one day from the date of closing.

The proceeds of the Private Placement will be used to support capital development at the Company's Chépica mine in Chile and for general corporate purposes.

In connection with the Private Placement, Arlington Group Asset Management Limited, broker to the Company, will be paid a cash commission of 2.5% of the gross proceeds it delivered and an additional 2.5% commission of the gross proceeds it delivered paid via the issuance of common shares at the Subscription Price.

Forward-Looking Statements

This news release may contain forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. Actual events or results could differ materially from the Company's expectations and projections. Investors are cautioned that forward-looking statements involve risks and uncertainties. Accordingly, readers should not place undue reliance on forward-looking statements. When used herein, words such as "anticipate", "will", "intend" and similar expressions are intended to identify forward-looking statements. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to Polar Star's filings with Canadian securities regulators available on www.sedar.com or the Company's website at www.polarstarmining.com.

About Polar Star

Polar Star is an emerging exploration company with a focus on building value in Chile through discovery, development and production. The company is advancing its flagship exploration property, Montezuma, that covers 40 kilometres of the West Fault zone and the cross-cutting Esperanza Fault systems. The property is located between Codelco's Radomiro Tomic - Chuquicamata - Ministro Hales mines in the north and Antofagasta PLC's El Tesoro - Esperanza - Polo Sur mines to the south. Polar Star operates the Chépica gold/silver/copper mine located 270 kilometres south of Santiago, Chile. The head office of Polar Star is located in Toronto.

Share Capitalization
Shares outstanding: 161,045,475 as at October 25, 2012.

Contact Information
Adam Rochacewich, CFO
Tel: (416) 368-3496
Email: info@polarstarmining.com

www.polarstarmining.com