



2009 ANNUAL INFORMATION FORM

March 25, 2010

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GLOSSARY

The following is a glossary of terms used in this Annual Information Form.

"alteration"	a physical or chemical change in the mineral composition of a rock.
"andesite"	fine grained extrusive igneous rock intermediate in composition between a rhyolite and basalt.
"anomaly"	irregularity in geophysical or geochemical data.
"arsenopyrite"	iron-arsenic sulphide, FeAsS
"assay"	analysis to determine the quantity of one or more chemical components.
"azimuth"	direction of object measured clockwise from observer's horizon from north.
"basalt"	dark coloured, fine grained extrusive igneous rock containing mafic minerals.
"base metal"	metals such as copper, nickel, lead, zinc.
"batholith"	a large intrusive igneous rock mass that is exposed over an area of 100 km ² .
"biotite"	a dark iron, magnesium, potassium rich mica.
"break"	term used for major regional structure or fault zone.
"breccia"	a rock with angular fragments in a fine-grained ground mass.
"carbonate"	rock composed dominantly of calcium carbonate.
"cash flow"	a revenue or expense stream that changes cash account over a given period.
"chalcopyrite"	copper- iron sulphide mineral (CuFeS ₂)
"chlorite"	a green, platy iron-magnesium rich metamorphic mineral.
"conglomerate"	a sedimentary rock composed of rounded fragments in a fine grained ground mass.
"CRD"	carbonate replacement deposit.
"cut grade or capped"	terms used in the Mineral Resource estimation process to control and limit the influence and effect of extremely high assay values. Specific caps are determined by applying geological constraints and using geostatistical procedures.
"diamond drill"	a rotary rock drill with a diamond impregnated bit used to obtain a cylindrical core of rock.
"dip"	the angle that a rock or mineralized zone make with a horizontal plane.
"drift"	a horizontal mining excavation that provides access to ore.

"dyke"	body of igneous rock cutting the host lithology at a high angle.
"EM"	electromagnetic, a type of geophysical survey to detect conductivity.
"epidote"	a chemically complex mineral composed of calcium, alumina silicates.
"fault"	a fracture or fracture zone in a rock along which movement has occurred.
"feldspar"	group of common aluminosilicate minerals.
"feasibility study"	a technical and financial evaluation to assess the economic viability of a project.
"felsic"	igneous mineral composed of dominantly feldspar and quartz.
"fold"	a bend or flexure in a rock unit that is caused by crustal movements.
"formation"	body of rock determined by lithological characteristics and stratigraphic position.
"galena"	lead sulphide mineral, (PbS)
"geology"	the study of the origin, history and structure of the earth.
"geophysics"	study of the variations in the physical parameters of the earth using quantitative methods including magnetic, electrical, gravitational.
"graben"	an elongated, downthrown block bounded by two steeply dipping faults.
"graphite"	a black, greasy, soft mineral of carbon.
"greenstone belt"	area underlain by metamorphosed volcanic and sedimentary rocks.
"greywacke"	fine grained grey sandstone composed of poorly sorted grains of quartz, feldspar and rock fragments in a clay ground mass.
"intrusive"	an igneous rock that intrudes an older rock.
"interflow"	sedimentary material occurring at the interval between two volcanic flows.
"IP"	Induced Polarization, method of ground geophysics using an electrical current to determine mineralization through the measurement of resistivity and chargeability.
"komatiite"	igneous suite of basaltic and ultramafic and ultramafic lavas commonly exhibiting spinifex texture.
"isoclinal fold"	a fold with parallel to nearly parallel limbs.
"level"	established mining intervals in an operating mine.

"line cutting"	development of a physical, cut grid on the ground with equal spacing from which geotechnical surveys are performed.
"mafic"	igneous rock composed of dark, magnesium, iron rich minerals.
"magnetite"	black, magnetic iron oxide mineral (Fe ₃ O ₄)
"magnetic survey"	geophysical survey that measures variations in the earth's magnetic field caused by rock types or physical features.
"metallurgy"	science that deals with procedures in extracting metals from ores.
"mineralization"	the concentration of metals within a body of rock.
"mudstone"	sedimentary rock composed of clay-sized material that lacks stratified structure that is characteristic of shale.
"net profits interest"	NPI, royalty based on profits after deducting all preproduction and production costs.
"net smelter return"	NSR, royalty based on metal sales received less the cost of smelting and refining.
"NI 43-101"	National Instrument 43-101, rule developed by Canadian regulators governing disclosure of scientific and technical information about mineral projects to the public.
"ore"	rock that can be mined at a profit.
"outcrop"	exposure of bedrock on surface.
"plug"	a small intrusive igneous rock mass that is exposed through erosion.
"plunge"	the angle and direction of a line below the horizontal plane.
"porphyry"	an intrusive igneous rock containing large crystals of feldspar in a fine grained igneous groundmass.
"precious metals"	metals such as gold, silver and platinum.
"prefeasibility"	financial and technical study to determine if a project should be advanced to feasibility stage.
"pyrite"	iron sulphide mineral, (FeS ₂)
"pyrrhotite"	iron sulphide mineral, (FeS)
"Qualified Person"	an engineer or geoscientist that is member of a professional association and fulfils experience requirements in regards to information being reported
"quartz"	one of the most abundant minerals on the earth that commonly occurs as veins in gold deposits

"rhyolite"	fine grained volcanic extrusive rock with a silica content of 68%.
"rock burst"	outburst of broken rock in a mining operation due to seismic activity.
"scheelite"	tungsten mineral, (CaWO ₄)
"schist"	a strongly foliated metamorphic rock commonly containing mica.
"scoping study"	a preliminary technical and financial study of a mineral project to determine if further work should be undertaken.
"sedimentary rock"	a rock formed from the accumulation and consolidation of sediment usually in layered deposits.
"sericite"	fine grained mica common in areas subjected to hydrothermal alteration.
"shear zone"	a tabular zone of rock that has been crushed or brecciated by parallel fractures caused by shear strain.
"silicified"	a rock that has been enriched with silica.
"sphalerite"	a zinc sulphide mineral (ZnS)
"splay fault"	a subsidiary structure emanating from a major fault or shear zone.
"stockwork"	mass of rock containing many small veins or veinlets irregularly grouped.
"stope"	a working place in a mine from which ore is excavated.
"structures"	fractures in rock including faults and shears caused by physical forces.
"sulphide"	a mineral in which one or more elements forms in combination with sulfur.
"syenite"	an igneous intrusive rock composed primarily of alkali feldspar.
"syncline"	a trough-shaped fold with youngest strata in the center.
"tourmaline"	complex crystalline silicate mineral containing, alumina, boron, iron commonly occurs in quartz veins in gold deposits.
"Titan 24"	an IP based geophysical survey employed by Quantec Geoscience Limited to detect deep anomalies that may be associated to ore bodies.
"trachytic"	textural term for volcanic rocks where feldspar phenocrysts are aligned.
"trenching"	a shallow excavation of either soil or rock on surface.
"ultramafic"	a dark igneous rock consisting of ferro-magnesium minerals with no quartz or feldspar.

QUEENSTON MINING INC.

GENERAL

In this Annual Information Form ("AIF"), the "Company" or "Queenston" refers to Queenston Mining Inc. The information in this AIF is at December 31, 2009 unless otherwise stated.

Documents incorporated by reference in this AIF include all those audited annual financial statements and unaudited interim financial statements, proxy circulars and other continuous disclosure documents filed by Queenston, copies of which are available on request from the offices of Queenston or on the SEDAR web site (www.sedar.com).

All currency references in this AIF are in Canadian dollars unless otherwise indicated. Reference to "United States dollars" or the use of the symbol "US \$" refer to United States dollars.

Amounts in this report are generally in metric units. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below.

Imperial Measure	= Metric Unit	Metric Measure	= Imperial Unit
2.47 acres	= 1 hectare	0.4047 hectares	= 1 acre
3.29 feet	= 1 meter	0.3048 meters	= 1 foot
0.62 miles	= 1 kilometer	1.609 kilometers	= 1 mile
0.032 oz.	= 1 gram	31.103 grams	= 1 oz. (troy)
1.10231 tons	= 1 tonne	0.907 tonnes	= 1 ton (short)
0.029 oz. (troy/ton)	= 1 gram/tonnes	34.28 grams/tonne	= 1 oz. (troy)/ton

All ounces are troy ounces: 14.58 troy ounces equal 1 pound (containing 16 imperial ounces).

Abbreviations used in the AIF are provided below.

m = meters, g = grams, t = tonne, \$ M = million dollars, Mt = million tonnes,
g/t = grams/tonne, km = kilometer, oz. = ounce, h = hectare, NSR = net smelter return royalty,
NPI = net profits interest

NI 43-101 = National Instrument 43-101

AIF = Annual Information Form

QP = Qualified Person

P. Geo. = Professional Geoscientist

P. Eng. = Professional Engineer

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This AIF and the documents incorporated by reference herein contain certain "forward-looking information" within the meaning of Canadian securities laws which are based on Queenston Mining Inc.'s ("Queenston") current internal expectations, estimates, projections, assumptions and beliefs as at the date of such statements or information including among other things, assumptions with respect to exploration, production, future capital expenditures and cash flow. All information, other than statements of historical facts, included or incorporated by reference in this AIF that address activities, events or developments that Queenston expect or anticipate will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of Queenston's businesses, operations, plans and other such matters are forward-looking statements. When used in this AIF the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Other forward-looking information in this AIF and the documents incorporated by reference herein include, but are not limited to, information and statements with respect to the completion and the closing of the Amalgamation and

the timing thereof, price of gold and other precious and base metals, the timing and amount of estimated future production, costs of production and reserve and resource estimates.

Forward-looking information is based on reasonable assumptions and estimates of Management and Queenston at the time it was made and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Queenston to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Queenston has made assumptions relating to such factors as, among others, risks relating to uncertainties associated with exploration and mining risks, risks associated with metal prices, risks relating to title, permitting and licenses, risks relating to governmental and environmental regulation, risks relating to international operations, risks relating to production estimates and capital cost estimates, risks relating to financing activities, as well as those risk factors in this AIF and the documents incorporated by reference herein. Although Queenston has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. Queenston does not undertake an obligation to revise or update any forward-looking information other than as required by securities law.

1.0 CORPORATE STRUCTURE

1.1 Queenston Mining Inc.

Queenston Mining Inc. ("Queenston" or the "Corporation" or the "Company") was formed January 1, 1990 by the amalgamation of Queenston Gold Mines Limited ("Queenston Gold") and HSK Minerals Limited ("HSK") pursuant to the Canada Business Corporations Act.

Queenston is listed on the Toronto Stock Exchange (Trading Symbol "QMI") and the Frankfurt, Stuttgart and Berlin Stock Exchanges, in Germany. Its fiscal year ends on December 31 in each year.

The Company's corporate office, executive head office and principal place of business is located at Suite 201, 133 Richmond Street West, Toronto, Ontario, M5H 2L3 (Tel: 416-364-0001) (Fax: 416-364-5098) Website: www.queenston.ca E-mail: info@queenston.ca.

1.2 Minera Queenston S.A. de C.V.

Minera Queenston S.A. de C.V. ("Minera Queenston") is a Mexican subsidiary of Queenston and was incorporated in Mexico City on October 12, 2005 to facilitate exploration activities in the country of Mexico. There are currently no property assets in Minera Queenston S.A. de C.V. Queenston holds 4,998 shares and votes of the 5,000 shares issued and outstanding shares in Minera Queenston. Charles E. Page, President and CEO of Queenston and Hugh D. Harbinson, Chairman of Queenston, each hold one share in the Mexican subsidiary.

2.0 GENERAL DEVELOPMENT OF THE BUSINESS

Queenston is a Canadian natural resource company engaged in the exploration and development of gold deposits primarily in Canada. The Company has been a past gold producer and currently is not operating any mines. The Company's primary assets are strategic property holdings located in two of Canada's historic gold camps, Kirkland Lake, Ontario and Cadillac, Quebec. The strategy of the Company

is to advance its gold assets in both these camps towards a production decision. The Company's shares are listed on the Toronto, Frankfurt and Stuttgart Stock Exchanges and head office facilities are located in Toronto. The Company also maintains an exploration office in Kirkland Lake, Ontario.

On March 5, 2010 the Company announced that they entered into an agreement to merge with Vault Minerals Inc. ("Vault") by way of amalgamation to consolidate holdings in the Kirkland Lake gold camp. Under the terms of the amalgamation Vault shareholders will receive one common Queenston share for every 10 Vault shares. The Company will issue approximately 4 million Queenston common shares pursuant to the amalgamation. The transaction is subject to Vault shareholder approval at a special meeting of its shareholders to be held on April 19, 2010. The benefits to Queenston of the merger include, (1) the creation of a dominant land position covering approximately 190 square km along major gold trends in the Kirkland Lake camp, (2) expansion of the potential along trend of our existing exploration success at the Upper Beaver project, (3) exposure to both high-grade and bulk tonnage opportunities in the King Kirkland area, and (4) increased holdings in Teck township adjacent to the property operated by Kirkland Lake Gold Inc.

2.1 Three Year History

Over the last three financial years the Company's primarily focused on the acquisition and exploration of mineral properties and the financing of such activities.

2.1.2 2009

In 2009, the Company's activity was focused largely on properties in the Kirkland Lake gold camp where the Company owns extensive holdings that includes a 15,600 hectare ("ha") land package hosting 8 gold deposits. In the eastern portion of the camp, where the Company is advancing four of its 100% owned deposits in Gauthier township (Upper Beaver, McBean, Anoki and Upper Canada) towards a development decision, work was completed on the Upper Beaver, McBean, Anoki and Upper Canada properties during the year. In the western portion of the camp, the Company explored both the South Claims property and the HM Claim in joint venture ("JV") with Kirkland Lake Gold Inc. ("KL Gold") and the 100% owned Amalgamated Kirkland ("AK") property. Also during the period the Company initiated exploration activity on the Commodore and Lac – McVittie joint venture properties. The total exploration expenditure for the year was \$11.2 M with the majority incurred in Kirkland Lake, approximately \$41,000 on the Wood-Pandora property in Quebec and \$16,000 on the Westhawk Lake property in Manitoba.

During the year the Company completed 160 diamond drill holes and 33 wedge holes totaling 83,288 m on the Kirkland Lake properties. Expenditures amounted to approximately \$2.8 M at Upper Beaver and included drilling of 22 holes and 22 wedge holes (20,721 m) within, alongside and below the existing mineral resource identified in 2008 comprising total indicated resources of 1,373,500 t grading 8.5 g/t Au (375,000 oz.) with 0.43% Cu and total inferred resources of 1,061,300 t grading 7.7 g/t Au (262,800 oz.) with 0.39% Cu. The mineral resource was completed by Watts, Griffis and McQuat Limited of Toronto under the supervision of independent qualified person Michael W. Kociumbas, P.Geo. The 2009 drilling at Upper Beaver confirmed the deposit remains open below a depth of 1200 m as well as along strike to the east and west.

At the McBean – Anoki deposits, in 2009, the Company completed 68 diamond drill holes (35,760 m) that resulted in a new NI 43-101 mineral resource for both the McBean and Anoki deposits prepared by P & E Mining Consultants Inc. ("P&E") of Brampton, Ontario under the supervision of QP, Eugene Puritch, P. Eng. The mineral resources at McBean contain 706,000 t grading 4.64 g/t Au (105,700 oz) in the measured and indicated category and 1,221,000 t grading 4.71 g/t Au (184,700 oz) in the inferred category. At Anoki the resource contains 730,000 t grading 4.74 g/t Au (111,700 oz) in the measured and indicated category and 337,000 t grading 4.80 g/t Au (52,100 oz) in the inferred category. The drilling at

McBean and Anoki also began to target the alteration envelope below and beside the deposits for possible extensions and new zone of mineralization.

The expenditure at Upper Canada amounted to \$1,358,000 and included 35 diamond drill holes (11,022 m) that identified thick intervals of low-grade gold mineralization above the workings of the past producing mine where the potential exists for a bulk-tonnage resource.

In Teck Township the Company continued to participate with KL Gold on the South Claims and HM JV properties targeting the South Mine Complex ("SMC") orebody that is currently being mined by KL Gold at the Macassa mine. Queenston's 50% share of the JV expenditures amounted to approximately \$370,000 and included 10 underground drill holes, 4 surface wedge holes and 137 m of underground development. On the South Claims JV the exploration led to an increase in the mineral resource of the SMC including 27,087 t grading 48.8 g/t (42,000 oz) in the indicated category and 46,954 t grading 41.8 g/t (63,000 oz) as inferred. As a result, the total resource on the South Claims JV property is now 66,097 t grading 42.5 g/t (90,000 oz) indicated and 113,179 t grading 42.2 g/t (154,000) inferred. Queenston's 50% portion of these resources is 33,049 t grading 42.5 g/t (45,000 oz) indicated and 56,590 t grading 42.2 g/t (77,000 oz) inferred. The new resources represent an increase of 88% in the indicated category and 70% in the inferred category from the 2008 estimate. The mineral resources were calculated by KL Gold's geological staff which includes a Qualified Person, Stewart Carmichael, P. Geo., KL Gold's Chief Exploration Geologist, for the purpose of NI 43-101. The resource estimate was audited and verified by independent QP Glenn R. Clark, P. Eng., of Glenn R. Clark & Associates Limited. On the adjacent HM JV property drilling during the year intersected high-grade gold mineralization that may form part of the SMC, approximately 300 m east of the current mineral resource.

At the 100% owned AK property the Company continued with a deep drilling program targeting the SMC in the northwestern portion of the property. During the year expenditures amounted to \$1,020,000 and included 4 surface pilot holes and 7 wedge holes. The drilling intersected high-grade gold mineralization believed to be part the SMC.

In February 2009 the Company and Newstrike Resources Ltd. ("Newstrike") formed a joint venture to purchase and explore 36 mineral claims located in Lebel and Gauthier Townships. In August, the joint venture completed the purchase with each party paying the vendor \$95,000 cash and issuing 35,000 shares of Newstrike and 10,000 shares of Queenston. In September, the joint venture consolidated a larger land package in the area with the purchase of an additional 4 adjoining claims from a third party, Newstrike contributing their 6 claim Morris property and Queenston adding 11 boundary claims. The combined Commodore property now contains 57 mineral claims comprising 25 patented and 32 unpatented claims. As additional consideration for the contribution made to the JV by Queenston, Newstrike issued 600,000 of their common shares valued at \$270,000 to Queenston. In October 2009 the joint venture commenced an exploration program on the property and in February 2010 announced that 16 holes (3,734 m) and geophysics had been completed. Queenston's share of the exploration costs in 2009 amounted to approximately \$205,000. The exploration was focused on the southern portion of the property where drilling and geophysics has outlined a broad alteration corridor that has been traced for 2.5 km containing the Commodore and Egg (HG) gold zones.

During the third quarter of 2009 the Company commenced a 5 hole, (3,742 m) diamond drilling program on the Lac-McVittie property located in McVittie Township. The property comprises 61 unpatented mineral claims adjacent to Queenston's Upper Beaver gold-copper property. The property is held in a three party JV with Queenston holding 41% interest, Barrick Gold Corporation holding a 49% interest and Contact Mining a 10% interest. Queenston as operator of the joint venture proposed a program targeting previous mineralization that is similar to the Upper Beaver deposit. Both Barrick and Contact Mining elected not to participate in the program and as a result, Queenston interest in the property increased to approximately 70% reducing Barrick's interest to 30% and Contact Mining's interest to 0%. Early in 2010, Queenston completed a \$324,000 program on the property that consisted

of 5 drill holes (3,742 m) targeting anomalous gold-copper Upper Beaver-type mineralization in the northwest part of the property.

In Cadillac, Quebec the Company and 50% JV partner Globex Mining Enterprises Inc. ("Globex") completed a small drill program on the Wood-Pandora property. Queenston's share of the drilling program amounted to \$23,000 that included 2 diamond drill holes (374 m) targeting the Cadillac Break in the central portion of the property.

In 2009 the Company incurred no exploration on the past producing, 100% owned Westhawk gold property located in southeastern Manitoba. During the year the Company entered into an option agreement with private company, Canadian Star Minerals Ltd ("Canadian Star"), to explore the Westhawk property. Under terms of the agreement, Canadian Star can earn a 60% interest the property by issuing 500,000 shares to Queenston and incurring exploration expenditures amounting to \$2 million over a period of four years. Canadian Star can earn an additional 15% interest in the property by completing a feasibility study. Canadian Star who holds other gold assets in Manitoba is proceeding with a listing on the TSX Venture exchange and plans exploration on the property in 2010.

