Queenston Mining Inc.

Review of Resources on South Claims Property

Kirkland Lake, Ontario

August 20, 2010

Technical Report

Prepared by

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Glenn R. Clark & Associates Limited

Table of Contents

Figures

TABLES

Section 1

SUMMARY

Queenston Mining Inc. ("Queenston") engaged Glenn R. Clark & Associates Limited (GRCA) to report on the mineral resources of the South Claims property at Kirkland Lake, Ontario, Canada. The South Claims are being explored under a joint venture (SCJV) with Kirkland Lake Gold Inc. (KLG). GRCA completed an Independent Resource and Reserve review for KLG that included the South Claims as of April 30, 2010. The review was made by Glenn R. Clark, P.Eng. in compliance with the requirements of National Instrument 43-101 for technical reports. The property was visited June 1-5, 2009.

Property:

The South Claims property is jointly owned by Queenston and KLG. Each partner pays 50% of the costs and each partner has a 50% interest in any reserves and resources located. The South Claims are located in the Municipality of Kirkland Lake within Teck Township, District of Timiskaming, in the eastern part of Northern Ontario, Canada. The property is approximately at 48°10′ N Latitude and 80°2′ W Longitude at an elevation of approximately 1000 feet (305 m) above sea level. Kirkland Lake is approximately 370 miles (600 km) by road north of Toronto.

The South Claims property consists of the mining rights to 5 patented mineral claims and 1 Crown Lease. The four Patented claims were purchased from a local vendor in 2007. The vendor is entitled to a sliding scale 1.5% to 3% NSR royalty based on gold price. The lease was purchased in 2008 and is subject to a 3% NSR royalty. The fifth Patented claim is subject to a 2% NSR royalty.

KLG operates the Macassa gold mine and is the operator of the South Claims joint venture (SCJV). Surface drilling on the HM Crown Lease is being looked after by Queenston.

South Claims History:

The property was originally staked in the early 1900's and the first work was reported in 1919. In 1923 Canadian Kirkland Gold Mining Co. Ltd. sunk a vertical shaft to 400 ft and 800 ft of lateral work was completed. From 1923 to 1939 very little is known about work completed on the property. In 1939 the property and adjoining claims were purchased by Amalgamated Kirkland Gold Mines Ltd. At that time 27 surface holes were drilled to test the Amalgamated Break located north of the

Canadian Kirkland shaft. In 1968 the property was purchased by Mr. J. Morgan, the current vendor to the Queenston – KLG joint venture. Since 1939 there has been no reported work on the property.

In 2007 the SCJV completed surface exploration consisting of linecutting and geophysics. Late in 2007 the SCJV commenced a program of advanced underground exploration from the Macassa Mine workings consisting of diamond drilling, crosscutting and drifting that led to the discovery of the South Zone of the South Mine Complex.

Corporate History:

Queenston Gold Mines Limited (QGML) was incorporated in 1941 and held properties in Gauthier Township including the current Anoki and McBean gold deposits.

In 1977 QGML acquired certain assets of Upper Canada Resources Limited including the Upper Canada Mine, Upper Beaver Mine located in Gautier Township and other mineral claims in Lebel and Teck Townships. From 1978 to 1995 QGML had a joint venture with Inco Limited to explore and develop certain properties in Gauthier Township including the development and production from the McBean open pit mine and underground development of the Anoki deposit.

In 1990, QGML merged with HSK Minerals Limited to form Queenston Mining Inc. (Queenston). From 1995 to 2001 Queenston had a joint venture with Franco-Nevada Mining Corporation Limited to explore joint properties in the Kirkland Lake area.

In 2002, Queenston purchased the joint venture assets of Franco-Nevada Mining Corporation Limited from Newmont Mining Corporation to hold a 100% interest in a large land package in the Kirkland Lake area.

In 2004-2009 Queenston and KLG formed 5 joint ventures in Teck Township to explore properties adjacent to the Macassa gold mine. The subject of this report is the South Claims Joint Venture (SCJV) property.

Geology:

The Kirkland Lake mining camp is located in the west portion of the Archean Abitibi greenstone belt of the Abitibi Subprovince that forms part of the Superior Province in the Precambrian Shield.

The Timiskaming Group of rocks is the main feature of the Kirkland Lake area. It is up to 10,500 feet thick and extends for about 40 miles from Kenogami Lake in the west to the Quebec border in the east. In the Kirkland Lake area, the Timiskaming is predominantly conglomerates and sandstones, trachytic lava flows and pyroclastic tuffs. The Timiskaming trends N65°E and dips steeply south at Kirkland Lake. Immediately east of Kirkland Lake, the formations are warped to an east-southeast direction and then return to an east-northeast direction at Larder Lake and continue this way to the Québec border.

The Timiskaming sediments are intruded by syenite porphyries and lamprophyre dykes and sills. Alkali stocks have intruded the Timiskaming Group and the supracrustal assemblage along the south margin of the synclinorium. Matachewan diabase dykes trending north-northeast cut all rocks in the area.

At the South Claims property the predominant lithology is Timiskaming Group sediments and tuffs that are intruded by bodies of syenite-porphyry and cut by three prominent east-west trending structures, the Amalgamated Kirkland, 103 and Larder Lake breaks.

The Amalgamated Break, located in the northern portion of the property, bisects syenite porphyry and tuff-trachyte contact on claim L5686. This fault-shear zone dips steeply to the south at 70 degrees and hosts gold mineralization on Queenston’s Amalgamated Kirkland property.

The 103 Break is another east-west trending, near vertical fault-shear zone that appears to mark the southern contact of the syenite-porphyry and hosts the mineralization encountered in the Canadian Kirkland shaft and AK gold zone located to the east on Queenston’s Amalgamated Kirkland property.

The Larder Lake Break marks the contact between the Timiskaming rocks and the Murdoch Creek Stock. This regional structure has been traced for 200 km (Matachewan, Ontario to Val d' Or, Quebec) and represents a major gold bearing structure in the area.

Mineralization:

The only historic mineralization reported on the SCJV property is at the Canadian Kirkland shaft where in the 1920’s a 400 ft. deep shaft was sunk targeting a mineralized zone hosted in greywacke. There are no assays available from the development and no subsequent work was recorded. The shaft is located on the 103 Break, a gold structure that hosts the AK gold deposit located 3,300 ft. to the east on Queenston’s Amalgamated

Kirkland property. At the AK property gold occurs in altered volcanic rocks along the 103 Break associated with fine grained pyrite and quartz-ankerite veining.

Adjacent and north of the SCJV property is the Macassa gold mine owned by KLG. Here the gold mineralization is historically located along the steeply south dipping breaks and subordinate splays.

The new discoveries in the South Mine Complex (SMC) are adjacent to and directly north of the SCJV property, and represent a different style of mineralization. The SMC has wide sulphide systems rather than the quartz vein mineralization found on the Main Break complex. The south zones have generally a flatter dip (30–40 degrees south) and a higher content of fine grained sulphides and tellurides than the Main Break zones. These new, wide, hydrothermally altered zones could represent a new plumbing system for a southern mineralized part of the Kirkland Lake Mining Camp parallel to the Main Break, fed by a deep porphyry body. The gold mineralization is found in carbonate altered conglomerate, tuff and porphyry mineralized with up to 10% disseminated pyrite. The New South Zone of the SMC was initially intersected by the SCJV on the South Claims property in 2008. Diamond drill intersections of 2.57 oz/ton gold over a core length of 21.5 ft (10.7 ft true width) and 2.54 oz/ton gold over 16.8 ft (5.9 ft true width) were both in underground drill hole 53-909.

Mineral Resources:

As a result of the encouraging results from the joint venture diamond drilling, in April 2010 the geological staff of KLG, supervised by S. Gray, P.Geo. and S. Carmichael, P.Geo. completed a mineral resource on the South Claims property. These resources meet the requirements of National Instrument 43-101.

The South Claims JV property hosts an estimated Indicated Resource of 97 thousand tons at a grade of 1.37 oz Au/ton. In addition to the Indicated Resource there exists an Inferred Resource of 134 thousand tons at a grade of 1.24 oz Au/ton.

The total of Queenston’s share of the Estimated Measured and Indicated Resources of the South Mine Complex at April 30, 2010 is 48.3 thousand tons at a grade of 1.37 oz Au/ton.

In addition, the Queenston’s share of the Inferred Resource is estimated at 67 thousand tons at a grade of 1.24 oz Au/ton.

Queenston's share of the Indicated Resource increased by 12 thousand tons in the past year at a grade of 1.77 oz Au/ton.

Table 1: Queenston's Share of South Claims JV Resources

ESTIMATED MEASURED AND INDICATED RESOURCES, APRIL 30, 2010 (tons X 1000, grade oz Au/ton)						
Location	**Measured**		**Indicated**		Total	
	Tons	**Grade**	**Tons**	**Grade**	**Tons**	**Grade**
South Zones, Levels						
5600 (1)			14.0	1.04	14.0	1.04
5700 (1)			17.5	1.55	17.5	1.55
5800 (1)			16.8	1.45	16.8	1.45
Total			**48.3**	**1.37**	**48.3**	**1.37**

Exploration:

The joint venture is planning further exploration on both the South Claims and HM properties in 2010 and 2011. The final program and budget has not been approved by the joint venture committee at this time.

Conclusions:

The resources estimates truly reflect the mineralization that is currently known on the South Claims property. The estimates conform to the requirements of NI43-101. The resources out-lined on the property have been estimated using the same methodology as KLG employs at the Macassa mine.

In general the development and exploration program initiated by the SCJV has been rewarding and it should continue.

Recommendations:

The assay capping or cutting is one parameter in the Resource estimation that needs to be monitored and modified if indicated. The capping of assays is an important part of the Resource estimations. There are a number of ways to establish the cap method and the method used by Macassa appears to be sufficient at present. However, it is known that all zones are not the same and the cap for one zone may not be proper for another

zone. Changing mineralization or even the size and distribution of the gold will affect the necessary capping level.

KLG has been active in the pursuit of the proper capping levels and this work needs to be continued as more information becomes available. Mining has already started in KLG's wholly owned part of the SMC and the capping will be examined along with the mining reconciliation. Any changes will be applied to the SCJV zones.

For the new zones that have not been mined it will be important to consider the assays and the mineral distribution before a cutting factor is established.

Section 2

INTRODUCTION

General:

Queenston Mining Inc. ("Queenston") engaged Glenn R. Clark & Associates Limited (GRCA) to report on the mineral resources of the South Claims property at Kirkland Lake, Ontario, Canada. The South Claims are being explored under a joint venture with Kirkland Lake Gold Inc. (KLG). GRCA completed an Independent Resource and Reserve review for KLG that included the South Claims as of April 30, 2010. Glenn R. Clark, P.Eng, made the review in compliance with the requirements of National Instrument 43-101 for technical reports. The property was visited April 26-30, 2010.

The previous reports "REVIEW OF RESOURCES AND RESERVES OF MACASSA MINE, KIRKLAND LAKE, ONTARIO" dated July 14, 2010 and "Queenston Mining Inc., Review of Resources on South Claims Property, Kirkland Lake, Ontario" dated July 17, 2009 are relied upon in preparation of this review. These reports were prepared by GRCA and have been filed on Sedar (www.Sedar.com) by the respective companies. A list of references is available in Appendix B of this report.

Queenston periodically releases the results of the on-going exploration at the property and this information can be viewed on their web site (www.Queenston.ca) and on Sedar.

Terms and Definitions:

This report contains a number of acronyms and technical terms that may not be initially clear to the reader.

A list of these terms is available in Appendix A attached to this report.

Units of Measure:

All units are in Imperial measure unless otherwise noted. Monetary values are in Canadian dollars unless otherwise noted.

Section 3

RELIANCE ON OTHERS

The information in this report is based on previously published information and information supplied by Queenston Mining Inc.

Glenn R. Clark, P.Eng. prepared this report. Clark previously reported on the South Claims as part of Kirkland Lake Gold's annual review of the Resources and Reserves at Macassa Mine. As noted above this report is filed on Sedar. Clark has audited the Resources and Reserves for Kirkland Lake Gold for a number of years and is familiar with the properties.

The details regarding the Queenston Corporate History and the information regarding their other properties and activities have been supplied by Queenston.