On March 4, 2009 the Company completed an \$18 million private placement led by Primary Capital Inc. and included Dundee Securities and National Bank Financial. The private placement consisted of 4,148,570 (\$16 million) hard dollar units at \$3.85 each and 460,950 (\$2 million) flow-through shares at \$4.40 each. Each hard dollar unit consisted of one common share and one half warrant and a full warrant entitles the holder to purchase one additional common share of the Company at a price of \$5.00 for a period of 12 months. Substantially all of the warrants issued in March 2009 have been exercised before expiry netting the Company almost \$11 million. In September, 2009 the Company closed a \$17 million private placement led by agents Primary Capital Inc. including Dundee Securities, Thomas Weisel, Cormark Securities, Wolverton Securities and Northern Securities. The private placement consisted of 2,428,572 flow-through shares priced at \$7.00 per share and included 2,720,000 warrants at exercise prices ranging from \$5.46 to \$7.50 and with terms from 12 to 18 months which warrants if fully exercised would net the Company a further \$20 million.

2.1.2 2008

In 2008, the Company completed exploration and development expenditures of approximately \$8,000,000 on Canadian gold projects. The majority of the expenditure, approximately \$7.3 M, was completed on the Kirkland Lake properties in Ontario, with \$136,618 incurred on the Wood-Pandora property, Quebec, \$42,717 on the Phoenix property, Quebec and \$77,909 on the Westhawk Lake property, Manitoba.

In Kirkland Lake the Company's strategy in Gauthier township is to advance four 100% owned gold deposits (Upper Beaver, McBean, Anoki and Upper Canada) towards prefeasibility and a decision to advance the properties to production. The majority of the work during the year was completed on the Upper Beaver and McBean properties. During 2008, Queenston incurred exploration expenditures on the Upper Beaver property amounting to approximately \$2.7 million. Drilling during the year continued to outline a mineral resource on the gold-copper deposit as well as beginning deeper exploration below the deposit. On September 22, 2008 the Company reported a NI 43-101 mineral resource at Upper Beaver comprising total indicated resources of 1,373,500 t grading 8.5 g/t Au (375,000 oz.) with 0.43% Cu and total inferred resources of 1,061,300 t grading 7.7 g/t Au (262,800 oz.) with 0.39% Cu. The mineral resource was completed by Watts, Griffis and McQuat Limited of Toronto under the supervision of independent qualified person Michael W. Kociumbas, P.Geo. For the balance of the year deeper drilling at Upper Beaver continued and was successful in extending the gold-copper mineralization to a depth of -1200 m.

At McBean the first phase of resource definition drilling was completed and later in the year a second phase commenced to advance an existing historic mineral resource to a compliant NI43-101 resource. The drilling program at McBean will also begin to expand the resource to depth. In total, expenditures on the McBean property in 2008 amounted to \$2,464,011.

In Teck township the Company was active on two fronts, on the South Claims property with JV partner KL Gold and on the 100% owned AK property. On the South Claims JV property advanced underground exploration with partner KL Gold discovered the South Mine Complex ("SMC") extending onto the property and in July a NI 43-101 mineral resource was identified containing 39,000 t grading 38.1 g/t containing 48,000 oz. in the indicated category and 66,225 t grading 42.5 g/t containing 91,000 oz. in the inferred category. The mineral resource was completed by independent qualified person Glenn R. Clark, P.Eng. Total expenditures incurred by the Company on the South Claims property in 2008 amounted to \$558,510. Pursuant to a joint venture agreement dated October 21, 2005 signed between the Company and KL Gold the Company allowed KL Gold to earn 50% of the Company's rights under the May 6, 2004 agreement with Newmont Mining Corporation of Canada Limited ("Newmont") to earn a 50% interest in the Kirkland Lake West ("KL West") property by expending jointly \$2.5 million prior to June 30, 2008. After expending approximately \$1.7 million on the property in exploration, the joint venture purchased a 100% interest in the Kirkland Lake West property from Newmont for \$1 million cash on February 6, 2008. Under the terms of the purchase Newmont retains a sliding scale net smelter returns royalty on the property of 2% at a gold price less than or equal to US \$1000/oz and 3% if greater than US \$1000/oz. Newmont also retains the one-time right to repurchase from the joint venture an undivided 49% interest upon receipt of a NI 43-101 mineral resource calculated on the property. To exercise this right Newmont must pay the joint venture the greater of 300% of the exploration expenditures required to outline the mineral resource and \$5 million.

On the AK property the Company completed exploration expenditures of \$1,511,002 completing a deep drilling program that targeted and successfully intersected the SMC in the northwestern portion of the property.

In Quebec, Queenston and joint venture partner Globex completed a NI43-101 mineral resource on the Ironwood deposit outlining an inferred resource of 243,200 t grading 17.3 g/t Au on the Wood-Pandora property. The mineral resource formed part of a technical report completed by Consulting Geologist and QP, Reno Pressacco, P. Geo. Also during the year, the joint venture completed further drilling to confirm the geological model of the deposit and metallurgical testwork. Total costs incurred by Queenston on the Wood-Pandora property in 2008 amounted to \$230,265. On the Phoenix property located in the Chapais area of Quebec, the Company made a cash payment to the property owners of \$50,000 and completed \$84,189 in exploration targeting a source for high-grade gold and copper boulders. The results were disappointing and the Company terminated the option to earn an interest in the property and wrote off exploration – property costs amounting to \$191,594.

On March 19, 2008 the Company completed a \$10,000,000 private placement financing that consisted of 2,500,000 flow-through shares priced at \$4.00/share. Primary Capital Inc. was lead agent to the financing with National Bank Financial, Wellington West Capital Markets Inc. and Evergreen Capital Partners Inc. as parties. The Company paid the agents a commission of 6% of the gross proceeds and issued broker warrants allowing them to purchase 150,000 common shares of the Company at \$3.65/share over a twelve month period.

On February 14, 2008, Queenston's shareholders ratified a Shareholders Rights Plan ("Rights Plan") at a Special Shareholders Meeting with a vote of over 99% in favour. The Rights Plan is designed both to encourage the fair and equal treatment of Queenston's shareholders in connection with any potential take-over bid and to ensure that Queenston's shareholders and its Board of Directors, in compliance with securities laws, have sufficient time to consider whether there are other options that would more effectively maximize shareholders value. The Rights Plan has an initial term of three years and is subject

to reconfirmation by shareholders. The Rights Plan cannot be utilized to deny shareholders the opportunity to participate in any tender offer and is not designed to entrench management or Queenston's Board. The terms of the Rights Plan are similar to those in rights plans recently approved by shareholders of other Canadian corporations.

2.1.3 2007

In 2007, the Company's primary exploration and development activity was focused on the Kirkland Lake properties in Ontario where exploration was completed on the Upper Beaver, South Claims, KL West and Amalgamated Kirkland properties. Other exploration expenditures were incurred on the Wood-Pandora, Grizzly and Phoenix properties located in Quebec. In total, exploration expenditures in 2007 amounted to over \$5,800,000. The expenditures include \$4,834,000 on the Kirkland Lake project, Ontario, \$498,000 on the Wood-Pandora project, Quebec, \$162,000 on the Grizzly property, Quebec, \$76,000 on the Phoenix property, Quebec and \$109,000 on the Sierra Almoloya project, Mexico.

In Kirkland Lake work focused on the Upper Beaver property where the Company continued to expand the gold-copper mineralization below the past producing Upper Beaver mine. Also in Kirkland Lake the Company participated with KL Gold on advanced underground exploration at the KL West and South Claims property. In Quebec Queenston and joint venture partner Globex continued exploration on the Ironwood gold discovery in the Cadillac camp that led to a new NI 43-101 mineral resource. In the Chibougamau area of Quebec, the Company completed programs on the Grizzly and Phoenix properties targeting new gold and copper discoveries. In Mexico, the Company completed further sampling and a report on the Sierra Almoloya property. In July, the Company has entered in to an agreement to earn a 100% interest in 36 claims located in the Chapais mining camp. To earn a 100% interest in the Phoenix property the Company must make staged cash and/or share payments amounting to \$750,000 over a three year period. The first payment on signing of the agreement was \$50,000.

During the year the Company terminated its right to earn interests in two projects, Sierra Almoloya, Mexico and Grizzly, Quebec. As a result deferred exploration expenditures amounting to approximately \$1,200,000 were written-off.

On May 18, 2007 the Company completed a private \$10,115,000 placement financing that consisted of 3,400,000 (\$6,290,000) hard dollar units ("Hard Dollar Units") and 1,700,000 (\$3,825,000) flow-through shares ("Flow-Through"). Each Hard Dollar Unit was priced at \$1.85 and consisted of one common share and one half warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$2.25 for a period of 12 months. Each Flow-Through share was priced at \$2.25. Primary Capital Inc. was agent to the financing and received a commission of 6% of the gross proceeds and was issued broker warrants allowing them to purchase 306,000 Hard Dollar Units of the Company over a 12 month period at a price of \$1.92 per unit. The funds were added to the working capital of the Company fund its exploration programs.

3.0 DESCRIPTION OF BUSINESS

3.1 General

The principal business of the Company is the acquisition and exploration of mineral properties for gold and base metals in the Abitibi greenstone belt that could develop into profitable mining operations under favourable market conditions. This belt of volcanic, sedimentary and intrusive rocks is located in northeastern Ontario and northwestern Quebec and is considered as one of the largest and richest in the world with respect to the production of precious and base metals. The Company's main exploration projects are located in the south-central portion of the belt and occur in producing mining camps.

The Company's strategy is to: (1) explore in, and along proven mine trends in existing camps, (2) explore in grass-roots areas that exhibit similar geological characteristics to established mining camps, and (3) develop deposits into mines alone or with joint venture partners. A criterion for project selection is proximity to established infrastructure allowing discoveries to be exploited with a skilled labour force in a mining friendly environment.

To finance exploration and development activities the Company may from time to time sell shares of the Corporation to the public through financings or sell short term investments. Other than revenue generated from interest income, at this time the Company has no revenue from the sale of products.

3.2 Risks

Certain risks and uncertainties exist in the mineral resource sector that could affect the outcome of an investment. These risks include metal price fluctuations and the low success rate for the discovery of new deposits. Industry competition and lack of funding may also limit opportunities. Future political, regulatory and environmental changes could affect any aspect of the company's business including property title, taxation, aboriginal issues and environmental protection. Queenston plans to manage these risks through careful planning, the employment of competent personnel and consultants, continuing a high level of corporate governance and by maintaining sufficient insurance and cash resources.

3.2.1 Industry

All the Company's mineral properties are at the exploration stage. The exploration for mineral deposits includes risks and few properties are developed into producing mines. Queenston employs qualified persons to plan and manage its exploration efforts and uses modern, industry standard methods. The Company cannot ensure that the current exploration programs will result in a profitable mine.

Factors such as deposit size, grade of mineralization, proximity to infrastructure, metal prices, government regulations, taxes, royalties, land tenure, land use and environmental protection determine the commerciality of a deposit. A combination of any of these factors may result in an inadequate return on investment.

Mining involves a high degree of physical hazards and risks including poor rock conditions leading to cave-ins, rock bursts and flooding that could curtail the profitability of an operation. To reduce these risks the Company will employ third party expertise in the engineering, planning and ultimate mining of any deposit.

None of the Company's deposits are at the development stage and there is no assurance that sufficient mineral resources will be outlined to advance any property to commercial production.

3.2.2 Government Regulation and Permits

The industry is subject to a variety of federal, provincial and local laws that govern exploration and mining. These laws pertain to the protection of the environment and health and mandate among other things the generation, discharge, storage, transportation and disposal of hazardous waste. Queenston's exploration activities are carried out in accordance with all applicable rules and regulations, however new regulations governing the Company's activities could have an adverse impact.

Government permits and approvals are currently not required in connection with the Company's exploration activities in Ontario. In Quebec, approvals are required prior to implementing diamond drilling programs and in both provinces permitting is required prior to initiating new underground development. In the event these approvals are not obtained, the Company may be limited or prohibited from proceeding with the planned exploration of its mineral properties. Changes to the current laws

governing activities or more stringent implementation could result in delays or increases in exploration expenditures.

For the Company, asset retirement obligations primarily relate to the dismantling of the McBean Mine. The present value of the estimated future site removal and restoration costs is recorded as a liability on the Company's books and amounts to \$419,725 at December 31, 2009. Under an agreement with the Ministry of Northern Development and Mines of Ontario, the Company is providing financial assurance for the mine closure with a letter of credit in the amount of \$577,000. Queenston reviews all its property holdings with regard to environmental issues and risks. The Company is not aware of any other material environmental risks on its properties.

3.2.3 Foreign Jurisdiction

Queenston formed a Mexican subsidiary "Minera Queenston S.A. de C.V." in 2005 to carry out exploration and development in Mexico. Mineral exploration in Mexico may be affected by a change in Government, political and financial instability, inflation and changes to mining regulations. These changes are beyond the Company's control and may adversely affect the exploration activity. Operations may be affected by new laws and regulations that may restrict future production, price controls, export controls, income taxes, expropriation, social and environmental matters. Queenston currently has no projects or property assets in Mexico.

3.2.4 Resource Estimates

The mineral resources presented represent both current estimates under NI 43-101 and historic resources and there are no assurances that any of the resources will be developed into mines. The quantity of mineral resources and the estimated grade of the resources may vary when the historic resources are converted to NI 43-101 compliant current resources. Also, the advancement of a project to the pre-feasibility or the feasibility stage, changes in metal prices, results of drilling, metallurgical testing may result and require the Company to reduce its estimates. Any significant reduction in the estimate of mineral resources could have an adverse effect on the Company's future financial condition.

3.2.5 Property Title

Title to Queenston's properties has been reviewed by various third parties including the Company's auditors. Although there are no current title issues or claims there is no assurance that any of the properties will not be challenged.

3.2.6 Joint Venture

The Company has current joint ventures on the Kirkland Lake West, South Claims, East Claim, Gracie West, Lac-McVittie and Wood-Pandora properties. Any failure of the joint venture partners to meet its obligations could have a material adverse affect on such joint ventures. Also, the Company may be unable to influence strategic decisions made in or in respect to the properties under joint ventures.

3.2.7 Funding

As the Company generates no revenues or cash flow from the production of metals, additional funding will be required for future exploration and development. The source of such funding is through the sale of additional equity in the Company, sale of investments, sale of property or borrowing of funds. There is no assurance that funding will be available to the Company or that the terms of the funding will be favourable.

The inability of the Company to raise funding for its exploration or development objectives will have an adverse affect on its value and may cause the curtailment of ongoing exploration programs.

3.2.8 Metal Prices

The level of interest in the mining sector is significantly affected by changes in the market price for metals. Factors affecting metal prices including interest rates, the rate of inflation, world supply and demand, and exchange rates are beyond the Company's control and could positively or negatively affect the business of the Company.

3.2.9 Conflicts of Interest

Certain directors and officers of the Company also serve as directors and officers of other companies involved in metal exploration and development resulting in the possibility of those directors or officers being in a position of conflict of interest. Decisions made by such directors and officers involving Queenston will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company. Such directors and officers will declare and refrain from voting on any matter that is considered a material conflict of interest.

3.2.10 Uninsured Risks

The Company carries insurance to protect against certain risks and liabilities as it considers adequate. Uninsured risks include environmental pollution or other hazards against which the Company cannot insure against or elects not to insure.

3.2.11 Competition

The Company's business is the exploration and development of mineral deposits. This industry is competitive as the Company competes with other entities for the search and purchase of mineral properties. Many of the competitors have larger financial resources and in the future the Company may not be able to acquire significant properties under acceptable terms. As the resource sector is experiencing growth the Company also competes for the recruitment and retention of employees and consultants. Also the Company competes for financial resources to continue its business development with larger corporations who may have more advanced projects.

3.2.12 Corporate Governance

Management and the Board of Directors of the Company acknowledge the value of good corporate governance and are committed to continuing to improve its corporate governance practices.

The Board has eight directors, five of which are independent. The Board has four committees (Audit, Compensation, Disclosure and Corporate Governance). The Audit Committee is comprised of independent directors. The Company has a trading blackout and a whistle blowing procedure that was adopted by the Board.

The Company's directors have expertise in exploration, mining, accounting, banking, legal, financing and the securities industry. The Board meets formally at least four times a year and the Committees generally meet in conjunction with full board meetings or as required.

4.0 ACTIVE MINERAL PROJECTS

Queenston owns interests in 23 properties in Kirkland Lake, Ontario and 2 properties in Cadillac, Quebec both located in the Abitibi greenstone belt.

During 2009 exploration was completed on the Company's 100% owned Upper Beaver, McBean, Anoki, Upper Canada and AK properties, and on the South Claims, HM, Commodore and Lac-McVittie JV properties in the Kirkland Lake area. Also during the year, a small exploration program was completed on the Wood-Pandora JV property located in Cadillac, Quebec.

In a move to further consolidate a larger land holding in the Kirkland Lake camp and increase discovery potential, in March of 2010 the Company announced a friendly merger with Vault. Vault is a junior explorer whose properties are well located and significantly increase Queenston's exploration footprint in the camp. As a result of the business combination, Queenston's holdings will increase to 27 individual properties covering approximately 190 square km. Under the terms of the amalgamation Vault shareholders will receive 1 Queenston share for every 10 Vault shares. The merger is subject to approval by Vault shareholders at a special meeting to be held on April 19, 2010.

4.1 Kirkland Lake Project, Ontario

In Kirkland Lake the Company is active on three fronts. In the eastern portion of the camp the Company is advancing four, 100% owned gold deposits (Upper Beaver, McBean, Anoki and Upper Canada) towards a production decision in Gauthier township. The strategy is to determine the economic viability of feeding a central mill with material from the four deposits that are within 6 km and accessible by an existing road network. Exploration completed in 2009 successfully advanced all four deposits. Also, in Gauthier township, the Company completed an initial drilling program on the Lac-McVittie joint venture property adjacent to the Upper Beaver deposit. In the western portion of the camp in Teck township, Queenston and KL Gold continues underground, advanced exploration on the South Claims property where in 2008 a NI 43-101 indicated and inferred mineral resource was outlined on the new SMC and expanded in 2009 Deep surface exploration was also initiated on the adjacent HM JV property and continued on the 100% owned AK property targeting the SMC. In the central portion of the camp in Lebel township exploration was initiated on a new JV with Newstrike on the Commodore property targeting a 2.5 km long gold horizon located north of the Larder Lake Break.

An historic review of the Company's Kirkland Lake properties is outlined in a Technical Report prepared by Dale R. Alexander, P. Geo., entitled "Technical Report on the Mineral Properties of Queenston Mining Inc. in the Kirkland Lake Gold Camp" dated November 2007 and filed on SEDAR.

4.1.1 Property Description, Location, Accessibility, Climate, Infrastructure and Physiography

The Kirkland Lake project contains 965 patented, leased and unpatented mineral claims (14,000 h) comprising 23 separate properties most of which are contiguous. The properties are all located in the Kirkland Lake area and occur primarily in three townships, Gauthier, Lebel and Teck. Kirkland Lake is located in northeastern Ontario approximately 500 km north of Toronto.

The Company owns a 100% interest in the majority of the claims which have sufficient work credits to maintain the properties for many years. Annual property costs, including taxes (provincial mining and municipal), lease rentals and advanced royalty payments amount to approximately \$45,000.

The purchase of Newmont's 50% interest in the Kirkland Lake gold project was completed in 2002. The assets included a 50% interest in 714 mineral claims (12,000 ha) which hosted 5 gold deposits containing historic measured and indicated resources of 4.1 Mt grading 5.6 g/t Au and historic inferred resources of 4.5 Mt grading 5.3 g/t Au and 50 gold showings. The Newmont purchase was closed on

July 19, 2002 for a consideration of \$3,868,500 representing \$3 M and 1,085,625 common shares of the Company valued at \$868,500. Under the terms of the sale Newmont retains a sliding scale NSR on the Kirkland Lake property of 1% at gold prices below or equal to US \$350/oz., 1.5% between \$350/oz and \$400/oz. and 2% over \$400/oz. In January 2008, Franco-Nevada Mining Corporation purchased the Newmont NSR for \$10 million.