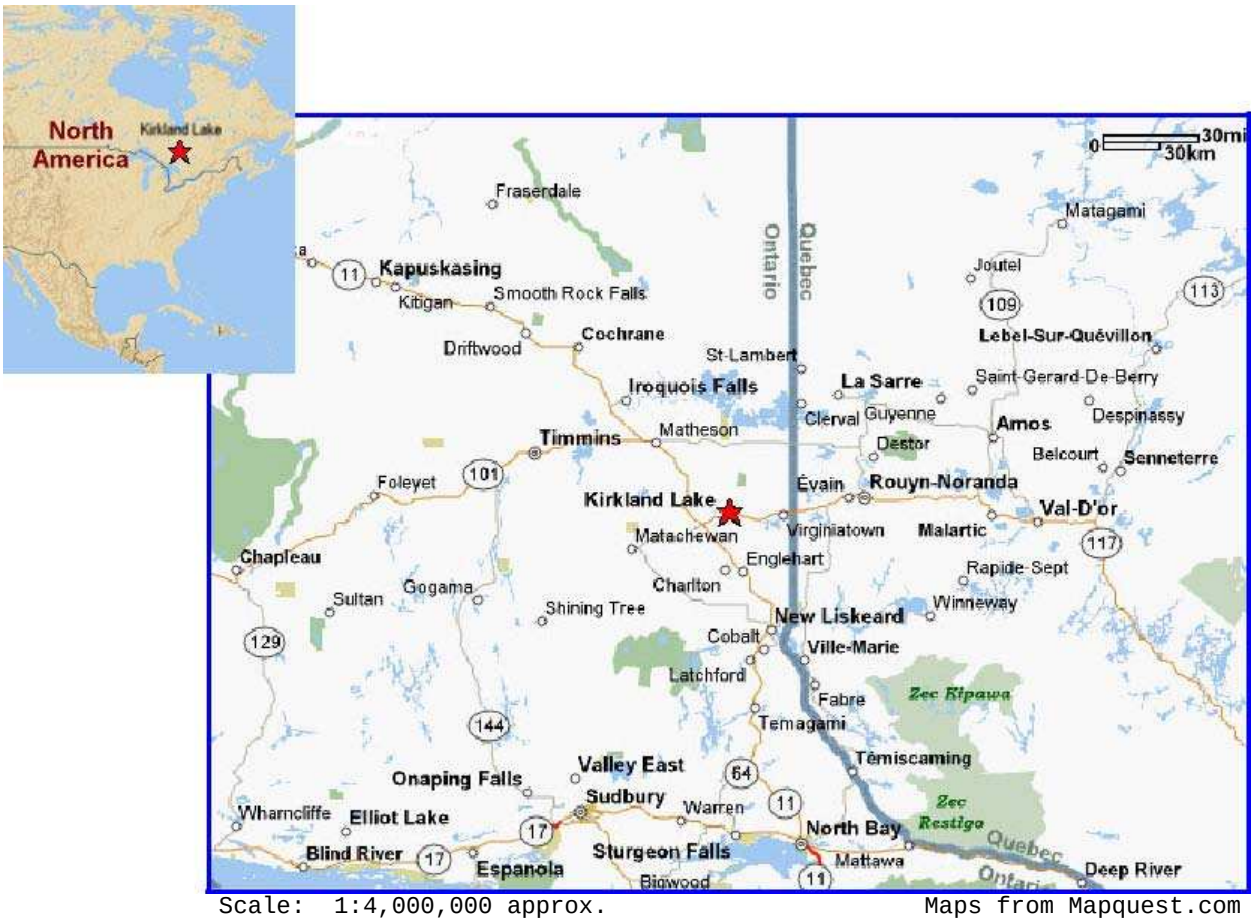
The most important reports as background for this review are listed in the Introduction.

Section 4

PROPERTY

Location:

The SCJV property is located in the Municipality of Kirkland Lake within Teck Township, District of Timiskaming, in the eastern part of Northern Ontario, Canada. The property is approximately at 48°10’ N Latitude and 80°2’ W Longitude at an elevation of approximately 1000 feet (305 m) above sea level. Kirkland Lake is approximately 370 miles (600 km) by road north of Toronto. (Figure 1)



Scale: 1:4,000,000 approx. Maps from Mapquest.com

Figure 1: Location of South Claims Property

Access:

The property is located at the west end of the community of Kirkland Lake adjacent to Highway 66 approximately 8 miles east of Highway 11. The area is serviced by railway and bus. Although there is a small airport at Kirkland Lake there currently is no scheduled service from southern Ontario.

Infrastructure:

Kirkland Lake has been a mining community since mining started at the Tough-Oakes Burnside Mine (later called the Toburn) in 1915.

Mining has been the major industry in the area. An experienced mining work force as well as mining services and equipment, are readily available in this area of northeastern Ontario and northwestern Quebéc that extends from Timmins to Val d'Or.

Power is supplied through the Ontario Hydro grid.

Climate:

Climatic conditions are typical for the central Canadian Shield, with short, mild summers and long, cold winters. Mean temperatures range from –17°C (0°F) in January, to 18°C (64°F) in July, and mean annual precipitation throughout the region ranges from 812 to 876 mm (32-35 inches).

Topography:

The area is typical of the Canadian Shield, primarily covered by forest, swamps, and lakes, with relatively modest relief. Rock outcrops surrounded by glacial till are common. The till is generally not very thick but is in excess of 150 ft in some locations.

The area is generally around 1000 feet above sea level.

Local Resources:

The area is generally forested with the spruce and poplar that are typical for this part of the country. Logging for lumber and pulpwood is still carried out in the area.

There is adequate precipitation each year, rainfall and snow. The community and the mine always have sufficient water.

Farming is not carried out in the immediate area, however 30 miles south there is an area where farming is carried out.

Queenston Holdings in Area:

In the Kirkland Lake area Queenston maintains a 100% interest (subject to royalties) in 23 separate properties containing 1,084 patented, leased and unpatented mineral claims (approximately 40,000 acres) and a 50% joint venture interest (subject to royalties) in an additional 7 properties containing 142 mineral claims (5,680 acres). The properties occur primarily in three townships, Teck, Lebel and Gauthier (Figure 2).

The Queenston properties in the Kirkland Lake Area contain both current and historic mineral resources in gold deposits the Upper Beaver, Anoki, Anoki South, McBean, Upper Canada, AK and 180 East.

The historic resources on the Queenston holdings can be examined in the 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 17, 2007. This report is filed on SEDAR.

The Anoki and McBean deposits contain current mineral resources and have been calculated in accordance with NI43-101 by Eugene Puritch P. Eng., of P & E Mining Consultants Inc. in a report dated December 8, 2009. This report is filed on SEDAR.

The Company is active primarily on two fronts.