Inco Ltd., a former joint venture partner, holds a 1.3% NSR after 300,000 oz. have been extracted from 107 claims comprising the Anoki, McBean and Munro-Biroco properties. Other royalties include; 2% NSR on 17 Vigrass property claims, 10% NPI on 17 Vigrass property claims, 2% NSR on 41 Teck A & B property claims, 10% NPI on 20 Gull Lake property claims, 1% NSR on 3 Upper Canada property claims, 2% NSR on 25 Gateford property claims, 2% NSR on 24 Cunningham property claims and 1.5% NSR on 17 Princeton property claims, a sliding scale 2%-3% NSR on the 18 claim KL West property, a 2% NSR on the 3 claim South Claims property, a 2% NSR on the East Claim, a 3% NSR on the HM claim, 2% NSR on the Ashley property

Table of Kirkland Lake Properties

Property	Location	Size	Ownership
AK	Teck Twp., Ontario	27 claims	100%
Anoki - McBean	Gauthier Twp., Ontario	31 claims	100%
Cunningham	Lebel Twp., Ontario	30 claims	100%
Gull Lake	Lebel Twp., Ontario	23 claims	100%
Gracie West	Teck Township, Ontario	23 claims	50%
KL West	Teck Township, Ontario	18 claims	50%
Lac McVittie	McVittie Township, Ontario	59 claims	70%
Commodore	Lebel and GauhtierTwps,, Ontario	57 claims	50%
Lebel Stock	Lebel, Teck & Boston Twps., Ont.	216 claims	100%
Munro-Biroco	Gauthier Twp., Ontario	99 claims	100%
Pawnee	Lebel Twp., Ontario	42 claims	100%
Princeton - Mayfair	Gauthier Twp., Ontario	23 claims	100%
Rand – Ross - Harvey	Teck Twp., Ontario	43 claims	100%
Sylvanite	Teck Twp., Ontario	6 claims	100%
Teck 'A' - 'B'	Teck and Lebel Twps., Ontario	60 claims	100%
Upper Beaver	Gauthier Twp., Ontario	77 claims	100 %
Upper Canada	Gauthier Twp., Ontario	59 claims	100%
Vigrass – Golden Gate	Teck and Otto Twps., Ontario	55 claims	100%
South Claims	Teck Township	3 claims	50%
East Claim	Teck Township	1 claim	50%
HM Claim	Teck Township, Ontario	1 claim	50%
Ashley	Gauthier Township	4 claims	100%
Casan	Gauthier Township	18 claims	100%

There are 7 gold deposits (Upper Beaver, Anoki, , McBean, Upper Canada, AK, 180 East Zone, and South Mine Complex) located on the Kirkland Lake property that report current and historic resources and 50

individual gold showings. There are 16 shafts on the property with underground workings and one tailings impoundment facility.

All necessary land use, labour and environmental permits that are required to conduct exploration in the Kirkland Lake area have been obtained by the Company.

The Kirkland Lake Gold Camp lies within a typical boreal forest environment that has been subject to multiple fires and phases of logging. Topography for the most part is typical of the Canadian Shield with low relief and moderate to poor bedrock exposure in low-lying outcrops and isolated ridges with gently rolling sand plains related to past glacial activity. Elevations range from 300 to 360 meters above mean sea level. The Munro esker complex in western Gauthier Township and eastern Lebel Township is the largest area without bedrock exposure on the Queenston lands. This glacial feature is in the order of 3 to 5 km wide and from a few meters to in excess of 100 m thick consisting of sand and gravel.

Vegetation varies from clean stands of jack pine on the esker complex to mixed bush with spruce, fir, larch, poplar, birch, ash and alders. Soil conditions and drainage tend to dictate the type of vegetation from open wet swamps to bare outcrop scarps. The climate is northern temperate with warm summers and cold winters. Temperatures vary from +30° C in the summer to -40° C in the winter. The ground is usually snow covered between mid November and mid April. Annual precipitation averages 62 cm of rain and 250 cm of snow.

As previously noted, part of the Queenston holdings lie within the boundaries of the Town of Kirkland Lake and are accessed via Highway 66 from Highway 11 to the Quebec border. Kirkland Lake is the main commercial center for the north part of the Timiskaming District and there is a capable workforce including contractors with experience in mining and mineral exploration.

There is one operating mine (Macassa) in the area operated by KL Gold. There are ample supplies of both water and power to support any future mining operation.

4.1.2 History

The Kirkland Lake area is one of the most prolific gold camps in Ontario. From 1910 to 2009 approximately 37 M oz. of gold has been produced from 28 mines situated in the vicinity of the Kirkland Lake area. Gold was first discovered in 1906, in Swastika and Larder Lake. Production from the Gateford Mine and Swastika Mine started in 1910. In 1911, W. H. Wright discovered gold near the northern outskirts of Kirkland Lake which led to the discoveries of seven mines along the Kirkland Lake Main Break between 1912 and 1933. From east to west the mines are Toburn, Sylvanite, Wright-Hargreaves, Lake Shore, Teck-Hughes, Kirkland Minerals and Macassa.

On Queenston's Kirkland Lake properties, between 1913 and 1987, four mines (Sylvanite, Upper Canada, Upper Beaver and McBean) produced 3.4 M oz. of gold.

The initial discovery of gold in the Anoki-McBean area is believed to have been made in 1916. Three shafts were sunk in this area, the Anoki shaft in 1938 and two McBean shafts in 1928 and 1947. Levels were established from each of these shafts but no production occurred. Between 1983-86 gold production was achieved from an open pit on the McBean deposit and in 1988 a ramp was driven to a depth of 225 m at the Anoki deposit. Gold was discovered at the Upper Canada property in the early 1920's and in 1928 the No. 1 shaft was sunk to develop the M Zone. In 1941, the No. 2 shaft was sunk to mine the H and L Zones. The Upper Canada produced gold continuously from 1936-72.

Gold was first discovered on the Upper Beaver property in 1912 and two shafts were sunk exploring a series of gold-copper veins. In 1919 Argonaut Gold Mines built a small mill with limited production occurring until 1928. From 1935 to 1964 a variety of companies completed exploration on the property

with no reported production. In 1964, Upper Canada Gold Mines Limited acquired the property and produced from the mine to a depth of 365 m (1,250 ft) until closure in 1971. In 1977 Queenston Gold Mines Limited purchased the Kirkland Lake assets held by Upper Canada Resources Limited.

In 1989 Queenston formed a joint venture on the Upper Beaver property with Pamorex Minerals Inc., a predecessor to Royal Oak Mines Ltd., and completed exploration to 1997 discovering four new gold zones. In 2000, as a result of bankruptcy Royal Oak withdrew from the joint venture and Queenston regained a 100% interest in the property.

From 1979 to 1995, the eastern portion of the Kirkland Lake project was explored through a joint venture with the Canadian Nickel Company of Canada ("Inco"). During this period Inco and the joint venture completed 343 diamond drill holes totaling approximately 63,000 m. This work resulted in; the discovery of the 180 East, Biroco and Esker gold zones, underground development and the completion of a feasibility study on the Anoki deposit and gold production from an open pit on the McBean deposit.

From 1996 to 2002, the Kirkland Lake property was explored through a joint venture with Franco-Nevada Mining Corporation Limited. During this period the joint venture drilled 74 diamond drill holes totaling 44,042 m. This work led to the discovery of three gold zones, the McBean Green Carbonate, Anoki Deep and 180 Splay. In 2002, Franco-Nevada merged to form Newmont Mining Corporation Limited.

In 2002, Queenston purchased the Newmont Mining interest in the Kirkland Lake project and during the period of August 2002 to December 2003 completed 64 diamond drill holes totaling 32,249 m. This work led to the discovery of four new gold zones, the Anoki South, 40 East, 80 East and Florena. Also during late 2003 a new geological reinterpretation of the Anoki Main deposit was completed.

During 2004, Queenston completed a new resource calculation on the Anoki deposits, entered into an agreement with Newmont on the KLV property, formed a joint venture on the Gracie West property with KL Gold and commenced a deep drilling program on the Princeton property. During the year a total of 4 diamond drill holes were completed totaling 3,345 m. Also late in 2004, a high-resolution airborne magnetometer survey was released covering the Kirkland Lake area as part of the "Discover Abitibi" initiative financed by the provincial and federal governments, as well as the mining sector.

In 2005, Queenston embarked on a \$3 M exploration program focusing exploration on the Kirkland Lake West, Amalgamated Kirkland, Princeton and Upper Beaver properties. In total 61 diamond drill holes were completed in 2005 representing 34,825 m. Late in the year a joint venture was formed with KLG on the KLV property to carry out underground exploration on the "04 Break".

In 2006, Queenston completed a \$3.65 M program of exploration on the Upper Beaver, Anoki-McBean and KL West properties. A total of 64 diamond drill holes were drilled totaling 38,500 m.

In 2007, the Company completed approximately \$4.8 M in exploration in Kirkland Lake largely consisting of diamond drilling on the Upper Beaver, KL West and AK properties. A total of 65 diamond drill holes were completed in 2007 totaling 52,366 m. Also in 2007 the Company and joint venture partner KL Gold purchased the South Claims and East Claim properties.

In 2008, the Company completed approximately \$7.3 M in exploration in Kirkland Lake including diamond drilling on the Upper Beaver, McBean, AK and South Claims properties. A total of 94 drill holes and 6 wedges were completed in 2008 totaling 62,475 m.

In 2009, the company completed \$11.1M in exploration in Kirkland Lake that included diamond drilling on the Upper Beaver, McBean, Anoki, Upper Canada, Lac-McVittie, AK, Commodore JV, South Claims JV

and HM JV properties. A total of 160 diamond drill holes and 33 wedge holes were completed in 2009 totaling 83,288 m.

4.1.3 Regional Geology

The regional geological setting of the Kirkland Lake area is typical of many gold camps in the Superior Province of the Canadian Shield. Kirkland Lake occurs in the southwestern portion of the Abitibi greenstone belt along a major regional deformation zone referred to as the Larder Lake Break ("LLB"). The LLB is considered a major east-west trending thrust fault that developed in the crust along the contact of mafic and ultramafic rocks of the Tisdale Group to the south and mafic volcanic rocks of the Blake River Group to the north. Expansion along the LLB created a grabben-like basin which was filled with calc-alkaline volcanic activity and clastic sedimentary rocks forming the Timiskaming Group. Later compression of the area created parallel and splay faults in both the Timiskaming and Tisdale Group rocks along which many of the gold deposits in the camp were formed. Today the LLB represents an unconformity between the Tisdale Group to the south and a .6 km to 5 km thick section of Timiskaming Group sediments and volcanics to the north. Both the major rock groups in the area have been intruded by gabbroic and mafic-felsic intrusions, the most prominent are the Lebel Stock, Otto Stock, Murdoch Creek Stock and the Round Lake Batholith.

4.1.4 Mineral Resources

Queenston properties in the Kirkland Lake Area contain current, NI 43-101 compliant, mineral resources in 4 gold deposits (, Upper Beaver, McBean, Anoki and South Mine Complex) and historic mineral resources (non NI 43-101 compliant and should not be relied upon as they have not been verified by QP) in 4 gold deposits (Upper Canada, AK, 180 East, Commodore).

The Upper Beaver deposit contains mineral resources that have been estimated in compliance with NI 43-101 and Companion Policy 43-101CP by independent Qualified Persons Rick Risto, P.Geo. and Michael Kociumbas, P. Geo. of Watts, Griffis and McQuat Limited of Toronto in a report dated November 6, 2008. The McBean and Anoki deposits contain current mineral resources and have been calculated in accordance with NI 43-101 and Companion Policy 43-101CP by independent Qualified Person Eugene Puritch, P.Eng., in a report with an effective date of December 8, 2009. The SMC contains current mineral resources that have been calculated in compliance with NI 43-101 and Companion Policy 43-101CP by independent Qualified Person Glenn R. Clark, P.Eng. of Cobourg in reports dated August 25, 2008 and July 17, 2009. The technical reports are filed on SEDAR.

Table of Current Mineral Resources on the Kirkland Lake Project Area

Deposit	Measured + Indicated Resources	Gold (oz)	Inferred Resources	Gold (oz)
Upper Beaver	1,373,500 t @8.5 g/t Au 0.43% Cu	375,000	1,061,300 t @ 7.7 g/t Au, 0.39% Cu	263,000
Anoki	730,000 t @ 4.7 g/t Au	110,700	337,000 t @ 4.8 g/t Au	52,100
McBean	706,000 t @ 4.6 g/t Au	105,700	1,221,000 t @ 4.7 g/t Au	184,700
South Mine Complex	33,505 t @ 42.5 g/t Au	45,000	56,590 t @ 42.5 g/t Au	77,000
Total	2,841,550 t @ 7.0 g/t Au	636,200	2,675,890 t @ 6.7 g/t Au	577,000

The mineral resources on the Upper Canada, AK, 180 East and Commodore deposits are considered historic mineral resources as they were calculated prior to February 1, 2001 and publication of NI 43-101. As a result, the historic mineral resources have not been calculated under the current standards and should not be relied upon as they have not been verified by a QP under the Instrument. The Upper Canada historic resource is attributed to a review by Roscoe Postle Associates Inc. ("RPA") in a report

prepared by H. Agnerian dated July 19, 1996, of several generations of resource estimates on the property. The AK historic resource was first calculated in 1994 by Cyprus Canada Inc. and reported in March 1995 and revised by Queenston in an internal report dated April 1997. The 180 East Zone historic resource was calculated by Inco Exploration and Technical Services in January 1989. The historic resource estimate on the Commodore deposit was calculated by W.A. Hubacheck Consultants Limited in a report dated January 1997 filed with the Ontario Ministry of Northern Development and Mines.

Table of Historic Mineral Resources on the Kirkland Lake Project Area

Deposit	Measured + Indicated Resources	Gold (oz)	Inferred Resources	Gold (oz)
Upper Canada	1,899,973 t @ 6.9 g/t	442,000	-	
AK			2,639,378 t @ 4.5 g/t	382,000
180 East	326,587 t @ 4.1 g/t	43,000		
Commodore			278,500 t @ 3.8 g/t	34,000
Total	2,226,560 t @ 6.5 g/t	465,000	2,917,878 t @ 4.4 g/t	416,000

4.1.5 Upper Beaver Property

The property comprises 77 claims (1,247 ha) and hosts the previously mined Upper Beaver Mine that produced 140,709 oz of Au and 11.9 M lbs of Cu from 526,678 t grading 8.3 g/t Au and 1% Cu. Upper Beaver forms part of the Company's strategy to advance four gold deposits towards production in Gauthier township employing a central mill complex.

Gold was first discovered on the property in 1912 and two shafts were sunk exploring a series of gold-copper veins. In 1919 Argonaut Gold Mines built a small mill with limited production occurring until 1928. From 1935 to 1964 a variety of companies completed exploration on the property with no reported production. In 1964, Upper Canada Gold Mines Limited acquired the property and produced from the mine to a depth of 365 m (1,250 ft) until closure in 1971. The main shaft was sunk to a depth of 650 ft with a winze to 1,250 ft. Levels were established at 80, 100, 200, 350, 500, 625, 750, 875, 1000 and 1250 feet. In 1977 Queenston Gold Mines Limited purchased the Kirkland Lake assets held by Upper Canada Resources Limited.

In 1989 Queenston formed a joint venture with Pamorex Minerals Inc., a predecessor to Royal Oak Mines Ltd., and completed exploration to 1997 discovering four new gold zones. In 2000, as a result of bankruptcy Royal Oak withdrew from the joint venture and Queenston regained a 100% interest in the property. In 2000 Queenston completed a single drill hole targeting the North Zone. This hole intersected the zone at 300 m below surface assaying 3.9 g/t gold and 0.9% copper over a width of 2.3 m. Upon closure of the mine in 1972, the historic mineral resource was 200,000 t grading 7.9 g/t and 1.2% copper. This resource was calculated by the staff of the mine prior to NI 43-101 Standards of Disclosure for Mineral projects and should not be relied upon as its accuracy has not been verified by a QP.

In 2005 Queenston commenced a program of geophysics and drilling on the property targeting the down-dip projection of the Upper Beaver mineralization to the north. Into 2008, 134 drill holes were completed (97,065 m) defining three zones of gold and copper mineralization located adjacent to and below the mine workings leading to a NI 43-101 mineral resource announced in September 2008. Since exploration commenced in 2005 a total of 117,786 m in 178 holes have been completed to the end of 2009.

The property is underlain by mafic volcanic rocks of the Blake River Group to the north and felsic volcanic rocks of the Tisdale Group to the south. The contact between the two groups is moderately to

flat dipping to the northeast. A syenite plug intrudes the mafic volcanic rocks north of the main shaft. Two historic types of gold-copper mineralization occur on the property, (1.) northeast trending-northwest dipping quartz-carbonate-gold veins in syenite and mafic volcanic rocks, and (2.) chalcopryrite-pyrite-magnetite zones consisting of both northeast trending layered type and non-layered vein type occurring in andesite and interflow material. Three primary zones of gold and copper mineralization have been identified at Upper Beaver located adjacent to and below the mine workings, Beaver North Zones, North Basalt Zones and South Contact Zone.

The Beaver North Zones trend in a northeast – southwest direction and host the majority of the deposit in a series of steeply north dipping breccia zones containing chalcopryrite, magnetite, pyrite and visible gold in a variety of rock types including syenite, feldspar porphyry, conglomerate and basalt. The most significant zones occur near or within the southern contact of a syenite plug and include the Upper Porphyry Zone (20.3 g/t Au with 2% Cu over 10.7 m in hole UB05-16), the Lower Porphyry Zone (9.2 g/t Au with 0.4% Cu in hole UB06-47), Syenite Breccia Zone (6.7 g/t Au with 2.2% Cu over 3.0 m in hole UB06-67) and Lower Gauthier Zone (26.8 g/t Au over 3.0 m in hole UB06-68, a syenite breccia). The zones have been traced within a mineralized corridor over a horizontal length of 600 m and to a depth of 1200 m.

The North Basalt Zone contains three, steeply dipping zones of gold and copper mineralization that occurs in brecciated and altered basalt at the north contact of a syenite plug. Important intersections include: 8.4 g/t Au with 0.3% Cu over 2.3 m and 11.3 g/t Au with 0.7% Cu over 4.2 m in hole UB06-60. A new zone was intersected west of the North Basalt zones in sheared and brecciated syenite. This zone intersected in hole UB06-63 assayed 20.8 g/t Au over 4.0 m.

The South Contact Zone represents a series of altered and mineralized zones in silicified, epidotized, carbonated, and brecciated mafic volcanic and sedimentary rocks. This Zone contains magnetite, chalcopryrite, pyrite, pyrrhotite, visible gold and consists of two, nearly flat lying units, an Upper and Lower that occurs at or near a mafic –felsic volcanic contact south and below the old mine workings. In 2005 this zone was traced over a length of 250 m and remains open. Important intersections include: 14.3 g/t Au across 3.0 m in hole UB05-03, 9.2 g/t Au across 4.0 m in hole UB05-04, 5.0 g/t Au across 10.9 m in hole UB05-17, 13.4 g/t Au across 4.2 m in hole UB05-19.

On September 22, 2008, Queenston reported a NI 43-101 mineral resource at Upper Beaver comprising total indicated resources of 1,373,500 t grading 8.5 g/t Au ((375,000 oz.) (9.7 g/t Au uncapped (427,900 oz.)) with 0.43% Cu and total inferred resources of 1,061,300 t grading 7.7 g/t Au ((262,800 oz.) (8.5 g/t Au uncapped (291,300 oz.)) with 0.39% Cu. The mineral resource estimate was completed by Watts, Griffis and McQuat Limited of Toronto under the supervision of independent QP Michael W. Kociumbas, P.Geo. and the accompanying NI 43-101 Technical Report was co-authored by Rick Risto, P.Geo.

The mineral resource was contained within four zones, Porphyry, South Contact, North Contact and Breccia, and estimated to a depth of -800 m below surface. Approximately 82% of the mineral resource is housed in the Porphyry Zone that remains open to depth.