In the eastern portion of the Kirkland Lake Mining camp, in Gauthier Twp., the goal is to advance four 100% owned gold deposits, Upper Beaver, McBean, Anoki and Upper Canada, towards NI43-101 mineral resource status. A resource definition diamond drilling program at Upper Canada is in progress. In 2008 an NI43-101 mineral resource for the Upper Beaver property was presented in a report dated November 6, 2008 (WGM 2008) by Michael W. Kociumbas, P. Geo., of Watts, Griffis and McOuat Limited (WGM) of Toronto. This report is filed on SEDAR. Exploration work continues on the Upper Beaver property.

In the western portion of the camp, the SCJV is continuing underground, advanced exploration on the South Claims property. The main target is the new South Mine Complex. In 2010 a NI43-101 compliant mineral resource was outlined by joint venture partner Kirkland Lake Gold Inc. and verified by Glenn R. Clark, P.Eng. of Glenn R. Clark and Associates Limited. The report dated July 14, 2010 (Clark, 2010) is filed on SEDAR.

Queenston also maintains joint ventures with KLG on the HM, Gracie West and Kirkland Lake West properties.

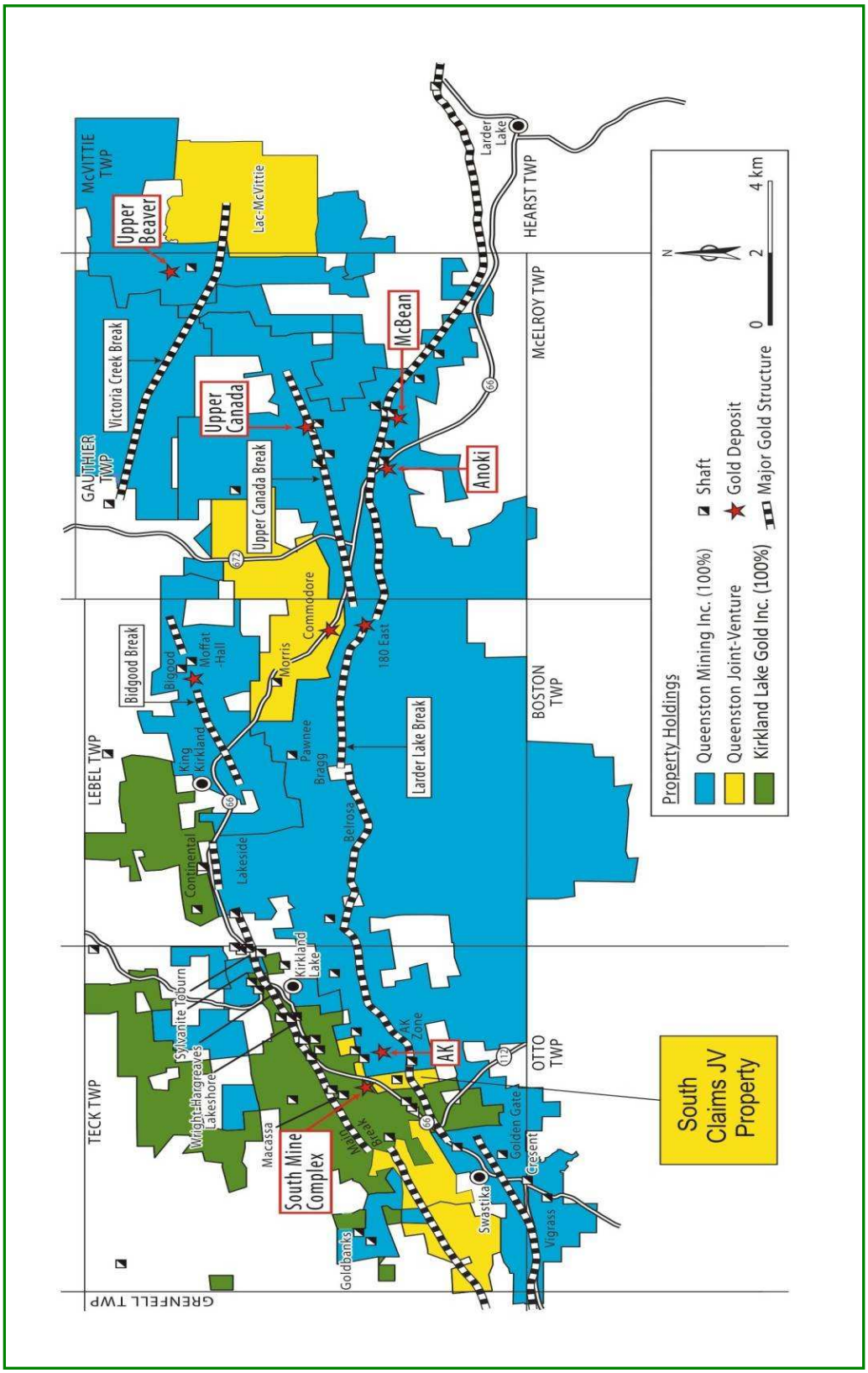


Figure supplied by Queenston

Figure 2: Queenston Holdings

Kirkland Lake Gold Holdings in the Area:

KLG holds title to 243 claims and Crown Leases in the Kirkland Lake area covering a total of approximately 13,143 acres of Teck and Lebel Townships. In Teck Township, KLG's holdings include the properties of the Macassa Mine and the past producing Kirkland Lake Gold, Teck-Hughes, Lake Shore and Wright Hargreaves mines. KLG also maintains a 50% interest in three property groups in joint venture with Queenston on the Gracie West, Kirkland Lake West and the South Claims (including the HM and East Claims). (Figure 3)

South Claims Property:

In April 2007, Queenston and KLG entered into a 50-50 joint venture to purchase four patented mineral claims comprising the South Claims property located in Teck Township (Figure 3). In 2008 a fifth property the HM claims, a Crown Lease, was jointly purchased and added to the JV. A list of the claims is provided in Table 2.

To maintain the South Claims property in good standing taxes must be paid annually to the Ministry of Northern Development Mines and Forestry (MNDMF). The annual fees for these six claims total $312.52.