Summary of Upper Beaver Mineral Resources

Category	Tonnes	Cu (%) (Capped)	Au (g/t) (Uncapped)	Ounces (Uncapped)	Au (g/t) (Capped)	Ounces (Capped)
Indicated	1,373,500	0.43	9.7	428,000	8.5	375,000
Inferred	1,061,300	0.39	8.5	291,300	7.7	262,500

Note: Cutoff of 3.0 g/t Au; Au is capped at 50 g/t; Cu is capped at 2%. ("Capped" has the same meaning as "Cut")

Mineral Resources of Individual Zones

Zone /Category	Tonnes	Cu (%) (Capped)	Au (g/t) (Uncapped)	Ounces (Uncapped)	Au (g/t) (Capped)	Ounces (Capped)
Porphyry Zones						
Indicated	942,600	0.52	10.9	331,100	9.6	290,700
Inferred	859,200	0.45	9.2	255,300	8.3	229,600
South Contact Zones						
Indicated	209,900	0.19	6.3	42,800	6.3	42,800
Inferred	171,400	0.15	4.9	27,000	4.9	27,000
North Contact Zones						
Indicated	126,700	0.47	10.0	40,700	6.9	28,200
Inferred	12,600	0.58	16.1	6,600	9.3	3,800
Breccia Zone						
Indicated	94,300	0.04	4.4	13,300	4.4	13,300
Inferred	18,100	0.03	4.1	2,400	4.1	2,400

- Notes:**
1. Interpretation of the mineralized zones were created as 3D wireframes/solids based on a 3.0 g/t Au cutoff grade and a minimum horizontal thickness of 2 m.
 2. Mineral Resources were estimated using a block model with a block size of 5m by 5m by 2m with a specific gravity of 2.9 t/m³
 3. Grade capping was done on 1 m composite/individual assays at 50 g/t Au and 2% Cu.
 4. Assumed gold price was US\$650/ounce.

2009 Program

In 2009, two programs of drilling were completed at Upper Beaver. One program was focused on upgrading the inferred mineral resource to the indicated category in preparation for pre-feasibility or other economic study, by completing a series of infill holes. The second program continued with deep exploration and resource enhancement below and along strike of the existing mineral resource.

The infill program was completed early in 2010 with 17 holes reaching the desired pierce point locations, 14 of which successfully intersected the mineralized zones. Highlights from the infill program include drill holes UB09-100W1 and UB09-145W1 which intersected the western Porphyry Zone at the -775m and -650 m below surface returning 9.4g/t Au with 0.6% Cu over 37.3 m and 16.1 g/t Au with 3.6% Cu over 2.6 m respectively. In the eastern Porphyry Zone, holes UB09-149, UB09-152, UB09-113W2 and UB09-156 intersected the zone assaying 15.8 g/t Au with 0.95% Cu over 13.1 m, 21.3 g/t Au with trace Cu over 6.2 m, 68.3 g/t Au with trace Cu over 3.0 m and 15.8 g/t Au with trace Cu over 12.0 m respectively.

The deep drilling program at Upper Beaver was successful in further extending the known mineralized zones to depth. Highlights of this drilling since 2008 include holes UB08-139 intersecting 30.3 g/t Au with 1% Cu over 20.8 m at -950 m, UB08-235W2 assaying 6.3 g/t Au with 0.5% Cu over 19.7 m at -1175 m, UB09-148 assaying 20.3 g/t Au with 2.5% Cu over 6.0 m at -1150 m, UB09-148W2 assaying 11.0 g/t Au with 1.7% Cu over 3.5 m at -1125 and UB10-148W3 assaying 10.6 g/t Au with 0.8% Cu over 17.3 m. At the bottom of hole UB10-148W3 a new gold zone was intersected assaying 30.2 g/t over 0.5 m. Referred to as the "Foot Wall Zone" the mineralization contains no appreciable copper and lies approximately 100 m to the south of the Porphyry Zones. Hole UB10-148W3 is the only hole that has tested the mineralized corridor this far south and the new zone is open towards surface and to depth.

Table of Selected Assay Results from the 2009 Upper Beaver Drilling Program

Hole #	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Zone
UB09-100W1	852.2	889.5	37.3	0.6	9.4	Porphyry
including	852.2	866.0	13.8	1.1	16.0	Upper Porphyry
and	881.0	889.5	8.5	0.5	11.3	Lower Porphyry
UB09-113W2	697.0	700.0	3.0	Trace	68.30	Porphyry
including	698.0	698.5	0.5	Trace	394.65	Porphyry
UB09-145W1	510.0	533.0	23.0	0.33	1.19	North Contact
including	528.0	533.0	5.0	0.91	2.47	North Contact
	609.0	610.3	1.3	1.54	18.01	North Contact
	700.0	728.3	28.3	0.63	2.60	Porphyry
UB09-148	1214.0	1215.5	1.5	2.30	23.76	Porphyry
	1227.0	1233.0	6.0	2.50	20.3	Porphyry
including	1229.2	1233.0	3.8	3.63	31.0	Porphyry
UB09-148W1	1117.6	1118.8	1.2	1.60	22.16	New
	1135.9	1136.4	1.0	1.50	5.29	New
	1209.0	1213.5	4.5	0.50	6.00	Porphyry
	1228.8	1232.0	4.0	0.40	7.90	Porphyry
UB09-148W2	1104.0	1105.0	1.0	0.37	9.70	New
	1183.0	1188.0	5.0	0.67	5.16	Porphyry
	1192.0	1196.0	4.0	0.80	6.07	Porphyry
	1206.0	1209.5	3.5	1.66	11.0	Porphyry
UB10-148W3	1100.0	1100.5	0.5	0.50	14.10	New
	1166.0	1196.3	30.3	0.52	7.21	Porphyry
including	1179.0	1196.3	17.3	0.77	10.56	Porphyry
Including	1179.0	1184.0	5.0	0.60	12.35	Porphyry
and	1189.0	1196.0	7.3	0.82	15.74	Porphyry
including	1191.7	1192.2	0.5	2.35	126.60	Porphyry
	1300.5	1301.0	0.5	Trace	30.24	New
UB09-149	351.0	364.1	13.1	0.95	15.80	Porphyry
including	353.6	360.0	6.4	1.18	28.60	Porphyry
UB09-152	441.8	448.0	6.2	trace	21.3	Porphyry
UB09-156	748.0	749.8	1.8	Trace	14.26	Porphyry
	821.0	833.0	12.0	Trace	15.83	Porphyry

NOTE: True widths are interpreted based on drill-hole intercepts and interpreted orientations of intersected lithologies and are estimated at 65-80% of the core length interval. Assays are uncut.

For the balance of 2010 drilling will continue on the Upper Beaver project with three drill rigs budgeting 50,000 m of drilling. The drilling will continue to focus on resource expansion beyond the existing dimensions of the deposit to depth, east, west and to surface. The completed infill program will result in an upgrade of the existing NI 43-101 resource and the deep drilling will be used to generate a new mineral resource.

The design of the Queenston's drilling programs, Quality Assurance/Quality Control ("QA/QC") and interpretation of results is under the control of Queenston's geological staff including Qualified Persons employing a QA/QC program consistent with NI 43-101 and industry best practices. The Upper Beaver project is supervised by Queenston's Vice President Exploration, William McGuinty, P. Geo. A detailed review of Queenston's QA/QC procedures is filed in the Queenston AIF on SEDAR. The drill core is logged and split with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as

well as the lab submits standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying.

4.1.6 Anoki – McBean Property

The Anoki – McBean property comprises 31 mineral claims (502 ha) located in southern Gauthier Township. The property is accessible by provincial highway 66 and secondary roads and hosts three gold deposits, Anoki, Anoki South and McBean. The deposits occur along the Larder Lake Break within 700 m of one another. The Anoki-McBean property forms part of the Company's strategy to advance four gold deposits towards production employing a central mill complex.

Initial discovery of gold at Anoki was in 1916 and in 1938 a shaft was sunk to 225 m and 4 levels were established with no production. From 1979 to 1990, Inco Limited in joint venture with Queenston completed diamond drilling, calculated a mineral resource, drove a ramp to 230 m, extracted a bulk sample and completed a feasibility study. The bulk sample consisted of 33,339 t grading 3.3 g/t Au (3,100 oz). Inco's resource amounted to 1,072,260 t averaging 4.1 g/t (141,000 oz) using a 1.7 g/t cut-off over a minimum width of 1.5 m. A feasibility study was completed in 1990 and based on a mineable reserve of 589,500 t averaging 4.7 g/t (89,000 oz) however, due to the uncertainty of the gold price the project did not proceed.

In 2003, a new geological interpretation of the Anoki Main Deposit was completed and RPA calculated a NI 43-101 mineral resource employing a block model method and a higher gold grade cut-off. This resource is outlined in a Technical Report entitled Report on the Anoki Main Deposit and Anoki South Zone, Kirkland Lake, Ontario, prepared by Hrayr Agnerian, P. Geo., dated April 30, 2004. A total of 254 surface and underground diamond drill holes were used in the study outlining a group of seven steeply north dipping lenses of gold mineralization. RPA determined the Anoki deposit to contain measured and indicated resources of 522,300 t averaging 5.7 g/t and inferred resources of 35,800 t averaging 5.7 g/t. In the South Zone the inferred resource contained 106,000 t grading 6.5 g/t Au. The resource was calculated using a 3.5 g/t cut-off over a minimum horizontal thickness of 1.5 m. The Technical Report entitled Report on the Anoki Main Deposit and Anoki South Zone, Kirkland Lake, Ontario by Hrayr Agnerian, P. Geo. Dated April 30, 2004 has been superseded by the Technical Report and Estimates for the McBean and Anoki Gold Deposits of the Kirkland Lake Gold Project Gauthier Township, Kirkland Lake North-Eastern Ontario, Canada by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc. ("P&E") effective December 8, 2009 and dated January 29, 2010. All historic references to Mr. Agnerian's work herein and in the documents incorporated by reference are now superseded and modified by the subsequent Technical Report of P&E Mining Consultants Inc. effective December 8, 2009.

The McBean deposit was discovered in 1928 and from 1930 to 1951 was developed and explored by 3 shafts and 5 underground levels to a depth of 220 m from surface. During the mid-1980's the upper portion of the McBean deposit was mined from an open-pit by a joint venture partnership between Queenston and Inco and processed at the refurbished Upper Canada mill. Production amounted to approximately 50,000 oz. of gold from 506,000 t grading 3.0 g/t with mill recoveries of 95% employing a cyanide leach circuit. Due to prevailing gold prices at the time (\$400 US/oz) the underground exploitation of the remainder of the deposit below the pit was postponed and in 1996 Queenston purchased Inco's interest in the property. A historical mineral resource estimate calculated by Inco and Queenston in 1985 amounted to a combined measured and indicated mineral resource of 835,520 t grading 5.1 g/t Au and an inferred mineral resource of 723,934 t grading 4.8 g/t Au remaining in the McBean deposit below the pit (this historical resource estimate has since been superseded by P&E's December 2009 NI 43-101 compliant resource estimate).

Following a phase of deeper drilling in 1996-97 Queenston calculated a further inferred mineral resource, historical in nature, of 1,111,303 t grading 7.5 g/t (this historical resource estimate has since been superseded by P&E's December 2009 NI 43-101 compliant resource estimate). This resource was

calculated using a cut-off grade of 3.4 g/t Au over a true width of 1.5 m and complies with the resource classification adopted by the CIM. As this calculation was completed prior to NI 43-101 it is regarded as an historical resource and should not be relied upon as it has not been verified by a Qualified Person under the Instrument. From 2006 to 2009 a total of 118 holes (50,500 m) were completed at McBean to upgrade the historic resource to be compliant with NI 43-101 standards.

2009 Program

In 2009, the Company completed expenditures of approximately \$3.6 million on the property. The expenditure was largely focused on advancing the McBean gold deposit to a NI 43-101 mineral resource status and upgrading the Anoki mineral resource with respect to 2009 economic parameters. Step-out exploration drilling was also initiated on both deposits in an attempt to expand the known mineralized envelope. The Company completed 60 diamond drill holes (29,671 m) on the McBean property and 8 diamond drill holes (6,089 m) on the Anoki property in 2009.

Table of Selected Assay Results from the 2009 McBean Drilling Program

Hole #	Section (ft)	From (m)	To (m)	Interval (m)	Au (g/t)	Zone
MB09-101	102+00 E	181.4	200.6	19.2	5.7	B
including		181.4	186.9	5.5	15.2	B
		207.1	218.3	11.2	4.6	C19
MB09-102	103+00 E	169.5	173.3	3.8	9.1	B
MB09-115	101+00 E	163.1	165.0	1.9	6.0	A
		187.7	225.0	37.3	3.4	A
MB09-119	108+00 E	556.0	582.2	26.2	3.8	C19
and		568.8	572.1	3.3	19.0	C19
MB09-123	94+00 E	115.2	138.7	23.5	3.3	A
		180.1	181.9	1.8	4.8	B
MB09-124	107+00E	577.4	579.7	2.3	5.5	A
		615.3	617.5	2.2	2.5	C19
		626.7	630.4	3.7	198.6	C19
including		626.7	627.6	0.9	788.6	C19
MB09-131	9550E	233.5	291.2	57.7	3.1	A+B
including		233.5	245.7	12.1	3.6	A
and		249.0	271.3	22.3	4.6	A
and		255.7	258.2	2.4	12.4	A
MB09-131	9550E	233.5	291.2	57.7	3.1	A+B
including		233.5	245.7	12.1	3.6	A
and		249.0	271.3	22.3	4.6	A
and		255.7	258.2	2.4	12.4	A
MB09-144	9900E	269.1	285.6	16.5	6.7	B
and		275.0	278.6	3.6	15.9	B

In December 2009 Queenston announced a new NI 43-101 compliant mineral resource for both the McBean and Anoki deposits prepared by P&E of Brampton, Ontario under the supervision of QP, Eugene Puritch, P.Eng. employing 3D wireframes/solids based on a 2.5 g/t Au cutoff grade and a minimum horizontal thickness of 2 m within geologically defined limits.

Summary of Anoki Mineral Resource

Lens	Measured + Indicated (Capped)			Inferred (Capped)		
	Tonnes	Grams/t Au	Ounces Au	Tonnes	Grams/t Au	Ounces Au
Lens 1,2,3	668,000	4.77	102,400	145,000	4.56	21,200
Lens 4,5,6,7	58,000	4.49	7,900	89,000	5.71	16,400
33, South	4,000	3.11	400	103,000	4.36	14,500
Total	730,000	4.74	111,700	337,000	4.80	52,100

Summary of McBean Mineral Resource

Lens	Measured + Indicated (Capped)			Inferred (Capped)		
	Tonnes	Grams/t Au	Ounces Au	Tonnes	Grams/t Au	Ounces Au
A	276,000	4.51	40,000	272,000	3.99	34,900
B	401,000	4.77	61,400	230,000	5.78	42,800
C	11,000	3.84	1,300	120,000	5.06	19,500
C19	18,000	5.07	3,000	424,000	4.69	63,900
Other	0	0	0	175,000	4.20	23,600
Total	706,000	4.64	105,700	1,221,000	4.71	184,700

Notes:

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- (2) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- (3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.
- (4) The 2.5 g/t Au cut-off utilized in the above tables was derived from US\$900/oz Au, \$0.92 US\$ exchange rate, C\$50/t mining cost, C\$20/t processing cost, C\$5/t G&A cost and 95% process recovery.

The mineral resources at Anoki are contained in nine lenses that are located within a 50-100 m thick package of altered basaltic flows in the hanging wall, south and adjacent to the LLB approximately 600 m west of the McBean deposit. The lenses are vertical dipping, east plunging and the mineralization consists of pyrite and visible gold in silicified-carbonated coarse grained basalt.

The mineral resources at McBean are primarily contained in four lenses that steeply dip (70°) to the south and plunge east. The lenses are located within the deformation corridor of the LLB hosted by altered ultramafic rocks including green carbonate, altered tuff and cut by a series of felsic intrusives. The mineralization is associated to silicification of felsic bodies with accompanying pyrite and visible gold in porphyritic dykes, green carbonate and tuff.

As part of the 2009 program drilling continued at both McBean and Anoki targeting the mineralized envelope adjacent to and below the existing resources. A total of 17 holes were completed, 9 at McBean and 8 at Anoki. All the holes intersected gold mineralization including 2.1 g/t Au over 6.5 m (hole MB09-151), 3.2 g/t Au over 2.3 m (hole MB09-148) and 2.0 g/t Au over 7.0 m (hole MB09-153) at McBean and

4.6 g/t Au over 3.4 m (hole AN09-72, 3.7 g/t Au over 1.4 m (AN09-66) and 7.6 g/t Au over 0.6 m (AN09-64) at Anoki.

In 2010 drilling will continue to target the mineralized corridor that hosts the McBean and Anoki deposits below and along strike of the existing mineral resources.

The McBean project is supervised by Queenston Exploration Manager, Michel Leblanc, P. Geo. The drill core is logged and split with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submits standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying.

4.1.7 Upper Canada Property

The property comprises 59 claim units (953 ha) located in the central portion of Gauthier Township. The property hosts two gold deposits (Upper Canada and Brock) with past production of approximately 1.5 million oz. of gold.

Upper Canada forms part of the Company's strategy to advance four gold deposits towards production employing a central mill complex. Upper Canada is a significant past producer in the camp and contains an historic non-compliant, NI 43-101 resource developed by three shafts with multiple levels. A geological model of the deposit will be completed in 2009 to assist in the future planning of diamond drilling within and beyond the limits of the existing mine workings.

The initial discovery of gold at Upper Canada was in 1920 and in 1928 a shaft was sunk to 40 m. In 1929 Upper Canada Mines acquire the property, deepened the shaft to 150 m and established 4 levels. At the Brock deposit gold was discovered in the 1930's and from 1938-41 Brock Mines sunk a shaft to 192 m with four levels. No production was reported at Brock and the property was acquired by Upper Canada Resources in 1946. The Upper Canada deposit commenced production in 1938 and produced gold continuously to 1971. Past production amounted to 1.52 million oz. of gold from 4,294,873 tonnes averaging 11.01 g/t with the primary production shaft and winze to a depth of 1,930 m. With a substantial resource remaining the mine was closed in 1971 due to a major capital infusion required for expanding the operation including a power change over from 25 to 60 cycles. The mill continued to operate until 1972 processing material from the Upper Beaver mine and in 1984 the mill was used to process ore from the McBean mine until 1986. The assets of Upper Canada Resources were acquired by Queenston Gold Mines Limited in 1977. In 2001, Queenston dismantled the mill and ancillary buildings as part of the Closure Plan filed with the Ministry of Northern Development and Mines. Since the early 1990's no exploration has been undertaken on the property.

The property is underlain by Timiskaming assemblage flows, tuffs, sediments with syntectonic dykes, sill and plugs of syenite and porphyry. The deposit sits within a 300- 400 m thick deformation corridor framed by the north and south branches of the Upper Canada Break, a structural splay feature emerging from the Larder Lake Break. The ore zones occur within intensely deformed, east-west striking, vertical dipping shear zones that plunge 50-60 degrees to the east. The ore is restricted to narrow blue quartz veins in the thicker flow units and are characterized by fine pyrite, visible gold with accessory sphalerite, chalcopyrite, galena and molybdenite. Production was principally recorded from the H, M, Q, B, Upper and Lower L zones. The L Zone is the largest ore bearing vein system occurring along the east side of a spotted porphyry body. It is represented by bluish quartz veins in a siliceous tuff and accounts for approximately 75% of the past production and 46% of the remaining historic mineral resources.

The mine was closed in 1972 due to the prevailing gold price and capital considerations and there remains an historic measured and indicated resource of 1,899,973 t grading 6.9 g/t (approximately 422,000 ounces). The mineral resources at Upper Canada were reviewed by RPA in a report prepared for

Queenston dated July 19, 1996 and should not be relied upon as the report was not compliant to NI 43-101 and has not been verified by a Qualified Person under the Instrument. As part of a recent geological compilation of the mine it was revealed that the property could host a resource of lower-grade gold mineralization that may be amenable to open pit-bulk mining.

Historic Resources – Upper Canada (NI 43-101 Non-compliant)

Zone	Measured + Indicated Resources	Oz. of Gold
C Zone	720,508 t @ 7.4 g/t	170,700
Upper L	109,216 t @ 4.3 g/t	15,000
Lower L	773,475 t @ 7.7 g/t	191,250
M&Q	296,774 t @ 4.5 g/t	42,750
Total	1,899,973 t @ 6.9 g/t	419,700

2009 Program

In 2009, the Company incurred an expenditure of approximately \$1,358,000 on the Upper Canada property. As part of a recent geological compilation of the mine it was revealed that the property could host a resource of lower-grade gold mineralization that may be amenable to open pit mining. The expenditure supported a 35 hole (11,022 m) diamond drilling program targeting the bulk-tonnage, open pit potential above the workings of the past producing Upper Canada mine.

The initial 14 hole diamond drilling program targeting bulk tonnage mineralization returned significant values including 2.04 g/t Au over 33.7 m (UC09-12), 1.54 g/t Au over 54.6 m (UC09-02), 1.55 g/t Au over 45.7 m (UC09-01), 1.46 g/t Au over 49.2 m (UC09-14), 1.65 g/t Au over 25.0 m (UC09-07) and 1.10 g/t Au over 33.5 m (UC09-11). A second phase of drilling commenced and in February 2010 an additional 21 holes were announced reporting intersections including, 1.93 g/t Au over 32.0 m in hole UC09-34, 1.12 g/t Au over 71.3 m and 4.58 g/t Au over 11.0 m in hole UC09-24, 1.02 g/t Au over 41.2 m in hole UC09-31, 1.37 g/t Au over 20.7 m and 0.91 g/t Au over 32.9 m in hole UC09-33, 0.92 g/t Au over 44.6 m in hole UC09-30, 0.95 g/t Au over 19.2 m in hole UC09-26 and 0.78 g/t Au over 65.2 m in hole UC09-25. The mineralization that has been identified by the recent drilling program does not form part of the historic mineral resource at Upper Canada.

The drilling to date has defined a potential 1.3 km long gold system along the South Branch and 500 m long corridor along the North Branch of the Upper Canada Break. The Upper Canada Break can be traced in Gauthier Township on Queenston's 100% owned property for a distance of 4 km. The mineralization consists of disseminated gold-pyrite in albite-sericite-quartz altered sedimentary, volcanic and intrusive rocks. Narrower, higher grade mineralization is hosted in silicified zones within volcanic and sedimentary rocks. Past production from the Upper Canada mine was completely hosted in the South Branch of the break and serviced by the #1 and #2 shafts developed to 1,930 m and 884 m respectively. The Brock Shaft located on the North Branch is 190 m deep with limited underground development and was used for exploration purposes only. For the balance of 2010 drilling at Upper Canada will continue to define both the bulk tonnage target as well as begin to target the deeper C Zone.

Table of Selected Assay Results from the 2009 Upper Canada Drilling Program

Hole #	Section (ft)	From (m)	To (m)	Interval (m)	Au (g/t)	Zone
UC09-01	9+70W	17.4	20.1	2.7	14.4	South Branch
		116.7	162.4	45.7	1.55	South Branch
including		118.6	125.9	7.3	4.98	South Branch
and		156.0	161.5	5.5	3.53	South Branch
UC09-02	9+82W	71.9	126.5	54.6	1.54	South Branch
including		98.7	100.6	1.8	17.49	South Branch
		123.4	125.1	1.7	11.5	South Branch
UC09-06	37+50W	26.8	187.2	160.4	0.57	South Branch
including		26.8	38.1	11.3	1.37	North Branch
and		67.7	92.7	25.0	1.10	South Branch
and		162.8	187.2	24.4	1.71	South Branch
UC09-08	37+50W	263.8	280.4	16.6	1.48	North Branch
UC09-11	37+50W	232.6	266.1	33.5	1.10	North Branch
UC09-12	15+00W	41.3	75.0	33.7	2.04	South Branch
including		41.3	45.5	4.2	11.2	South Branch
UC09-14	22+00W	289.9	403.2	113.3	0.86	Gap
including		289.9	339.1	49.2	1.46	Gap
UC09-24	7+03W	22.2	33.2	11.0	4.58	South Branch
	including	25.0	26.0	1.0	7.20	South Branch
	and	32.3	33.2	1.0	44.02	South Branch
		106.1	177.4	71.3	1.12	South Branch
		190.8	197.2	6.4	3.04	South Branch
UC09-25	8+99W	63.1	128.3	65.2	0.78	South Branch
	including	63.1	72.2	9.1	1.79	South Branch
	and	123.8	128.3	5.5	3.07	South Branch
UC09-26	8+99W	55.5	74.7	19.2	0.95	South Branch
		224.9	238.6	13.7	0.53	South Branch
UC09-30	0+00	23.9	29.3	5.4	0.74	South Branch
		59.1	103.7	44.6	0.92	South Branch
	including	85.0	103.7	18.6	1.60	South Branch
UC09-31	0+00	40.5	81.7	41.2	1.02	South Branch
	including	44.2	58.2	14.0	2.03	South Branch
	and	76.5	81.7	5.2	2.17	South Branch
UC09-32a	0+00	29.9	36.3	6.4	0.82	South Branch
UC09-32	0+00	179.6	184.7	5.1	2.85	South Branch
UC09-33	3+00E	109.1	142.0	32.9	0.91	South Branch
	including	135.3	142.0	6.7	3.20	South Branch
		191.7	212.4	20.7	1.37	South Branch
UC09-34	3+00E	91.0	123.0	32.0	1.93	South Branch

Frank Ploeger, P. Geo. supervised the Upper Canada drilling program employing a QA/QC program consistent with NI 43-101 and industry best practices. The drill core is logged and split by diamond saw with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submit standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to a second lab for check assaying on a routine basis.

4.1.8 Kirkland Lake Gold Joint Ventures

Queenston and KL Gold have formed five, 50% -50% joint ventures in Teck Township. The properties, Kirkland Lake West, Gracie West, South Claims, HM and East Claim all are adjacent and adjoining the Macassa mine owned and operated by KL Gold. The properties collectively contain 46 mineral claim units. The focus of the joint venture for the past three years has been on the South Claims and in 2009 included the HM claim where exploration has discovered high-grade gold mineralization as part of the new SMC gold deposit discovered by KL Gold on their 100% owned Macassa mine property. The South Claims property is located south of the Macassa mine and the HM claim to the east.

South Claims Property

On April 16, 2007, the Company and KL Gold (50%-50%) purchased the 3 claim, South Claims property from a local prospector. The Company's 50% share of the purchase price was cash of \$319,375 and shares of the Company amounting to a total value of \$300,000 all to be paid over a period of three years. In January 2010 the final payment was made to the vendor and the Company has earned a 50% interest in the property. KL Gold also vested a 50% interest in the property by also making final payments to the vendor. There remains an underlying sliding scale net smelter return ("NSR") to the vendor ranging from 1.5% to 3% depending on the price of gold.

On the South Claims, In the early 1900's a 400 ft vertical shaft was sunk near the Amalgamated Break. During that period, Canadian Kirkland Mines completed limited underground drifting on a series of gold-bearing veins and since that time no further exploration has been reported on the property. North of the South Claims surface and underground exploration completed by KL Gold, on the Macassa property, discovered the ABM Zone in 2004 and the SMC in 2005. The only recorded history of past exploration on the HM property was 8 surface diamond drill holes completed by GLR Resources Inc. in 2005. Anomalous gold values were encountered in the drilling including 1.8 g/t Au over 4 m (hole HM05-08) and 2.4 g/t Au over 2.0 m (hole HM05-05) believed to be mineralization that forms part of the ABM zone discovered to the north on the Macassa mine property.

As result of advanced underground exploration including diamond drilling and drifting KL Gold has now outlined a high-grade gold reserve and resource on the Macassa property trending south of the Kirkland Lake Main Break. In July 2009 KL Gold announced a mineral inventory of 1.6 million ounces of gold grading 25.7 g/t and is currently mining the SMC at a rate of 100,000 oz/year.

In 2007 the JV commenced exploration on the South Claims property to explore the down dip potential of the SMC that has led to mineral resource estimates in 2008 and 2009. KL Gold is the operator of the underground joint venture program. This work included underground development on the 5300' ft level of the Macassa mine towards and along the northern property boundary that provided a platform for exploration drilling. As a result of two drilling campaigns (25 holes) the JV discovered the down-dip continuation of the SMC onto the northern portion of the South Claims property where already a significant mineral resource has been outlined and remains open. The initial discovery holes on the South Claims property reported a high grade intersections including 87.1 g/t Au over 6.6 m and 86.7 g/t Au over 5.1 m in hole 53-909 and 25.7 g/t Au over 15.0 m in hole 50-901.

The northern portion of the South Claims is underlain by conglomerate and tuff of the Timiskaming Assemblage intruded by porphyry. The northeast-southwest trending Amalgamated Break cuts through the northern portion of the claims in the vicinity of the shaft. In the central portion of the property the east-west trending 103 Break cuts the claims. This Break hosts the adjacent AK Zone on the AK property. The southernmost claim is almost entirely underlain by a portion of the Murdock Stock, a small felsic intrusion composed principally of syenite. The contact of the Timiskaming Assemblage and Murdock

Stock is marked by the east-east trending LLB. There is no recorded gold mineralization documented on the South Claims.

The SMC mineralization occurs in a flat lying gold zone that is fault controlled by structures trending east-west and dipping south. The SMC is located south of the steeply south-dipping, Kirkland Lake Main Break which has produced 24 million ounces and is interpreted to be controlled by a linking structure between two major gold bearing breaks, the Main Break to the north and the LLB to the south. Unlike quartz-vein hosted gold mineralization typical along the Main Break, the SMC mineralization is characterized by a series of altered, silicified and pyritic stacked zones containing visible gold and tellurides bounded by flat lying faults. The SMC remains open to the south east and west and there is strong potential for other SMC-type deposits to be discovered south of the Main Break throughout Teck Township.

Mineral Resources

As a result of the 2008 and 2009 drilling campaigns supervised by the geological staff of KL Gold, the JV has outlined a mineral resource on the South Claims property that continues to remain open to the south east and west. The mineral resources on the South Claims were calculated by the KL Gold staff and audited by Glenn R. Clark and Associates in a NI 43-101 report dated July 17, 2009. Mr. Clark, a Professional Engineer, also prepares the reserve and resource studies for KL Gold on the Macassa property.

Table of Mineral Resources – South Claims JV

Class	Tonnes	Au (g/t)	Ounces
Measured + Indicated	66,100	42.5	90,000
Inferred	113,200	42.2	154,000

Queenston's 50% share of the mineral resource amounts to 33,050 t grading 42.5 g/t (measured + indicated) and 56,600 t grading 42.2 g/t Au (inferred).

The following lists the criteria employed by KL Gold in calculating reserves and resources for the Macassa Mine and South Claims JV property:

1. The reserves and resources are estimated using the polygonal method.
2. All intersections are calculated out to a 5.0 foot minimum horizontal mining width for structures dipping greater than 45 degrees. The minimum mining height for structures dipping less than 45 degrees is 6.5 feet.
3. Dilution is added to reserves at varying rates depending on mining method, and the width of the ore. The average dilution of the reserves at April 2008 is 33.7% at 0.02 ounces of gold per ton. Long hole stopes are diluted by 32-50%, mostly 50%. Cut and fill stopes 5-7 feet wide are diluted 15-50%. Most of the narrower stopes are diluted by 50%. Cut-and-fill stopes that are greater than 7 feet wide are diluted 10-15%.
4. All higher grades are cut to 3.50 ounces of gold per ton. Based on a statistical analysis completed by Scott Wilson of RPA in 2007, Queenston has implemented a cutting factor of 7.2 oz Au/ton for the New South Zone. The cut-off is 0.25-0.30 ounces of gold per ton over the horizontal or vertical mining width
5. Cut-off grades of 0.25 oz/ton Au and 0.35 oz/ton Au are used for reserve and resource calculations, depending on the location, and economics of the block. Generally, a cut-off of 0.31oz/ton is required on a whole-block basis to achieve profitability. It is possible to have sub-blocks within an ore reserve block that assay less than any cut-off which have been incorporated for mining or geotechnical reasons. Ore blocks that grade between 0.20 oz/ton and the cut-off have been classified as resource.

6. A 94% tonnage recovery is used. Continuity of the veins appears very good.
7. The assumptions used include \$582.00 U.S. per ounce of gold, and an exchange rate of \$1.13 Canadian=U.S. \$1.00 (\$656.00 Canadian per ounce = 3 year average).
8. Queenston is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issue that may materially affect its estimate of mineral resources. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The 2009 mineral resource is based on underground drilling that was completed from the 5300 foot level of the Macassa Mine onto the JV property. The mineral resource was calculated by KL Gold's geological staff which includes Qualified Person, Stewart Carmichael P.Geo., KL Gold's Chief Exploration Geologist, for the purpose of NI 43-101. The resource estimate was audited and verified by independent QP, Glenn R. Clark, P. Eng., of Glenn R. Clark & Associates Limited.

In 2009, the joint venture continued underground development and exploration on the South Claims property exploring for extensions of the SMC deposit. Queenston's portion of JV exploration on the South Claims and HM properties amounted to \$368,000 of which \$246,000 related to expenditures on the South claims and \$122,000 to the HM claim. Work completed included 137 m of underground development and 942 m of underground diamond drilling at the South claims and 855 m of drilling on the HM claim.

Since the announcement of the upgraded mineral resource in July 2009 the joint venture reported further drilling result from an additional 5 holes that included high-grade intersections of 175.5 g/t over 2.1 m in hole 53-1364, 175.2 g/t over 2.2 m in hole 53-1365 and 105.3 g/t over 1.5 m in hole 53-1366.

HM Claim

On January 9, 2009 the Company and KL Gold (50%-50%) purchased the HM claim from GLR Resources Inc. The Company's 50% share of the purchase price was \$150,000 and the vendors retain a 3% NSR royalty. Exploration expenditures completed on the HM claim by the JV during 2009 were approximately \$244,000.

Exploration commenced on the HM Claim property commenced in 2009 targeting the SMC gold zone employing a surface diamond drilling program.

The HM Claim is underlain by conglomerate and tuff of the Timiskaming Assemblage to the north and underlain by porphyry to the south. The northeast-southwest trending Amalgamated Break is located south of the claim on the Queenston's AK property. In addition to the shallow gold mineralization intersected by GLR Resources in 2005, deep drilling by the Queenston – KL Gold JV intersected high grade mineralization in a new zone believed to be part of the SMC in 2009. The deep mineralization occurs in a quartz vein zone containing pyrite and visible gold hosted in porphyry.

In 2009 the JV commenced a deep drilling program on the HM claim targeting the SMC. The drilling included one pilot hole collared on Queenston's AK property to the south and three wedge holes extended from surface holes previously drilled by Queenston. The drilling totaled 855 m and returned high-grade mineralization including 31.8 g/t over 2.3 m in hole AK08-2W4, 25.5 g/t over 1.6 m in hole AK09-2W5 and 59.5 g/t over 1.5 m in hole AK09-2W6. These intersections occur between 1,775.5 and 1,975.1 m below surface and although the elevations are similar to the SMC some 300 m to the west it is too early to determine if they form part of the same zone. Queenston's share of the exploration expenditures on the HM property in 2009 amounted to approximately \$122,000.

In 2010 the joint venture plans to continue exploration on both the South Claims and HW properties. This work will include further underground development on the 5300' level and underground drilling on both properties.

Exploration budgets for the joint venture are approved by a committee represented by equal representation from both Queenston and KL Gold. KL Gold under the supervision of Qualified Person, Stewart Carmichael, P. Geo., KL Gold's Chief Exploration Geologist is the operator on the South Claims property and Queenston is operator on the surface exploration at the HM property under the supervision of QP, Frank Ploeger, P. Geo., Senior Geologist. KL Gold and Queenston have implemented a quality assurance and control (QA/QC) program to ensure sampling and analysis of all exploration work is conducted in accordance with best practices. The drill core is sawn in half with half of the core samples shipped to the Swastika Laboratories in Swastika, Ontario or to Polymet Resources Inc in Cobalt, Ontario. The other half of the core is retained for future assay verification. Other QA/QC includes the insertion of blanks, and the regular re-assaying of pulps/rejects at alternate certified labs (Polymet Resources Inc., Swastika Laboratories). Gold analysis is conducted by fire assay using atomic absorption or gravimetric finish. The laboratory re-assays at least 10% of all samples and additional checks may be run on anomalous values.

Kirkland Lake West Joint Property (KLW)

The KLW comprises 18 claims (720 ha) in Teck Township directly west and along geological trend of the 3.5 million ounce Macassa Mine operated by KL Gold. The KLW property covers a 1.8 km long projection of the same gold corridor that hosts the Kirkland Lake Main Break and subsidiary gold structures to the east which has historically produced in excess of 24 million ounces of gold. Both KL Gold and Queenston view the potential high on the KLW property to host Main Break style ore.

In 2004, Queenston signed a formal joint venture with Newmont to earn a 50% interest in the KLW property. Under the terms of the option agreement with Newmont, Queenston has the right to earn a 50% interest in the KLW property by incurring exploration expenditures of \$2.5 M prior to June 30, 2008. The first year exploration commitment is \$350,000, followed by an additional \$500,000 in year two, \$650,000 in year three and \$1,000,000 in the final year. After Queenston has earned its interest, a joint venture will be formed and all further expenditures will be shared equally. Queenston previously owned the KLW property and sold it to Franco-Nevada Mining Corporation in 1995.

Under the terms of the joint venture, Queenston invited KL Gold to participate in the exploration of the KLW property. Under the terms of the agreement KL Gold will have the right to earn 50% of Queenston's rights under the Newmont agreement by matching Queenston's first year, \$400,000 expenditure on the property. Once completed further exploration on the property will be shared equally. Upon completion of the \$2.5 million earn-in, interest in the property will be held 50% by Newmont, 25% by KL Gold and 25% by Queenston and further expenditures were to be contributed pro-rata.

On November 15, 2005 Queenston and KL Gold announced the formation of a joint venture to further explore the property from underground. The Joint Venture property lies on the west side of a prominent post-ore cross fault called the Amikougami Fault. At the Macassa Mine, two western stopes, one on the 5025 level and one on the 5725 level, were terminated by this fault. The displacement on the fault has been the subject of numerous investigations and interpretations have varied from west side down 2,650 feet to a more conservative 460 feet west side south.

The property was first explored in the 1930's when geological mapping and shallow drilling on identified a gold structure believed to be the Kirkland Lake Main Break returning low gold values over narrow widths including 5.5 g/t over 0.6 m. Further mapping, stripping and drilling in the mid 1980's led to the discovery of a second parallel structure, the "Hanging Wall Break", located 40 m south of the KLMB assaying up to 13.0 g/t over .3 m on surface and 7.5 g/t Au over 0.7 m in drilling. From 1988 to 1991, Lac Minerals, then owner of the Macassa Mine, drifted from the No. 3 Shaft onto the KLW property on four levels: 4750', 5875', 6450' and 7050'. This development encountered the "04 Break", a major producing structure at Macassa, on all levels, however, economic reserves were not established. The

best drilling results from the 4750' level included 24 g/t over 0.9 m and 9.3 g/t Au over 6.7 m. In 1991, prior to terminating exploration on the K LW, Lac mined 156 t from the 4750' level averaging 17.5 g/t.

There is no mineral resource on K LW. In 1993-94, Cyprus Canada Inc. completed five drill holes including one which intersected a broad structural zone containing anomalous gold mineralization at 600 m below surface. Within this zone a 1.5 m interval assayed 2.9 g/t Au.

The northern portion of the property is underlain by sediments of the Timiskaming Group comprising primarily conglomerate and greywacke. On the southern portion of the property Timiskaming tuffs are intruded by an east-west trending body of basic syenite. A steeply south dipping WSW-ENE trending fault structure traverses the northern portion of the property. This fault is interpreted to represent the KLMB, an important gold bearing structure in the camp along which some 24 million ounces of gold has been produced from seven mines all located east of K LW. Along the eastern boundary of the property is the Amikougami Fault, a north-south trending structure along which rocks to the west are interpreted to have been displaced 120 m to the south and 130 m up.

The 2004-05 surface exploration program completed by Queenston consisted of linecutting, mechanical stripping-power washing, sampling, IP geophysics and diamond drilling. The objective of the program was to explore for ore grade gold mineralization along the camp's main productive structural trend west of the Amikougami Fault. The stripping and sampling completed in the fall of 2004 was focused in two areas, the surface expression of the "04 Break" and on a 1 to 5 m wide, north-south trending quartz vein that has been traced for 150 m. In 2005, geophysics was completed on the property and a total of 7 diamond drill holes (3,555 m) were completed testing targets outlined by the surface stripping and deep IP geophysics. Three holes were completed along the "04 Break" intersecting strong fault zones and quartz-carbonate veining. The best gold values were intersected in hole KW05-06 where three separate breaks assayed 1.1 g/t Au over 1.4 m, 3.1 g/t Au over 0.6 m and 1.1 g/t Au over 0.85 m. Three holes tested the "North-South Quartz Vein Zone" returning no significant values and hole KW-05-05 tested an Insight IP Array anomaly explained by faulting and veining with no significant gold values.