Table 2: List of Mineral Claims

Claim #	Type	Rights	Township	Acres
L5433	Patented	Mining	Teck	44.8
L5686	Patented	Mining	Teck	47.2
L5687	Patented	Mining	Teck	1.8
L6687	Patented	Mining	Teck	39.9
L6768	Patented	Mining	Teck	40.4
225112	Crown Lease	Mining	Teck	25.1

South Claims Royalties:

Under the terms of the purchase agreement, the vendor of the initial four patented claims is entitled to Net Smelter Return (NSR) royalty payments from future production on the claims. This royalty is based on a sliding scale depending on the price of gold. If gold is CDN $700 per ounce or less the royalty will be 1.5%. If the gold price is greater than $700 and not greater than $1000 per ounce the royalty will be 2%. If the gold price is greater than $1000 per ounce the royalty will be 3%.

Beginning April 17, 2011 an annual minimum royalty of $50,000 is payable. This minimum royalty is not in addition to the NSR

royalty payable and all or part of it will only be paid if the NSR royalty is less than $50,000. The minimum royalty shall not be deduced or recouped out of NSR returns in subsequent years.

GRL Resources Inc. the vendor of the HM claim is entitled to a 2% NSR royalty and a 1% NSR royalty is payable to a previous owner.

A 2% NSR royalty is payable on the fifth patented claim (L5433). The joint venture can reduce this royalty to 1% by paying $1 million.

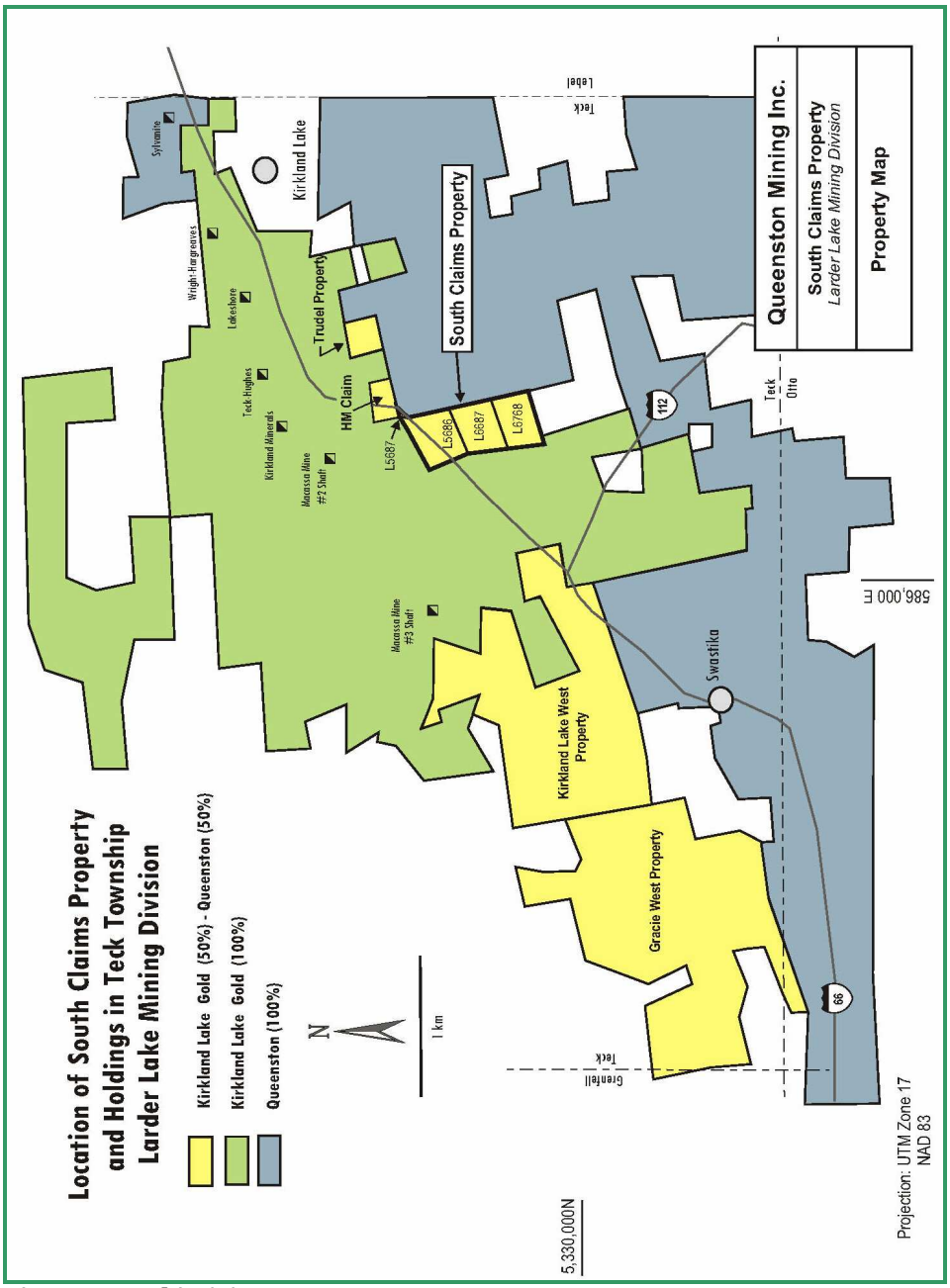


Figure supplied by Queenston

Figure 3: South Claims Location

Section 5

HISTORY

South Claims History:

Information pertaining to the early property history was extracted from early issues of the "The Mining Handbook of Canada" (1923 to 1940) and Ontario Department of Mines reports, Vol. XXXII, 1923 and Vol. LVII, 1948. There is no recorded work filed in the Kirkland Lake office of the Ministry of Northern Development and Mines.

The South Claims property was originally staked in the early 1900's. The first work reported was in 1919 by Porcupine Crown Mines Ltd. In 1923 Canadian Kirkland Gold Mining Co. Ltd. reported that a vertical shaft was sunk on claim L6687 with minor lateral work on the 150 ft. level. The Canadian Kirkland, two compartment shaft was sunk to 400 ft and 800 ft of lateral work was completed. From 1923 to 1939 very little is known about work completed on the property. In 1939 the property and adjoining claims were purchased by Amalgamated Kirkland Gold Mines Ltd. Amalgamated drilled 27 surface holes to test the Amalgamated Break located north of the Canadian Kirkland shaft. Nine of these holes were drilled on claim L5686 encountering no significant gold values. Since 1939 there has been no reported work on the property. In 1968 the property was purchased by Mr. J. Morgan the current vendor of the property.

In 2007 SCJV completed surface exploration consisting of linecutting and geophysics. Late in 2007 the joint venture commenced a program of advanced underground exploration from the Macassa mine workings consisting of diamond drilling, cross-cutting and drifting. To date 19 diamond drill holes and one wedge hole have been reported on the northern portion of claim L5686.