In 2006, K L Gold completed a second phase, \$543,000 underground exploration program on the K LW property. This program targeted the "04 Break" and subsidiary gold structures that are currently being mined at Macassa and interpreted to continue westward beyond the north-south trending Amikougami cross-fault. The program included a by-pass drift, rehabilitation on the 4750' level, driving a 150' long crosscut and a nine-hole (921 m) underground diamond drill program. Eight of the holes intersected the "04 Break" containing anomalous gold values including a best intersection of 0.33 oz/t Au over a core length of 2.2 ft in hole 47-1202. Although the drilling was unsuccessful in producing ore-grade values it did confirm the presence of the gold-bearing "04 Break" on the K LW property west of the Amikougami Fault. The joint venture is encouraged with the results and has commenced a third phase of exploration to consist of further underground exploration including the driving of a 400' crosscut to the north at the end of the 4750' drift to target with drilling the "04 and 05 Breaks" some 500 m further west into the property.

In 2007, the Company's portion of exploration costs on the K LW property amounted to \$325,000. Work included further drift rehabilitation on the 4750' level and driving a second cross cut north to develop a drilling platform. From this platform 4 (1,551 m) diamond drill holes were completed testing known breaks further west and north. Each hole intersected break structures with a best assay of 0.05 oz/t over 1.9 ft.

With approximately \$850,000 left to be spent in order to earn a 50% interest in the property, the Company and K L Gold negotiated with Newmont to purchase, outright, a 100% interest in the property. In February 2008, Queenston and K L Gold purchased a 100% interest in the K LW property from Newmont for \$1 million cash. Under the terms of the purchase Newmont will retain a sliding scale net smelter

return (“NSR”) royalty of all minerals produced from the property of 2% at a gold price less than or equal to US \$1000/oz. and 3% if greater than US \$1000/oz. Newmont also retains the one-time right to repurchase from the joint venture an undivided 49% interest upon receipt of a NI 43-101 mineral resource calculated on the property. To exercise this right Newmont must pay the joint venture the greater of 300% of the exploration expenditures required to outline the mineral resource and \$5 million.

In 2009 no exploration was completed by the JV on the KLV property.

Frank Ploeger, P. Geo. Senior Geologist of Queenston and QP under NI 43-101 reviewed the KLV exploration activity and the information in this document.

4.1.9 Amalgamated Kirkland Property (AK)

The AK property is owned 100% by Queenston and comprises 27 claim units (437 ha) located in the south-central portion of Teck Township. The property hosts the AK gold deposit discovered by Battle Mountain in 1989 and is strategically located adjacent to the Macassa gold mine and the SMC deposit operated by KL Gold. Recent deep drilling by Queenston has intersected what is believed to be the eastern extension of the SMC on the northwest portion of the property.

The initial discovery of gold on AK was in 1920 when the Hunton shaft was sunk on the northern portion of the property to a depth of 120 m with four levels being established. From 1925 to 1939 the Hunton shaft was deepened to 230 m where further lateral development and drilling was completed. From 1939 to 1988 various interests owned the property and a variety of exploration programs were completed including 9 programs of diamond drilling. In 1989 Queenston acquired the property and formed a joint venture with Battle Mountain Canada who completed geophysics, trenching and diamond drilling that led to the discovery of the AK gold deposit. In 1993 Cyprus Canada optioned the property, completed further diamond drilling and outlined a mineral resource of 1,800,000 t grading 5.5 g/t Au including 1,300,000 t grading 6.8 g/t. In 1996 Queenston regained full title to the property and formed a joint venture with Franco Nevada Mining Corporation who later combined with Newmont Mining Corporation of Canada Limited. In 1997 a new inferred resource was calculated totaling 2,639,338 t grading 4.46 g/t Au. In 2002 Queenston purchased Newmont’s interest in the property and in 2003 and 2005 completed further diamond drilling on the property. In 2008 Queenston commenced a deep drilling program targeting the SMC in the northwest portion of the property leading to the discovery of high grade gold mineralization believed to be a continuation of the SMC deposit being explored and developed at the Macassa mine.

The LLB traverses the southern portion of the AK property in an east-west direction. In this area, the break follows the northern fringe of the Murdoch Creek Stock (syenite) and is represented by sheared ultramafic and green carbonate rocks of the Tisdale assemblage with local shearing in the adjacent Timiskaming suite to the north. The Tisdale assemblage is best developed in the eastern part of the property, but occurs as a relatively thin veneer (to 200 m thick) around the north contact of the Murdoch Creek Stock. The Timiskaming assemblage is dominated by fine to coarse clastic sedimentary rocks with lesser alkalic volcanics including fine to coarse pyroclastics, flows and intrusives.

The Murdoch Creek syenite stock trends parallel to the regional deformation fabric and is the dominant feature in the south part of the property. Other syntectonic syenites are found in the north part of the property – most prominent at the Hunton shaft area (north).

The AK deposit consists of lode-style gold mineralization hosted by altered and pyritic Timiskaming trachytic volcanics. The volcanics wedge out or thin at depth between two sedimentary units. The zone strikes at 070 degrees, dips steeply south and exhibits a westerly plunge of 50 degrees.

Mineralization is characterized by blue-grey, brecciated and 'wormy', quartz-ankerite veins and stockwork which contain up to 10% fine-grained pyrite and lesser amounts of galena, chalcopyrite, sphalerite, molybdenite and visible gold. Auriferous veins are found within a quartz-ankerite-sericite-pyrite alteration assemblage that is enveloped by a broader zone of ankerite-sericite-pyrite +/- hematite and quartz alteration up to 60 m wide.

In 1993 Cyprus Canada completed an historic mineral resource on the AK deposit. This resource was upgraded by the Queenston geological department in 1997. Both resource calculations should not be relied upon as the report was not compliant to NI 43-101 and has not been verified by a QP under the Instrument.

Table of Historic Resource Estimates – AK Deposit

Resource Calculation	Tonnes	g/t Au	Oz. of Au
Cyprus(1993)	1,800,000	5.5	319,355
(Including)	(1,300,000)	(6.8)	(285,160)
Queenston (1997)	2,639,338	4.5	382,000

In 2008 Queenston commenced a surface deep diamond drilling program on the property. The primary target for this program was the SMC currently being explored, developed and mined by KL Gold on the adjacent Macassa property.

The SMC is a multiple-zone gold system discovered by KL Gold in 2005. It represents a new-style of mineralization in the camp located some 600 m south of the main Kirkland Lake productive trend at a depth of 1200 m (5300 ft) that to date contains a significant gold reserve and resource. The SMC remains open in all directions and definition drilling announced by Queenston and KL Gold in late 2009 has returned continued high-grade results on the South Claims and HM JV properties.

2009 Program

In 2009, Queenston completed 4 pilot holes and 5 wedge holes (7,030 m) for a total expenditure of \$1,020,000. In these holes visible gold occurs in altered mafic syenite and porphyry containing quartz-carbonate veining with fine grained pyrite and chalcopyrite. The best results from the surface drilling were encountered in quartz veined and silicified sections of mafic syenite and syenite porphyry dikes in wedge holes AK08-02W3 intersecting 13.7 g/t Au over 3.9 m including a higher grade interval assaying 96.5 g/t Au over 0.5 m., AK08-2W4 which returned 18.3 g/t Au over 1.5 m and 46.8 g/t Au over 1.5 m, and hole AK09-2W5 which assayed 8.5 g/t Au over 12.6 m including 25.5 g/t Au over 1.6 m. The extension of hole AK08-2W6 from the AK Property onto the adjacent HW JV property intersected 59.5 g/t Au over 1.5 m. These intersections occur between -1,775 to -1,975 m elevations and although they are geologically similar and located at elevations similar to the SMC to the west, it is too early to determine a relationship.

In 2010 Queenston will continue the deep drilling program targeting the SMC with two drill rigs. Also during the year a third drill will be added to advance the AK deposit to NI 43-101 status and further explore this deposit below a depth of 500 m.

The design of the AK drilling program, QA/QC and interpretation of results is under the control of Queenston's geological staff including QP employing a QA/QC program consistent with NI 43-101 and industry best practices. The AK project is supervised by Queenston Senior Geologist, Frank Ploeger, P.Geo. The drill core is logged and split with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submits standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying.

4.1.10 Commodore JV Property

In February 2009 Queenston and Newstrike Resources Ltd. ("Newstrike") formed a 50%-50% joint venture to purchase and explore 36 mineral claims located in Lebel and Gauthier Townships. In August 2009 the joint venture completed the purchase with each party paying the vendor \$95,000 cash and issuing 35,000 shares of Newstrike and 10,000 shares of Queenston. In September, the joint venture consolidated a larger land package in the area with the purchase of an additional 4 adjoining claims from a third party, Newstrike contributing their 6 claim Morris Property and Queenston adding 11 boundary claims. The combined Commodore property now contains 57 mineral claims (923 ha) comprising 25 patented and 32 unpatented claims. As additional consideration for the contribution made to the JV by Queenston, Newstrike issued 600,000 common shares to Queenston. In October 2009 the JV commenced an exploration program on the property targeting a variety of gold zones with Queenston acting as operator.

Gold was first discovered on the property in early 1930's and between 1936 to 1941 Morris Kirkland Gold Mines milled 111,566 tons recovering 16,699 oz of gold and 29,300 oz of silver at recovered grades of 4.5 g/t Au and 7.9 g/t Ag. The property is serviced by two shafts with the #1 to approximately 35 m and the #2 to approximately 495 m. Since the mine shut in 1941 very little work was completed at the mine site. Apart from a variety of individuals and mining companies completing a variety of small program including geophysics and drilling, between 1944 to 1994 very little exploration was completed on the Commodore property. In 1995 Sudbury Contact Mines completed exploration leading to the discovery of the Commodore Zone, a shallow gold deposit containing an historic mineral resource. At the Morris mine a program of stripping and shallow drilling was completed by Newstrike Resources in 2008.

The Commodore property is favourably located within a key structural - stratigraphic corridor that hosts significant gold mineralization in the Kirkland Lake gold camp. The property is centered along the Lebel – Gauthier Township line between the past producing Bidgood, Moffat Hall and Morris gold mines to the west in Lebel Township and the Upper Canada Mine to the east in Gauthier Township. The Commodore property is underlain by an east-west trending southerly dipping sequence of volcanic and sedimentary rocks of the Timiskaming assemblage. This is the same assemblage of rocks that host the Kirkland Lake main break gold deposits 10 km to the west and the Upper Canada Mine, 2 km to the east.

In terms of gold potential, the most favourable rocks occur on the southern portion of the property within a structural corridor related to the LLB. The LLB is located 1 km south of the property and two related subsidiary structures, the Upper Canada Break and 03 Break trend through the property one kilometer apart. Within the structural corridor the rocks are deformed, carbonated, contain disseminated pyrite and host the Commodore gold deposit. Gold mineralization has been identified in the southwestern portion of the property along the Upper Canada Break north of highway 66. Along this structure, the Outcrop Zone occurs in intensely altered volcanic and sedimentary rocks containing pyrite, chalcopyrite and magnetite. Surface grab samples taken by Sudbury Contact Mines in 1995 from the zone returned gold values up to 2.4 g/t.

Drilling by Sudbury Contact in 1995-96 outlined the Commodore Zone below and north of the Outcrop Zone. The Commodore Zone represents a zone of mineralized breccia at the sedimentary – volcanic contact in the vicinity of the Upper Canada Break. A total of 21 holes were drilled by Sudbury Contact outlining a 250 m long gold zone with an average thickness of 11.7 m to a vertical depth of 180 m. The zone strikes at an azimuth of 100 degrees and dips 55 degrees to the south. The best intersection was in hole Egg-8 reporting 5.5 g/t Au over 20 m including 12.4 g/t Au over 6.7 m. West of the Commodore Zone the Egg gold zone was discovered in a single drill assaying 43.5 g/t over a core length of 1.5 m.

Following the drilling program Sudbury Contact Mines calculated an inferred mineral resource for the Commodore Zone amounting to 669,500 t grading 2.4 g/t averaging 7.9 m thick including a higher

grade inferred resource of 278,500 t grading 3.8 g/t with an average thickness of 3.5 m. The resource was calculated by W.A. Hubacheck Consultants Limited in a report dated January 1997 filed with the Ontario Ministry of Northern Development and Mines. This resource is not compliant to NI 43-101 and should not be relied upon as it has not been verified by a QP under these guidelines.

2009 Program

In October 2009 the JV commenced an exploration program on the property and by February 2010 completed 16 diamond drill holes (3,734 m) and ground geophysics. Queenston's share of exploration costs in 2009 amounted to approximately \$205,000. The exploration was focused on the southern portion of the property where drilling and geophysics has outlined a broad alteration corridor that has been traced for 2.5 km containing the Commodore and Egg gold zones. At Commodore, 6 holes targeted the main highway zone and at the Egg Zone, 10 holes were completed. The drilling intersected wide zones of low grade mineralization at the Commodore Zone including: 1.3 g/t Au over 11.6 m (hole Com09-07), 0.8 g/t Au over 47.0 m including 3.1 g/t over 7.3 m (hole Com09-09) and 0.3 g/t over 172.2 m including 0.6 g/t over 17.0 m (hole Com09-06). At the Egg Zone, located 1 km west of Commodore, higher grade intervals were encountered including: 3.6 g/t Au over 10.6 m including 6.3 g/t Au over 5.0 m and 14.9 g/t over 1.0 m (hole Com-09-04), 6.8 g/t Au over 1.0 m (hole Com09-14), 3.6 g/t Au over 2.6 m (hole Com09-13) and 1.1 g/t Au over 9.4 m (hole Com09-11).

As a result of the first phase of exploration on the property, for the balance of 2010 the joint venture has approved a second program budgeted at \$1,200,000 to include further geophysics and 10,000 m of drilling.

As operator of the Commodore JV, the design of the program, QA/QC and interpretation of results is under the control of Queenston's geological staff including Qualified Persons employing a QA/QC program consistent with NI 43-101 and industry best practices.

The program is supervised by consulting geologist, Gerhard Meyer, P.Geo. The drill core is logged and split with half-core samples shipped to Polymet Laboratories of Cobalt, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submits standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying.

4.1.11 Lac-McVittie JV Property

The Lac-McVittie property comprises 59 unpatented mineral claims (955 ha) and lies east and adjacent to the Queenston's Upper Beaver property. Prior to the 2009 exploration program on the property, ownership in the JV was Barrick Gold Corporation ("Barrick") 49%, Queenston 41% and Sudbury Contact Mines Limited ("Contact") 10%. Following the 2009 program, wherein Queenston was the only participant, ownership in the property is now Queenston 70%, Barrick 30% and Contact 0%.

The first reported work on the property was in the late 1930's and 1940's when Spectacle Larder Lake Mines and Mary Ann Gold Mines completed trenching and a limited amount of diamond drilling. In the early 1980's Queenston completed 8 shallow drill holes and in 1985-88 Lac Minerals drilled an additional 8 holes. In 1989 the property was optioned from Lac Minerals and from 1989 to 1996 a joint venture between Royal Oak Mines, Queenston Contact completed a variety of exploration that included 16 diamond drill holes and vested an interest in the property. In 2005 Queenston purchased the Royal Oak interest in the joint venture. Barrick's current interest in the joint venture came as a result of its merger with Lac Minerals in 1994. There is no past production recorded on the property and no mineral resources.

The property is located approximately 8 km north of the Cadillac-Larder Lake break and is underlain by volcanic and sedimentary rocks of the Upper Tisdale and Lower Blake River assemblages intruded by small syenite plugs and stocks. The Victoria Creek Deformation Zone is traced across the central portion of the property and the south branch of the Upper Canada break trends through the northern portion of the claim group. Two main areas of alteration and mineralization occur on the property. In the north western portion drilling intersected altered mafic volcanic fragmental rocks in the vicinity of a syenite plug with a best intersection of 3.36 g/t Au over 0.61 m in drill hole 94-6. Another drill hole in this area (94-7) intersected a broad zone of alteration assaying 0.18 g/t Au over a core length of 85.4 m. In the central portion of the property drill hole 01-03 also intersected anomalous gold values near the Victoria Creek Deformation Zone including a composite section assaying 0.96 g/t over 5.64 m.

2009 Program

In December 2008, Queenston proposed an exploration program on the property targeting previous mineralization and the potential for repetition of the gold-copper system on the adjoining Upper Beaver property. Both Barrick and Contact declined to participate in the program and their interest will be diluted as a result.

In 2009, Queenston completed a \$324,000 program on the property that consisted of 5 drill holes for a total of 3,742 m targeting weakly anomalous gold-copper Upper Beaver-type mineralization in the northwest part of the property. The best assay results were encountered in hole LM09-3 where a quartz carbonate vein zone associated with a north shallow dipping fault zone averaged 0.31 g/t Au and 0.1% Cu over 13.9 m.

Further exploration on the property in 2010 will include down-hole geophysical surveys in 2 holes and 1,400 m of drilling additional drilling.

The design of the Lac-McVittie drilling program, QA/QC and interpretation of results is under the control of Queenston's geological staff including QP employing a QA/QC program consistent with NI 43-101 and industry best practices. The Lac-McVittie project is supervised by Queenston Project Geologist, Wayne Benham, P.Geo. The drill core is logged and split with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submits standards and blanks every 25 samples.

4.2 Cadillac Projects, Quebec

In Cadillac, Quebec the company maintains interests in two properties, Pandora (100%) and Wood-Pandora (50%).

4.2.1 Property Description, Location, Accessibility, Climate, Infrastructure and Physiography

The Cadillac projects are located in Cadillac Township, Quebec within the Bousquet-Cadillac gold camp, approximately 58 km east of Rouyn-Noranda and 400 km northwest of Montreal. The project consists of two adjacent properties, the 100% owned Pandora property consisting of 18 mineral claims (290 h) and the Queenston-Globex Mining Enterprises Inc. ("Globex") joint venture Wood-Pandora property comprising 28 unpatented claims and one mining concession (CM 289) totaling 453 h.

Barrick Gold Corporation, a previous joint venture partner on the Pandora and eastern half of the Wood-Pandora property, holds a 0.5% NSR royalty. On the western portion of the Wood-Pandora property a consortium of prospectors holds a 2% NSR on 8 mineral claims. KWG Resources holds a 2% NSR royalty on the 2 Central Cadillac claims.

Provincial highway 117 crosses the properties in an east-west direction, while secondary gravel and sand trails lead north and south. Physical access to the project is excellent year round.

The local climate is best described as modified continental, with short warm summers and long cold winters. Average daily summer temperatures average 24° C and winter daily temperatures average -20° C.

Local mining resources are excellent, with locally available power, water and a skilled labour force present in the immediate area. Custom milling at various locations in Rouyn-Noranda, Cadillac and Val d'Or are options that are available.

The project occurs at the transition zone from a mixed forest environment, typical of the Great Lakes-St. Lawrence watershed to the conifer stands of the northern boreal forests. The site consists primarily second-order, re-vegetated forest stands of poplar, white birch, balsam fir and spruce. Topographical relief is moderate and consists of free standing bedrock knobs and ridges rising above a relatively flat horizon of lacustrine clays which lie over older glacial tills. Overburden thickness is generally thin to locally moderate in areas of subcrop troughs.

Queenston conducts its exploration activity in compliance with all government environmental and aboriginal issues. All required land use, labour and environmental permits that are required to conduct exploration on the Pandora Project have been obtained by the Company.

4.2.2 History

The Cadillac mining camp is ranked as the top gold producing area in Quebec. It has produced over 12 million ounces of gold and currently has two mines in operation. Gold was first discovered in the area in 1924 by J. O'Brien which discovery later developed into the O'Brien Gold Mine in 1932. Between 1936 and 1949 several other small mines in the area were brought into production and following the shutdown of the O'Brien Mine in 1957 exploration in the camp declined. The camp did not produce again until 1979 with mines developed at the Bousquet 1 and Doyon. From 1988 to 1991 the Bousquet 2, LaRonde and Mouska mines were brought into production and the later two continue to operate today. As a result of the new Lapa discovery by Agnico Eagle Mines Limited ("Agnico") in 2002 the camp has experienced a new wave of exploration. The Lapa mine was commissioned in 2009.