The SCJV has completed 4 deep holes from surface on the Crown Lease (225112).

Queenston Corporate History:

Queenston Gold Mines Limited (QGML) was incorporated in 1941 and held properties in Gauthier Township including the current Anoki and McBean gold deposits.

In 1977 QGML acquired certain assets of Upper Canada Resources Limited including the Upper Canada Mine, Upper Beaver Mine located in Gautier Township and other mineral claims in Lebel

and Teck Townships. From 1978 to 1995 QGML had a joint venture with Inco Limited to explore and develop certain properties in Gauthier Township including the development and production from the McBean open pit mine and underground development of the Anoki deposit.

In 1990 the QGML merged with HSK Minerals Limited to form Queenston Mining Inc. (Queenston).

From 1995 to 2001 QGML had a joint venture with Franco-Nevada Mining Corporation Limited to explore properties in the Kirkland Lake area.

In 2002 Queenston purchased the joint venture assets of Franco-Nevada Mining Corporation Limited from Newmont Mining Corporation to hold a 100% interest in a large land package in the Kirkland Lake area.

In 2004-2009 Queenston and KLG formed 5 joint ventures in Teck Township to explore properties adjacent to the Macassa gold mine.

Section 6

GEOLOGY

The geology of the area has been described in previous reports. The most recent reports were by Clark (2009), Alexander (2007), and Carmichael (2007). The following brief geology descriptions are based on these and other reports and information gathered during the site visit.

Regional Geology:

The Kirkland Lake mining camp is located in the west portion of the Archean Abitibi greenstone belt of the Abitibi Subprovince that forms part of the Superior Province in the Precambrian Shield.

In the Kirkland Lake area the Abitibi Subprovince is composed of komatiitic, tholeiitic and calc-alkaline volcanics, turbidite-dominated sedimentary lithologies, locally distributed alkaline metavolcanic rocks and associated fluvial sedimentary formations. These successions have been intruded by tonalite, trondhjemite and granodiorite batholiths.

Large scale structures and tectonic fabrics are distributed in domains with rock foliations generally paralleling the regional faults, intrusive contacts and domain boundaries. The regional shear zones, folding and steep reverse faults post-date the batholith emplacement. Metamorphism of the Abitibi rocks is generally of very low greenschist facies. Upper greenschist to hornblende facies may be attained in metamorphic aureoles surrounding intrusions.

Local Area Geology:

The Timiskaming Group of rocks is the main feature of the area. This Group forms part of a complex synclinorium that is flanked unconformably on the north and south by the mafic to felsic, massive to pillow volcanic rocks of the Kenojevis and Blake River groups. The Timiskaming Group is up to 10,500 ft thick and extends for about 40 miles from Kenogami Lake in the west to the Quebec border. In the Kirkland Lake area, the Timiskaming is predominantly conglomerates and sandstones, trachytic lava flows and pyroclastic tuffs. The Timiskaming trends N65°E and dips steeply south at Kirkland Lake. Immediately east of Kirkland Lake, the formations are warped to an east-southeast direction and then return to an east-northeast direction at Larder Lake and continue to the Québec border.

Syenite porphyries and lamprophyre dykes and sills intrude the Timiskaming sediments. Alkali stocks have intruded the Timiskaming Group and the supracrustal assemblage along the south margin of the synclinorium. Matachewan diabase dykes trending north-northeast cut all rocks in the area.

The Larder Lake Break, and associated splay faults and fracture system, form a complex, major structural feature that transects and follows the trend of the Timiskaming Group at Kirkland Lake. This Break can be traced for about 200 miles from Matachewan west of Kirkland Lake all the way to the Grenville Front east of Louvicourt, Quebec. As well as Kirkland Lake, it passes through or near the important mining areas of Larder Lake, Rouyn-Noranda, Cadillac, Malartic, Val d'Or and Louvicourt. Numerous gold occurrences and gold mines are spatially related to this regional structure.

The fault or break system that hosts the Kirkland Lake gold deposits is north of the main Larder Lake Break. Polyphase deformation has affected the Timiskaming rocks at Kirkland Lake. The fold axis and structural plunges, including gold ore shoots, generally trend west-southwest at –60°.

Property Geology:

At the South Claims property the predominant lithology is Timiskaming Group sediments and tuffs that are intruded by bodies of syenite porphyry and cut by three prominent structures, the Amalgamated Kirkland, 103 and Larder Lake breaks (Figure 4).

The northern portion of the property is underlain by Timiskaming sediments. These sediments are primarily composed of pebble conglomerates, greywackes and finer grained inter-bedded wackes that dip steeply south. The majority of the property, claims L5686, L6687 and L6768, is underlain by an east–west trending, south dipping band of volcanic rocks composed of predominantly tuff and trachyte of the Timiskaming group. Intruded into the tuffs and trachyte on claim L5686 is an east-west trending body of syenite porphyry. The syenite porphyry is typically pink to bright red in colour and is characterized by phenocrysts of feldspar.

The southern portion of the property (claim L6768) is underlain by the Murdoch Creek Stock. This intrusive body is composed predominantly of pink, massive syenite.

The Timiskaming sediments and volcanic rocks in the central portion of the property are cut by a series of narrow diabase dykes that appear to form a junction near the Canadian Kirkland

Shaft. The most prominent is the northeast-south west trending dyke that marks the boundary between the syenite porphyry and Timiskaming tuff on the adjacent Amalgamated Kirkland property of Queenston to the east.

The Amalgamated Break, located in the northern portion of the property, bisects the syenite porphyry and tuff-trachyte on claim L5686. This fault-shear zone dips steeply to the south at 70 degrees and hosts gold mineralization on Queenston's Amalgamated Kirkland property.

The 103 Break is another east-west trending, near vertical fault-shear zone that appears to mark the southern contact of the syenite-porphyry and hosts the mineralization encountered in the Canadian Kirkland shaft and AK Zone located to the east on Queenston's Amalgamated Kirkland property.

The Larder Lake Break marks the contact between the Timiskaming rocks and the Murdoch Creek Stock. This regional structure has been traced for 200 km (Matachewan, Ontario to Val d'Or, Quebec) and represents a major gold bearing structure in the area. On the property it is interpreted to dip at 45 degrees to the south and is characterized by sheared sedimentary and volcanic rocks with varying degrees of carbonate alteration. On the adjacent Amalgamated Kirkland property to the east, a thin band of sheared and carbonated and mineralized ultramafic to mafic volcanic rocks of the Tisdale assemblage occurs along the Larder Lake Break.

Mineralization:

The only historic gold mineralization noted on the property is at the Canadian Kirkland shaft where Burrows and Hopkins (1923) report:

"*Two vertical shafts and several pits have been sunk on mineralized zones. The main shaft on claim L6687, fifty feet from the north line, was sunk on a mineralized zone in greywacke, consisting of quartz veinlets and greywacke impregnated with iron pyrites, copper pyrites, galena, and calcite. The strike of the mineralized zone is east-northeast and west-southwest. A section exposed in the shaft shows a series of quartz veinlets about one inch wide, dipping steeply to the south across the shaft to the 150-foot level. A short crosscut was made southward at the 100-foot level, and on the 150-foot level a crosscut was made to the north and south of* the shaft. *Promising assays were obtained for about eighty-five feet in the shaft, but no drifting was done to determine whether the mineralized zone pitched eastward or westward. The crosscut*

at the 150-foot level is in greywacke with fine grained, slate-like rocks eighty-five feet south of the shaft."

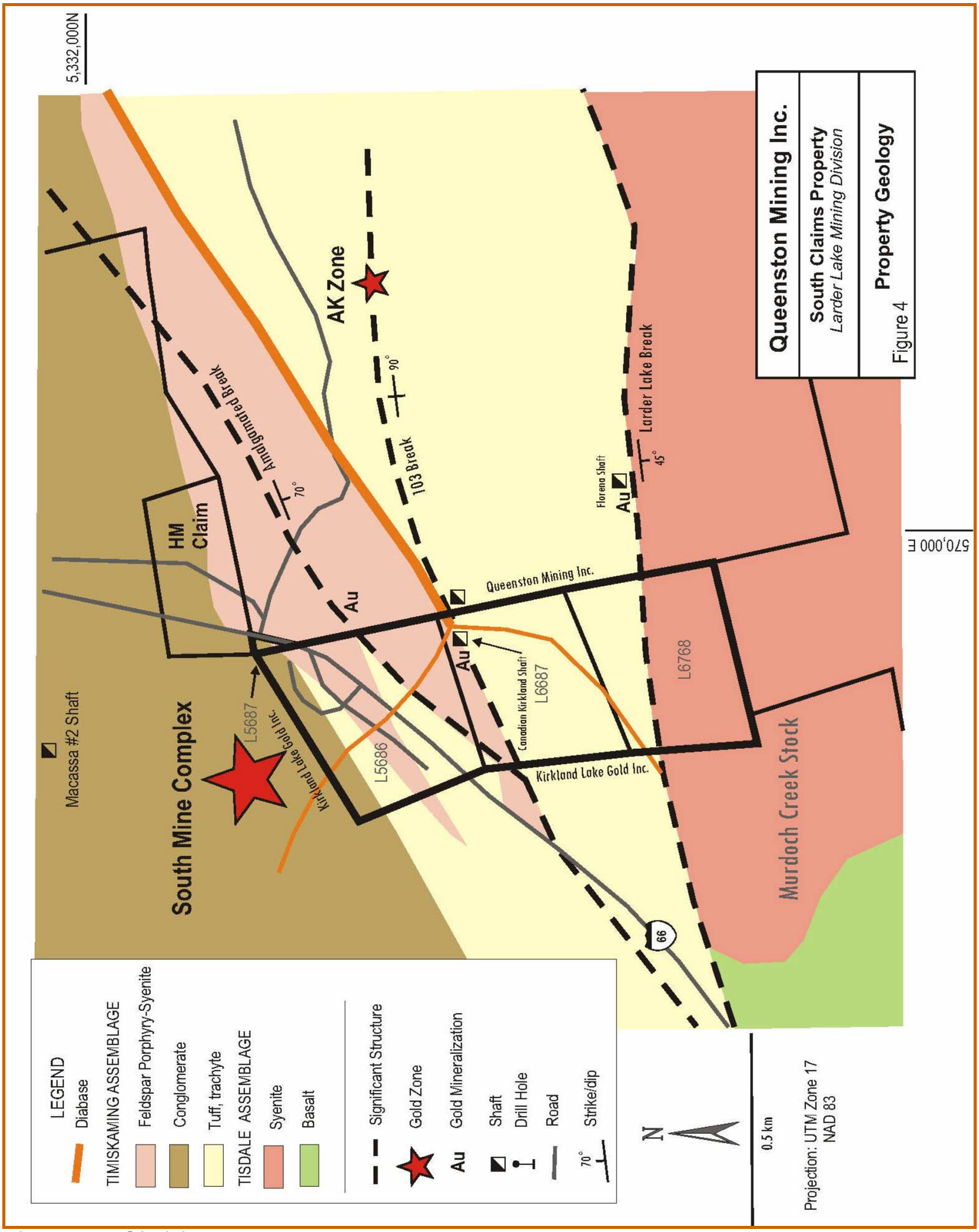


Figure supplied by Queenston

Figure 4: South Claims Surface Geology

The Canadian Kirkland shaft is located near the 103 Break, an important gold structure that hosts the AK deposit approximately 1 km east on Queenston's Amalgamated Kirkland property. At AK previous exploration by Battle Mountain Canada Ltd., Cyprus Canada Ltd. and Queenston outlined a gold deposit that contains an historic inferred mineral resource of 2,639,338 tonnes grading 4.5 g/t Au with a core interval of 1,716,025 tonnes grading 5.6 g/t Au. The deposit begins at surface and has been drilled down to a depth of 600 m where it remains open. This mineral resource is considered historic as it was calculated prior to February 1, 2001 and should not be relied upon as it has not been verified by a Qualified Person under NI43-101.

Stevenson (1994) describes the AK deposit as:
"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 which contain up to 10% fine-grained pyrite and lesser amounts of galena, chalcopyrite, sphalerite, molybdenite and visible gold. The sulphides and gold commonly occur along fractures and wallrock inclusions in the veins. Native gold occurs as fine pinpoints distributed in one to five mm sized clusters of up to ten or more grains. 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. The regional alteration assemblage is greenschist facies, typified by chlorite-calcite alteration."