Gold was first discovered on the Pandora property in 1924 and the No. 1 shaft was sunk on the property in 1928. Canadian Pandora Gold Mines Limited sank the No. 2 shaft on the eastern portion of the property to a depth of 152 m in 1931 and carried out limited lateral development. This work explored two vein systems near a porphyry plug and 27,248 t grading 6.1 g/t Au were mined and processed at the Amm mill in 1937. The property was acquired by Bellerroche Mines, an affiliate of Upper Canada Resources in 1958. In 1977, Queenston Gold Mines Limited merged with Upper Canada Resources and took effective control of the property. From 1987-90, American Barrick completed 106 surface drill holes testing the Cadillac Break on the eastern portion of the property. This work led to the discovery of the Branch Zones and the extraction of a 36,189 t bulk sample that was processed at the Camflo mill. In 1992, Queenston purchased Barrick's interest in the Pandora and from 1993-94 optioned the property to Santa Fe Canadian Mining Ltd. who drilled 17 holes (10,626 m) on the Branch and C Zones before returning the property. From 2003-2004 Queenston completed a 21 hole (15,608 m) diamond drill program on the Pandora property exploring along the Cadillac Break for similar gold mineralization that was discovered on the adjacent Lapa property owned by Agnico.

The Wood-Pandora Property hosts four gold zones/deposits that from east to west include the Amm Shaft Zone, the No. 3 Shaft Zone, the Wood Cadillac Zone and the Central Cadillac Zone. Six shafts are located on the property, with underground workings and production to a depth of 300 m. Gold was first reported on the Wood-Pandora property in 1923. The No. 3 shaft was sunk to a depth of 267 m with

lateral work established on 5 levels and production from 1939-42 amounted to approximately 13,000 oz. from 178,231 t grading 4.7 g/t Au. The Wood-Cadillac shaft and internal winze was sunk to 305 m with 6 levels and production in two stages between 1939-42 and 1947-49 amounted to 59,689 oz. from 396,000 t grading 4.8 g/t Au. The Central Cadillac shaft was sunk in 1939 to a depth of 305 m with 6 levels and production between 1939-43 and 1947-49 amounted to 63,160 oz. from 418,870 t grading 4.7 g/t Au. The Wood and Central Cadillac properties were jointly operated during 1947-49. The Amm shaft was sunk in 1937 to a depth of 160 m with 4 levels. Production from the Amm shaft amounted to 13,356 oz. from 75,727 t grading 5.5 g/t Au between the years 1939-42.

Past Production on Cadillac Properties

Pandora Property	Tonnes	Grade (g/t)	Ounces
Branch Zones	36,962	2.2	2,600
No. 2 Shaft Zone	27,250	6.5	5,400
Total	64,212	3.9	8,000
Wood-Pandora Property	Tonnes	Grade (g/t)	Ounces
Amm Shaft	75,727	5.5	13,356
No. 3 Shaft Zone	78,231	4.7	13,000
Wood-Cadillac	396,000	4.8	59,700
Central-Cadillac	418,870	4.7	63,160
Total	968,828	4.8	149,216

In 1979, the eastern half of the Wood-Pandora property was optioned to Camflo ML who completed exploration on the western portion of the property in the vicinity of the No. 3 shaft, and reported a drill indicated resource of 582,859 t grading 6.5 g/t Au. In 1981, Camflo carried out an underground exploration program on the No. 3 Shaft Zone completing 1,374 m of drifting, 107 m of raising, and 86 underground diamond drill holes. The underground program failed to prove the presence of significant mineable ore zones.

From 1965 and 1984 the western half of the Wood-Pandora property was explored by five different groups each completing small diamond drill programs. In 1997-98 Globex drilled nine holes targeting the Wood shaft area and in 1999, Queenston drilled 8 holes testing the Amm and No. 3 Shaft Zones.

During 2004 to 2008, the Queenston-Globex joint venture completed four phases of diamond drilling totaling 77 holes on the Wood-Pandora property. The drilling was concentrated along the Cadillac Break near the Wood shaft and Central Cadillac shaft, and on the Ironwood Zone. This work led to the discovery of the Ironwood deposit.

In 2009 the Queenston-Globex JV completed approximately \$71,000 in exploration that included drilling along the Cadillac Break on the Amm mining concession.

4.2.3 Regional Geology

The Cadillac projects are located at the southern margin of the Abitibi Greenstone Belt on the southern flank of the Cadillac syncline. The main lithologies are Archean in age and are arranged as sub-vertical, steeply dipping rock units all tightly isoclinally folded. The principal lithologies found on the Pandora property are turbiditic continental shelf-type sediments of the Cadillac and Pontiac groups and a narrow sequence of mafic and ultramafic volcanic rocks of the Piche Group. The structural relationship of the lithologies suggests a synclinal feature in which the Cadillac sediments occupy the center of the Cadillac syncline with underlying Piche and Blake River groups found representing the same volcanic unit on both limbs. Regionally, a 50 m to 200 m wide, east-west trending thrust fault zone referred

locally as the Cadillac Break traverses the property. This break with subsidiary shears forms the Larder Lake-Cadillac Deformation Zone, a broad feature which represents one of the primary gold controlling structures in the region.

The Bousquet-Cadillac gold camp has produced approximately 12 million ounces of gold from 15 mines. The production is derived from two trends the Bousquet trend occupying the Blake River Group volcanics on the north limb of the Cadillac syncline and the Cadillac trend occupying the Piche Group volcanics on the south limb. There are currently three mines operating in the area, LaRonde, Doyon and Mouska.

The Lapa mine property owned by Agnico adjoins the Pandora property to the east. In 2002, Agnico completed two phases of diamond drilling near the western margin of their property. This drilling followed up previous Breakwater and Cambior results and continued to intersect a new gold bearing horizon referred to as the Contact Zone. After further phases of drilling Agnico made a production decision in 2005 and in the fourth quarter of 2006 Agnico announced mineral reserves of 3.45 Mt grading 10.2 g/t Au, indicated resources of 1.1 Mt grading 5.9 g/t Au and inferred resources of 1.4 Mt grading 9.4 g/t. Au. The mine was commissioned in 2009 and is targeted to produce 115,000 oz of gold per year. The Lapa deposit remains open to the west, east and at depth and the western margin lies 150 m from the Pandora property boundary.

4.2.4 Mineral Resources

On the Wood-Pandora joint venture a NI 43-101 inferred mineral resource was calculated on the Ironwood deposit. The inferred resource was calculated by QP, Mr. Reno Pressacco, M.Sc., P. Geo. His NI 43-101 report entitled "Technical Report for the Mineral Resource Estimate, Ironwood Project, Cadillac Township, Quebec, dated February 2008 is posted on SEDAR.

Table of Current Inferred Mineral Resources (NI 43-101 Compliant) – Cadillac Properties

Wood-Pandora Property	Tonnes	Grade (g/t)	Ounces
Ironwood Deposit	243,200	17.3	135,000

Historic mineral resources occur on four gold zones (Branch Zones, C Zone, Wood-Cadillac and Central Cadillac) some of which were past producing mines. The historic resources were calculated prior to NI 43-101 standards for disclosure of mineral projects and should not be relied upon as their accuracy has not been verified by a QP under the Instrument. The historic resources on the Branch Zones were calculated by American Barrick in 1990. Camflo Mines calculated the C Zone historic resource in 1980. Mr. H. J. Bergmann, P. Eng. calculated the historic resource on the Wood-Cadillac property in 1974 and A.C.A. Howe International Ltd. calculated the historic resource at Central Cadillac in 1988.

Table of Historic Mineral Resources – Cadillac Properties

Pandora Property (100% Queenston)	Tonnes	Grade (g/t)	Ounces
Branch Zones	2,196,105	4.5	318,000
C Zone	131,400	4.6	19,000
Total	2,327,505	4.5	337,000

Wood-Pandora Property (50% Queenston)	Tonnes	Grade (g/t)	Ounces
Wood - Cadillac	1,000,000	5.5	177,400
Central - Cadillac	434,500	4.6	64,475
Total	1,434,500	5.2	241,875

4.2.5 Pandora Property (100% Queenston)

The 18 claim Pandora Property hosts two gold deposits located on the eastern portion of the property, the Branch Zones (North and South) and the C Zone. Two shafts are located on the property, with limited underground workings and production.

The Branch Zones are located in the eastern portion of the property and were discovered in 1987 by the Queenston – Barrick joint venture. Barrick operated the joint venture and drilled 128 holes (32,041 m) on the property targeting mineralization within and north of the Cadillac Break resulting in outlining an historic resource of 2,196,105 t grading 3.5 g/t Au. In the early 1990's Queenston purchased Barrick's interest in the property in the Pandora property. The North Branch hosts two gold zones that occur along the footwall contact of the Cadillac Break. These are referred to as the Keel Contact and Central Contact zones. During their exploration tenure, Barrick extracted a 36,962 t bulk sample from the Keel Zone and processed it at the Camflo mill with a recovered grade of 2.2 g/t Au. The South Branch contains three gold zones along the Cadillac Break with the two most prominent being the A and B Zones. The South Zones have been traced to the eastern boundary of the Pandora property where Breakwater Resources reported a resource of 848,200 tonnes grading 5.1 g/t Au in their Highway Zone on the Tonawanda property in 1987- 88. In 2003-04, Agnico completed exploration drilling that led to the discovery of the Contact Zone being developed by the Lapa mine.

The C Zone is located in the eastern half of the claim group, at the north boundary of the Cadillac Break. It is recognized as a broad zone of gold bearing pyrite and arsenopyrite mineralization developed in altered greywackes, volcanics and talc-chlorite schists. One of the better gold intersections from a 1980 diamond drill program completed by Camflo was 3.1 g/t Au over 78.7 m in hole CF 80-47.

The # 2 Shaft was sunk to a depth of 82 m in 1931- 32, following the discovery of the #5 vein on surface and deepened to 160 m in 1934. Following the acquisition of the Amm property and mill in 1940, a total of 27,250 t grading 6.2 g/t Au was mined from the No. 2 Shaft zones. The mine area is located between two parallel, southeasterly- trending branches of the Cadillac Break enclosing a tightly compressed Z-type drag- fold.

The northern half of the Pandora property is underlain by greywackes, mudstones and banded iron formation of the steeply south dipping Cadillac Group. The southern portion of the property is underlain by Pontiac Group sediments composed of greywacke and mudstone. The sedimentary groups are separated by a narrow band (50 – 200 m) of talc schist and mafic volcanic rocks of the Piche Group. The Cadillac Break occupies the Piche Group creating deformation in the volcanic rocks that occasionally is evident in the adjacent sediments.

There are two known intrusive bodies on the property. These relatively small syenite plugs may be satellite bodies off a much larger intrusive stock to the south. The provincial government geologic compilation shows two 25 m and 50 m wide diabase dykes trending across the properties in a northeast – southwest direction.

Gold mineralization on the Pandora property occurs in three principal forms; 1. Narrow, shallow dipping quartz-tourmaline-sulphide-scheelite-native gold in flat veins, 2-20 cm in thickness that occur as

stacked sets adjacent to the Cadillac Break largely in Piche volcanics; 2. Lenticular sulphide zones, 0.1-1.5 m thick consisting of 1-30% pyrite and subvertical quartz veining developed at the margins of four iron formations, and 3.; Biotitic silicified zones with 1-20% disseminated sulphides including arsenopyrite and locally up to 10% tourmaline.

During 2003 and 2004, Queenston completed 21 diamond drill holes (15,608 m) on the eastern portion of the Pandora property exploring the same stratigraphy that hosts the Lapa deposit. The drilling outlined three zones of Lapa-type mineralization on the property referred to as the Lapa, Keel and Central Zones.

The Lapa Zone is interpreted to represent the western projection of Agnico's Lapa deposit onto the Pandora property. Queenston drilled five deep holes along the eastern boundary of the property adjacent to the Lapa property and intersected Lapa style mineralization. The best values included 12.3 g/t Au over 1.7 m and 8.4 g/t Au over 1.8 m in holes PD-03-01 and -03 respectively. The Lapa Zone occurs near the footwall of the Piche volcanics adjacent to the Cadillac Sediments. The mineralization is characterized by altered mafic and ultramafic volcanic rocks containing quartz-carbonate vein zones with arsenopyrite, pyrite, pyrrhotite, stibnite and visible gold.

The Keel Zone occurs in a complexly folded portion of the contact horizon closer to surface and 700 m west of the property boundary. This zone plunges steeply west where drilling in 2003 intersected values including 3.8 g/t Au over 6.4 m, 7.7 g/t Au over 0.5 m, 7.1 g/t Au over 3.6 m and 3.9 g/t Au over 5.1 m in holes PD-03-06,-09, -12 and -14 respectively.

At the Central Zone, located 1.5 km west of the property boundary, five drill holes PD-03-10,-13,-15, PD-04-17 all intersected mineralization with a best intersection in hole PD-03-13 assaying 3.1 g/t Au over a true width of 12.2 m including 7.6 g/t Au over 3.5 m.

The drilling at Pandora confirmed the presence of similar style gold mineralization to that occurring on Agnico's Lapa property. The deep drilling program experienced drill-hole deviation and incurred additional costs in an attempt to keep the holes on target. Since 2004 no exploration has been completed on the Pandora property.

In 2010, Queenston is not planning exploration on the Pandora property. The shaft, underground development and gold production initiated by Agnico at Lapa within 250 m of the common property boundary, will provide a deep platform to support future exploration at Pandora.

The Pandora exploration and diamond drilling programs were planned by Qualified Person Wayne R. Benham, P.Geo. and supervised by Queenston's Senior Geologist, Frank Ploeger, P. Geo. The NQ sized drill core is logged and split half-core sample are analyzed by standard fire assay with atomic absorption or gravimetric finish at Expert Laboratory of Rouyn-Noranda, Quebec. Duplicate check assays are completed on all samples containing more than 1 g/t Au.

4.2.6 Wood-Pandora Property (50% Queenston)

Queenston and Globex formed a 50%-50% joint venture on the 28 claim Wood-Pandora in 2004. The property hosts four gold zones, Amm Shaft Zone, #3 Shaft Zone, Wood – Central Cadillac Zones and Ironwood. Globex acts as operator of the joint venture.

The Amm Shaft was sunk in 1937 to a depth of 160 m with four levels. Production from the Amm Shaft amounted to 13,356 oz from 75,727 t grading 5.5 g/t Au between the years 1939-42. Gold occurs in a series of four shear zones striking east to northeast and steeply south dipping. Mineralization consists of quartz- arsenopyrite, with minor pyrite, as lenses and stringers localized along shear zones in fractured greywacke and altered porphyry. In 1994 Santa Fe Mining completed four deep holes to a vertical depth

of 430 m. Three of the holes intersected broad zones of low grade gold mineralization in biotitic sediments and porphyry dikes which averaged 0.3 to 2 g/t Au over core lengths of 50- 80 m including higher grade intervals assaying 3.4 - 9.6 g/t over 2.0 – 3.1 m. In 1999 Queenston intersected the Amm mineralization in a deep hole assaying 1.0 g/t Au over 25.4 m including 7.4 g/t Au over 1.7 m.

The No. 3 shaft was sunk to 267 m with 5 levels of development and production between 1939-42 amounting to approximately 13,000 oz. from 178,231 t grading 4.7 g/t Au. Gold mineralization occurs across the full width of the Cadillac Shear, roughly 130 m. The greatest concentrations of gold occur in the greywacke interval between the iron formation and the north edge of the Cadillac Shear. The mineralization consists of free gold in quartz, with associated gold bearing arsenopyrite, minor amounts of other sulphides, tourmaline and scheelite. In 1979, Camflo Mines commenced a surface drill program and reported a drill indicated resource of 582,859 t grading 6.5 g/t Au in the vicinity of the No 3 Shaft. In 1981, they continued with an underground exploration program consisting of 1,374 m of drifting, 107 m of raising, and 86 underground diamond drill holes. This work failed to prove sufficient continuity of the mineralization to advance the program.

The Wood-Cadillac shaft and internal winze were sunk to 305 m with 6 levels and production occurred in two stages from 1937-42 and 1947-49 amounting to 59,689 oz. from 396,000 t grading 4.8 g/t Au. The Central Cadillac shaft was sunk in 1937 to a depth of 305 m with 6 levels and production from 1939-43 and 1947-49 amounting to 63,160 oz. from 418,870 t grading 4.7 g/t Au. The Wood and Central Cadillac properties were jointly operated during the 1947-49 period.

The Ironwood deposit was discovered by the joint venture in 2006 where to date 44 drill holes have outlined a shallow gold deposit hosting a current mineral resource of 243,200 t grading 17.3 g/t.

The northern half of the Wood-Pandora property is underlain by greywackes, mudstones and banded iron formation of the Cadillac Group. The sediments are arranged as a series of upright, tight isoclinal folds. The Cadillac sediments dip steeply to the south. The southern portion of both properties is underlain by Pontiac Group sediments, generally greywacke and occasionally mudstone. The primary difference between the Cadillac and Pontiac sediments is the higher degree of metamorphism displayed in the Pontiac Group. The sedimentary groups are separated by a narrow band (50 – 200 m) of talc schist and mafic volcanic rocks of the Piche Group.

The Cadillac Break occupies the Piche Group creating deformation in the volcanic rocks that occasionally is evident in the adjacent sediments.

There are two known intrusive syenitic bodies on the property. These relatively small plugs may be satellite bodies off a much larger intrusive stock to the south. The provincial government geologic compilation shows two 25 m and 50 m wide diabase dyke trending across the properties in a northeast – southwest direction.

Gold mineralization on the Wood-Pandora property occurs in four principal forms. 1. Narrow, shallow dipping quartz-tourmaline-sulphide-scheelite-native gold in flat veins, 2-20 cm in thickness that occur as stacked sets adjacent to the Cadillac Break in Piche volcanic rocks, 2. Lenticular sulphide zones, 0.1-1.5 m thick consisting of 1-30% pyrite and subvertical quartz veining developed at the margins of four iron formations, 3. Biotitic silicified zones with 1-20% disseminated sulphides including arsenopyrite and locally up to 10% tourmaline and 4.; Replacement of oxide iron minerals by an assemblage of pyrrhotite-arsenopyrite-pyrite, rich in gold.

From 2004-2006 the joint venture completed four phases of diamond drilling totaling 19 holes targeting gold zones along the Cadillac Break. The drilling was concentrated in two areas where previous work indicated potential for Lapa-type mineralization.

Five holes, W04-2a, -03, -04, -06 and -07 targeted the Break between the No. 3 shaft and the Wood Cadillac shaft where historic drilling intersected significant gold values in the Piche volcanic rocks and Cadillac sedimentary rocks. Encouraging results in the new drilling included 6.0 g/t Au over 3.1 m in hole W05-03, 6.1 g/t Au over 5.1 m in hole W05-04 and 4.3 g/t Au over 4.5 m in hole W05-06.

Fifteen holes, W05-05, W05-08 to W05-21 inclusive, targeted the Cadillac Break in the vicinity of the Wood Cadillac shaft. This drilling intersected significant results in multiple gold zones associated to the Break including 3.0 g/t Au over 9.0 m in hole W05-05, 8.5 g/t Au over 28.5 m in hole W05-09, 38.8 g/t Au over 4.2 m in hole W05-12, 6.6 g/t Au over 2.0 m in hole W06-13, 1.7 g/t Au over 14.6 m in hole W06-16 and 16.4 g/t Au over 3.2 m in hole W06-20.

Early in 2006, the joint venture tested an electromagnetic (EM) anomaly on the Wood-Pandora property north of the Cadillac Break resulting in the discovery of the Ironwood Zone, one of Quebec's newest gold discoveries. The discovery hole, W06-17, intersected a mineralized iron formation assaying 2.2 g/t Au over 11.4 m including 6.3 g/t over 2.0 m. In the second hole on the target, W06-22 intersected a much wider mineralized zone assaying 22.6 g/t Au over a core length of 45.8 m (22.9 m true width). The mineralization consists of disseminated to semi-massive sulphides (arsenopyrite, pyrrhotite, pyrite) with visible gold in a banded-magnetite iron formation and represents a new style of gold mineralization in the Cadillac Camp.

In 2006 and 2007, 30 diamond drill holes have been completed on the Ironwood Zone outlining a gold deposit over a length of 75 m and to a depth of 250 m. Significant drill intersections from the deposit include: 22.6 g/t Au over 22.9 m true width ("tw") (hole W06-22), 8.9 g/t Au over 19.1 m tw (hole W06-26), 10.5 g/t Au over 7.5 m tw (hole W06-27), 28.6 g/t Au over 7.1 m tw (hole W06-35) and 11.2 g/t Au over 5.4 m tw (hole W06-43). Late in 2007 the joint venture commissioned a NI 43-101 compliant mineral resource calculation at Ironwood. Following two years of exploration drilling which led to the discovery of a new gold deposit, in the first quarter of 2008 the Queenston-Globex JV announced a NI 43-101 inferred mineral resource on the Ironwood gold zone of 243,200 t grading 17.3 g/t Au. The mineral resource formed part of a technical report completed by Consulting Geologist and Qualified Person, Reno Pressacco, P. Geo.

During 2008, the joint venture completing 14 diamond drill holes to confirm the geological interpretation of the deposit as well as to provide geo-technical information for future development. Key intersections from this drilling include 15.3 g/t Au over 15.0 m in hole W08-64, 14.4 g/t Au over 9.9 m in hole W08-63, 12.4 g/t Au over 5.8 m in hole W08-61 and 7.6 g/t Au over 14.8 m in hole W08-73. Also during the year, the JV initiated metallurgical test work on the Ironwood mineralization. Metallurgical consultant Peter W. Godbehere (B.Sc., A.R.S.M.) is monitoring the work that is being performed by SGS Mineral Services at Lakefield, Ontario. The preliminary results of are encouraging and indicate that gold recoveries in excess of 90% may be achieved.

2009 Program

In 2009 the JV completed a \$71,000 drilling program on the Wood-Pandora property targeting the Amm gold zone. Previous hole W08-74 was deepened 23 m and extended the gold zone discovered at the bottom of the hole to 3.7 g/t over 4.3 m including 9.3 g/t over 0.9 m. A second hole (W09-75) drilled to follow-up the W08-74 intersection intersected 5 zones of gold mineralization including a best interval of 5.2 g/t Au over 1.5 m. Queenston's share of the JV costs in 2009 after applying government grant credits amounted to approximately \$23,000.

In 2010 the joint venture is planning a diamond drill program to target wide zones of low-grade gold mineralization that has previously been reported on the property.

The Wood-Pandora exploration and diamond drilling programs were planned and supervised by Globex's Qualified Person, Ray V. Zalnieriunas P.Geo. The NQ sized drill core is logged and split half-core sample are analyzed by standard fire assay with atomic absorption or gravimetric finish at Laboratoire Expert Inc. of Rouyn-Noranda, Quebec. Geochemical assays greater than 1 g/t is subjected to a gravimetric fire assay.

4.3 Other Projects

Queenston maintains a 100% interests in the 23 claim Westhawk Lake property located in southeastern Manitoba. The property hosts three, small past producing gold mines, Penniac Reef, Sunbeam and Waverly. Gold was first discovered at Penniac Reef in 1904 when a shallow shaft and trenches were made. In 1912 the shaft was deepened to 27 m and a small mill was installed. Two gold bars were produced (approximately 200 oz.). At Sunbeam gold was discovered in 1923 and from 1928-34 shaft sinking and drilling was completed. In 1938, a 134 m inclined shaft was sunk with four levels. In 1940 a 4,257 t sample was shipped to Kenora producing approximately 800 ounces of gold. At Waverly gold was first discovered in the 1920's and in 1946, a 3-compartment shaft was completed to a depth of 137 m with 3 levels and no reported production. From 1976 to 1987 Whiteshell Ventures completed a variety of work including sampling, diamond drilling and metallurgical testing in an attempt to advance the property to production without success. In 2008 Queenston completed an airborne geophysical survey over the property.

In 2009 Canadian Star Minerals Ltd. entered into a letter of intent with Queenston to earn a 60% interest in the Westhawk property by issuing 500,000 shares to Queenston and incurring exploration expenditures of \$2 million over a four year period. Canadian Star can earn a further 15% interest in the property on completion of a feasibility study.

Queenston maintains interests in other mineral properties that are currently inactive. These include a 75% interest in the 16 claim (260 ha) Mishibishu gold property located 6.5 km east of the Eagle River Mine, north-western Ontario, a 60% interest in the 50 claim Robertson base metal property located in Robertson Twp. north of Matachewan, Ontario and a 33% interest in the 20 claim Detour property located in Lanoullier Twp., north-western Quebec.

4.4 Properties Written-Off in 2009

There were no write-downs of Queenston properties in 2009

4.5 Quality Assurance and Quality Control

The Company uses both proven and new geophysical and geochemical techniques in their exploration programs and conducts exploration activities with high standards under "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and conforms to NI 43-101 Standards for Disclosure for Mineral Projects and Companion Policy 43-101CP. Queenston's exploration programs are managed by QP's (who ensure that practices are based on industry standards.

Quality control for the Company's diamond drilling programs begins at the logging process. Samples are defined by the geologist based on geological units/mineralization. Within prospective zones samples do not exceed 1 m in core length and any anomalous zones are covered off by two or more samples on the margins. Once the drill core is cut in half, the samples are tagged and bagged and shipped daily to Swastika Laboratories. At the Lab the samples are dried and crushed to approximately 6 mesh. A riffle is used to take a 400 g sub sample for pulverizing and the reject portion is bagged and stored. After reducing the 400 g sample to -100 mesh the sample is thoroughly blended and a 29.17 g portion (1 assay ton) is used for fire assaying. Samples assaying less than 2 g/t are finished by Atomic

Absorption, greater than 1 g/t gravimetrically. Repeat or check assays are run on at least one in every 10 samples on the original pulp or on a second pulp prepared from the stored reject. Second checks are provided in a number of instances when an assay is greater than 2 g/t. Standards and blanks are routinely assayed and reported by the lab for at least every 30 samples. Samples containing visible gold are subjected to a metallic sieve assay and a check-assay procedure using a second lab is routinely performed. The assay laboratories used by the Company are Swastika Laboratories Ltd. Of Swastika, Ontario, Polymet Labs, Cobalt, Ontario, ALS Chemex of Mississauga, Ontario, SGS Labs and Expert Laboratories both located in Rouyn-Noranda, Quebec.

5.0 DIVIDENDS

Since incorporation the Company it has not paid cash dividends. Any future dividend payment will be determined by the Board of Directors and will depend on the Company's financial position and requirements to fund its business requirements.

6.0 CAPITAL STRUCTURE

The Company's authorized capital stock consists of an unlimited number of preferred shares without par value and an unlimited number of Common Shares without par value. On December 31, 2009 there were 60,144,571 Common Shares issued and outstanding. A total of 10,697,269 Common Shares are reserved for issue upon the exercise of stock options, warrants and property payments. Fully diluted the Company would have 70,841,840 Common Shares issued and outstanding. There are no preferred shares issued in the Company.

7.0 MARKET FOR TRADING OF SHARES

The Common Shares of the Company are listed on the Toronto Stock Exchange ("TSX"), the Frankfurt Stock Exchange, the Stuttgart Stock Exchange and the Berlin Stock Exchange under the symbol "QMI".

7.1 Trading Price and Volume

The table below displays the high and low trading values and volumes of the Common Shares trading on the TSX on a monthly basis for the period January 1, 2009 to December 31, 2009. Also included is the trading data for 2010 to March 25th.

2009	Low (\$)	High (\$)	Volume
January	2.40	3.51	3,847,500
February	3.11	4.09	3,911,400
March	3.05	4.20	3,146,300
April	3.31	4.23	2,460,600
May	3.90	4.60	2,133,700
June	3.93	5.14	2,834,700
July	4.01	5.40	1,987,500
August	5.00	6.08	1,901,500
September	5.21	6.11	2,181,300
October	5.20	6.70	3,267,300
November	5.20	6.00	2,373,800
December	5.18	6.27	1,264,800

2010	Low (\$)	High (\$)	Volume
January	4.01	5.75	3,031,300
February	4.27	5.42	1,476,200
March 1-25	4.24	5.29	875,400

7.2 Prior Sales

Common shares issued by Queenston during 2009 amounted to 7,536,284. Details are listed in the table below.

Securities Issued	Price \$	Number of Shares
Stock Options Exercised	1.76	274,000
Warrants Exercised	3.68	184,571
Property Payments	2.95	39,621
Private Placements	4.97	7,038,092

8.0 ESCROWED SECURITIES

Queenston has no escrowed shares at December 31, 2009.

9.0 SHAREHOLDERS RIGHTS PLAN

On February 14, 2008, Queenston's shareholders ratified a Share Holders Rights Plan (the "Rights Plan") at a Special Shareholders Meeting with a vote of over 99% in favour. The Rights Plan is designed to both encourage the fair and equal treatment of Queenston's shareholders in connection with any potential take-over bid and to ensure that Queenston's shareholders and its Board of Directors, in compliance with securities laws, have sufficient time to consider whether there are other options that would be more effectively maximize shareholders value. The Rights Plan has an initial term of three years and is subject to reconfirmation by shareholders. The Rights Plan cannot be utilized to deny shareholders the opportunity to participate in any tender offer and is not designed to entrench management or Queenston's Board. The terms of the Rights Plan are similar to those in plans recently approved by shareholders of other Canadian corporations.

10.0 DIRECTORS AND OFFICERS

The following table displays the name, municipality of residence, office held with the Company, date on which each first became a director (if applicable) and principle occupation during the past five years.

10.1 Name, Occupation and Security Holding

Name and Municipality of Residence	Current Position with Company	Director/ Officer Since	Shares Held
J. M. ARNOLD, Guelph, Ontario	Director (2) (4)	1990	149,000
C. E. BARTLIFF, Cambellville, Ontario	Director (1)(2) (4)	2004	35,000
J.K.B. BOOTH, Mississauga, Ontario	Director	1990	80,000

M.J.H. BROWN, Toronto, Ontario	Director (1)(4)	2003	120,000
H. D. HARBINSON, Toronto, Ontario	Chairman & Director	1990	574,135
E. F. MERRINGER, Toronto, Ontario	Director (2)(3)	1990	80,000
C. E. PAGE, Burlington, Ontario	President, Chief Executive Officer & Director (3)	1990	672,035
B. D. SIMMONS, Burlington, Ontario	Director (1)(3)(4)	2004	62,100
J. A. FRANCIS, Toronto, Ontario	Chief Financial Officer (3)	2006	33,500
W. MCGUINITY, Pickering, Ontario	Vice President Exploration (3)	2009	10,000
P. K. WOODS Toronto, Ontario	Vice President Corporate Affairs & Secretary (3)	2006	14,000

- (1) Member of Audit Committee
- (2) Member of Corporate Governance Committee
- (3) Member of Disclosure Committee
- (4) Member of Compensation Committee

J. M. ARNOLD, B.A., C.A., is a financial expert whose experience with numerous public and private companies includes the forestry, mining, technology and energy sectors. He is currently a Director of X-Cal Resources Inc., Thundermin Resources Inc., Geo Finance Corporation and Champlain Resources Inc.

C. E. BARTLIFF is the President & CEO of CEB Consultants, a financial advisory service company. Prior thereto, from 1984 to 2000 Mr. Bartliff was Senior Vice President with the Bank of Montreal.

J. K. B. BOOTH, B.Sc., P.Eng., is an independent geological consultant, and was a founding partner of Derry Michener and Booth, International Mining and Engineering Consultants.

M. J. H. BROWN, B.Sc., MBA, P.Eng., CFA., is the President of Capital Markets Advisory, a financial and capital markets advisory service for mining companies. He is also a Director of Afri-Can Marine Minerals Corporation, Canary Resources Inc. and Crystallex International Corporation.

J. A. FRANCIS, B.A., C.A., is an Independent Financial Consultant. He also acts as CFO for Alexandria Minerals Corporation and Duluth Metals Limited.

H. D. HARBINSON, B.A., is a mining executive and has been Chairman of the Company since 1990. He is also a Director of Thundermin Resources Inc.

W. J. MCGUINITY, B.Sc., P.Geo., is an Independent Geological Consultant and President of OTD Exploration whose primary client is Queenston. He is also a Director of Gossan Resources Limited, Soltoro Ltd. and Seafield Resources Limited.

E. F. MERRINGER, B.A., L.L.B., is a Barrister and Solicitor, retired partner of the law firm Borden Ladner Gervais LLP. He is also a Director of Royal Roads Corp.

C. E. PAGE, B.Sc., M.Sc., P.Geo., has been President & Chief Executive Office of the Company since 1996. Mr. Page is also President of C.E.P. Consulting, a private geological consulting firm, whose primary client is Queenston. He is also a Director of Thundermin Resources Ltd., Alexandria Minerals Corporation and Unigold Inc.

B. D. SIMMONS, B.Sc., P. Eng., is an Independent Mining Consultant. He is also a Director of Vismand Exploration Inc. and Duluth Metals Limited.

P. K. WOODS, has been Corporate Secretary and VP Corporate Affairs of the Company since September 2006. Prior to September 2006 he was a graphic designer working with a variety junior resource companies.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Mr. Merringer was a director and officer of Cercal Minerals Corporation, an inactive company, at the time cease trade orders were issued against it by the Ontario Securities Commission (on May 31, 1995) and the British Columbia Securities Commission (on January 23, 1995) for failure to make statutory filings. That company remains inactive and the orders remain in effect.

11.0 REGISTRAR AND TRANSFER AGENT

The Company's has retained the services of Computershare Trust Company of Canada as its registrar and transfer agent.

12.0 MATERIAL CONTRACTS

There are no material contracts at December 31, 2009.

13.0 NAMES AND INTERESTS OF EXPERTS

The independent experts referred to in this AIF are Michael Kociumbas, P.Geo. and Rick Risto, P.Geo. of Watts, Griffis and McQuat (Upper Beaver Property), Glenn R. Clark, P.Eng. of Clark and Associates (South Claims JV Property), Eugene Puritch, P. Eng. of P&E Mining (McBean – Anoki Property) and Reno Pressaco, P.Geo. (Wood Pandora Property).

Each of the above experts beneficially owns, directly or indirectly, less than one percent of the outstanding Common Shares of the Company.

The consolidated financial statements for the year ended December 31, 2009 have been audited by MSCM LLP, the Company's auditors. MSCM LLP is independent under the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

14.0 ADDITIONAL INFORMATION

14.1 Other Information

Other information including directors and officers' remuneration and options to purchase securities is set out in the Company's Information Circular dated March 25, 2010 for the Annual General Meeting of Shareholders to be held on May 10, 2010. Additional information relating to the Company may be found on the SEDAR web site at www.sedar.com.

Additional financial information is provided in the Company's financial statements and MD&A for the year ending 2009.

14.2 Audit Committee

The Audit Committee has a formal charter, the text of which is included in Schedule "A" to this AIF setting out its mandate and responsibilities that the board of directors adopted.

The Audit Committee is comprised of three independent directors, as defined within the meaning of MI 52-110, who are all "financially literate" and have the ability to read and understand a set of financial statements. The Audit Committee is composed of Charles E. Bartliff (Chairman), Michael J. H. Brown and Barry D. Simmons.

The Audit Committee meets at a minimum on a quarterly basis and holds special meetings as circumstances require.

14.3 Auditors

The Company's auditor is MSCM LLP who was elected by the shareholders at the May 6, 2009 annual meeting. Fees paid to the auditors for services in 2008 and 2009 are outlined in the following table.

Service	2008 Fees	2009 Fees
Audit Fees	\$53,465	\$53,000
Tax Fees	\$12,250	\$9,800
All other fees	\$16,750	\$20,000
Total	\$82,465	\$82,800

SCHEDULE “ A ”

QUEENSTON MINING INC. - AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Audit Committee is to oversee that Management has in place an effective system of internal financial controls for reviewing and reporting on the Corporation’s financial statements, to recommend the appointment of and to monitor the independence and performance of the Corporation’s external auditor (the “Auditor”), to oversee the integrity of the Corporation’s financial disclosure and reporting and to monitor Management’s compliance with legal and regulatory requirements.

MEMBERSHIP

1. The Board will appoint Directors to form an Audit Committee (the “Committee”) annually at the Board of Directors meeting following the annual shareholders meeting.
2. The Committee will be comprised of three Directors (the “Member” or “Members”), all of who will meet the independence and financial literacy requirements of the Corporation’s regulatory authorities or legislation.
3. The Board may remove or replace a Member at any time. A Member will serve on the Committee until the termination of the appointment or until a successor is appointed.
4. The Committee will appoint the Chairman of the Committee. The Corporate Secretary of the Corporation will keep minutes of each meeting.

MEETINGS

1. Meetings of the Committee will be held at the request of a Member of the Committee, the Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary or the Auditor of the Corporation at such times and places as may be determined, but in any event at least to review the Corporation’s quarterly and annual financial disclosure. Twenty-four (24) hours advance notice of each meeting given orally, by telephone, or in writing delivered by facsimile or electronic mail together with an agenda will be given to each Member unless all Members are present and waive notice, or if those absent waive notice in writing.
2. A majority of members of the Committee will constitute a quorum. Decisions of the Committee will be by an affirmative vote of the majority. Powers of the Committee may also be exercised by resolution in writing signed by all the members of the Committee.
3. The Committee will have access to the Auditor and Management of the Corporation, exclusive of each other, for purposes of performing its duties. The Committee will meet with the Auditor independent of Management at least once a year.
4. The Auditor will be notified of meetings of the Committee and may attend if the Auditor so desires or is requested to do so by a Member or by Management.

RESPONSIBILITIES

The Committee will have the following duties and responsibilities:

1. Review with the Auditor and with the Management of the Corporation prior to the recommendation of the approval of the financial statements of the Corporation by the Board:
 - (a) the audited annual and unaudited quarterly financial statements including the notes thereto to ensure that such statements present fairly the financial position of the Corporation and the results of its operations;
 - (b) the appropriateness of the Management Discussion and Analysis of Operations contained in the audited annual and unaudited quarterly report and its consistency with the financial statements;
 - (c) any report or opinion proposed to be rendered in connection with the financial statements, including independent expert reports;
 - (d) any significant transactions which are not a normal part of the Corporation's business;
 - (e) the nature and substance of significant accruals, reserves and other estimates;
 - (f) issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls;
 - (g) all significant adjustments proposed by Management or by the Auditor;
 - (h) the specifics of any unrecorded audit adjustments;
 - (i) if applicable, any impairment provisions;
 - (j) review Management's quarterly and annual earnings releases;
2. Review and approve the audit procedures and review and pre-approve non-audit services, except those non-audit services permitted by the regulators, and related fees and expenses and determine the independence of the Auditor.
3. Establish guidelines for the retention of the Auditor for any non-audit service.
4. Recommend to the Board the appointment of the independent Auditor for proposal at the annual shareholders' meeting and the compensation of the independent Auditor. The Auditor is ultimately accountable to the Board of Directors and the Audit Committee as representatives of the Shareholders.
5. Review internal controls with the independent Auditor and its perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the cooperation which the Auditor received during the course of their review and the adequacy of their access to records, data and other requested information.
6. Oversee the work of the independent Auditor.
7. Review hiring policies regarding former employees of the Corporation's independent Auditor.

8. Review with Management the Corporation's major financial risk exposures and the steps Management has taken to monitor and control such exposures.
9. Establish "whistle-blowing" procedures and ensure that they are communicated to the appropriate officers and employees of the Corporation.
10. Advise the Board with respect to the Corporation's policies and procedures regarding compliance with new developments in generally accepted accounting principles, laws and regulations and their impact on the consolidated financial statements of the Corporation.
11. Review with Management and the Auditor, the Corporation's internal accounting and financial systems and controls to satisfy itself that the Corporation maintains:
 - (a) the necessary books, records and accounts in reasonable detail to accurately and fairly reflect the Corporation's transactions;
 - (b) effective internal control systems; and
 - (c) adequate processes for assessing the risk of material misstatement of the financials statements and for detecting control weaknesses or fraud.
12. Review the Auditor's management letter and the independent Auditor report, such report to be directed to the Committee.
13. Review and make recommendations to the Board concerning the investment policies, from time to time, for the Corporation's funds.
14. Direct and supervise the investigation into any matter brought to its attention within the scope of its duties.
15. Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
16. Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
17. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval
18. Assess the Committee's performance of the duties specified in this Charter and report its finding to the Board of Directors.

Approved at a meeting of the Board of Directors held September 7, 2005.