Adjacent and north of the property is the Macassa gold mine owned by KLG. Here the gold mineralization is located along the steeply south dipping breaks and subordinate splays as individual fracture fill quartz veins, from several inches thick to as much as 12 ft thick. Veins may be of single, sheeted or stacked morphology. Several generations of quartz deposition are evident from colour and textural variability and vein quartz is generally fractured.

The presence of a fault splay is often a prerequisite for gold deposition. Broader zones of mineralized brecciated and fragmented quartz are found in the footwall and hanging wall of major faults. At Macassa, gold is usually accompanied by 1% to 3% pyrite and sometimes is associated with molybdenite and/or tellurides of lead, gold, gold-silver, nickel and mercury (altaite, calaverite, petzite, hessite, melanite, coloradoite). Silver is present amalgamated with gold and in the minerals

petzite and hessite. The presence of pyrite and silicification does not guarantee gold, however, higher grade gold is almost always accompanied by increased percentages of pyrite and silica. Hematization or bleaching with carbonatization and silicification are commonly alterations of the wall rocks. Seritization is more of a local feature.

The new discoveries in the South Mine Complex ("SMC") are adjacent and directly north of the property, and represent a different style of mineralization with wide sulphide systems rather than the quartz vein mineralization on the Main Break complex. The south zones have generally a flatter dip (30–40 degrees south) and a higher content of fine grained tellurides than the Main Break zones. These new, wide, hydrothermally altered zones could represent a new plumbing system for a southern mineralized part of the Camp parallel to the Main Break, fed by a deep porphyry body. The gold mineralization is found in carbonate altered conglomerate, tuff and porphyry mineralized with up to 10% disseminated pyrite. The New South Zone of the SMC was intersected by the joint venture on the property by drilling completed on the 5300 ft. level of the Macassa mine.

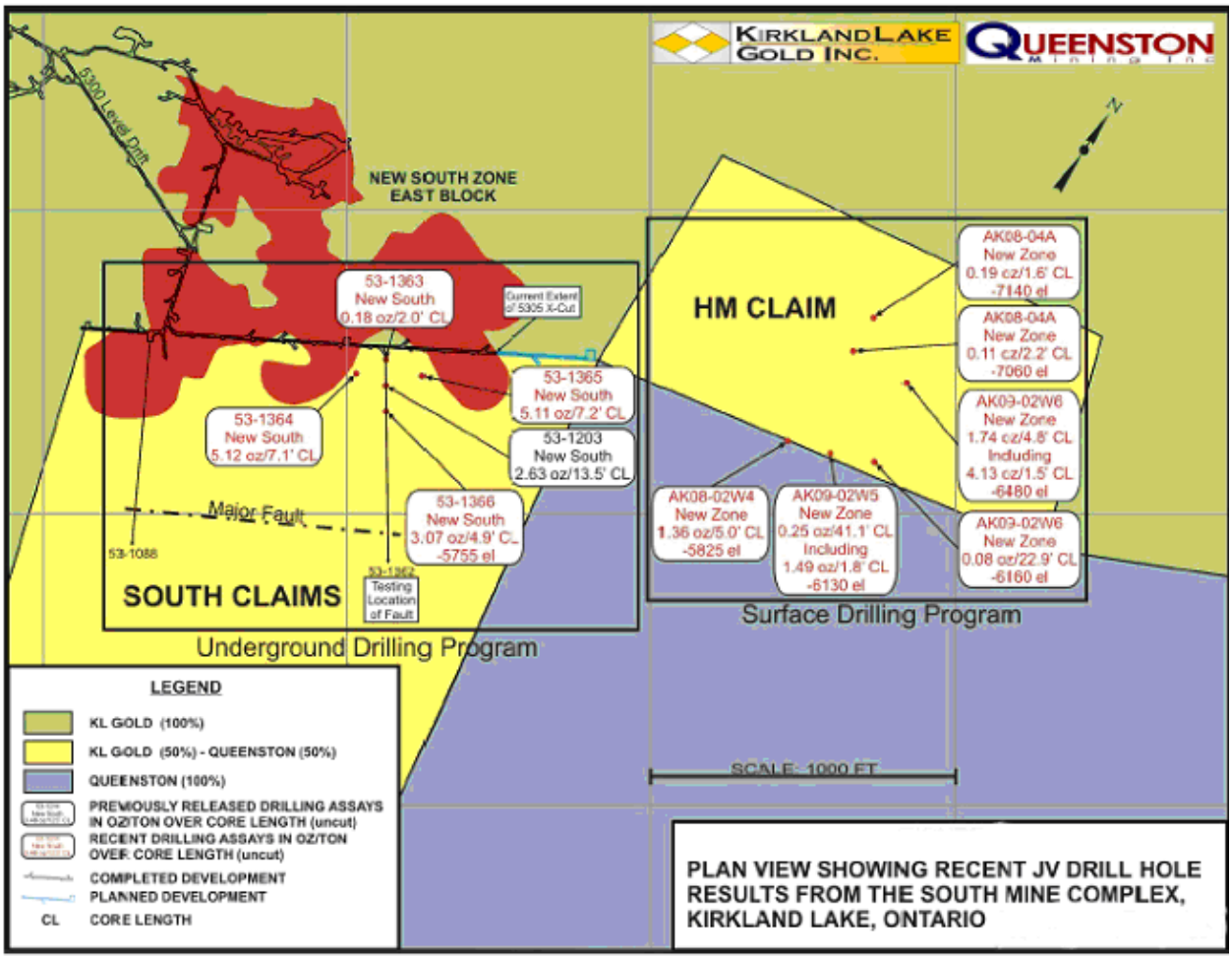
Drilling was historically reported from drilling on the property 200 m north of the Canadian Kirkland Shaft along the Amalgamated Break. Although no historic description of the mineralization is available, drilling by Queenston along the Amalgamated Break 75 m east of the property encountered gold values up to 4.7 g/t Au over 0.4 m in hole AK-03-05. This mineralization is associated with the break along the syenite porphyry–tuff contact.

On the southern portion of the property the Larder Lake Break trends in an east-westerly direction across claim L6768. No mineralization is reported along the break however, 200 m east of the property Queenston has intersected a broad zone of gold mineralization in the vicinity of the Florena Shaft. Here hole AK-03-01 assayed 0.84 g/t gold over a core length of 32.2 m in a carbonated, silicified, pyritic zone in altered tuffs north of the Murdoch Stock.

Section 7

SOUTH CLAIMS UNDERGROUND EXPLORATION

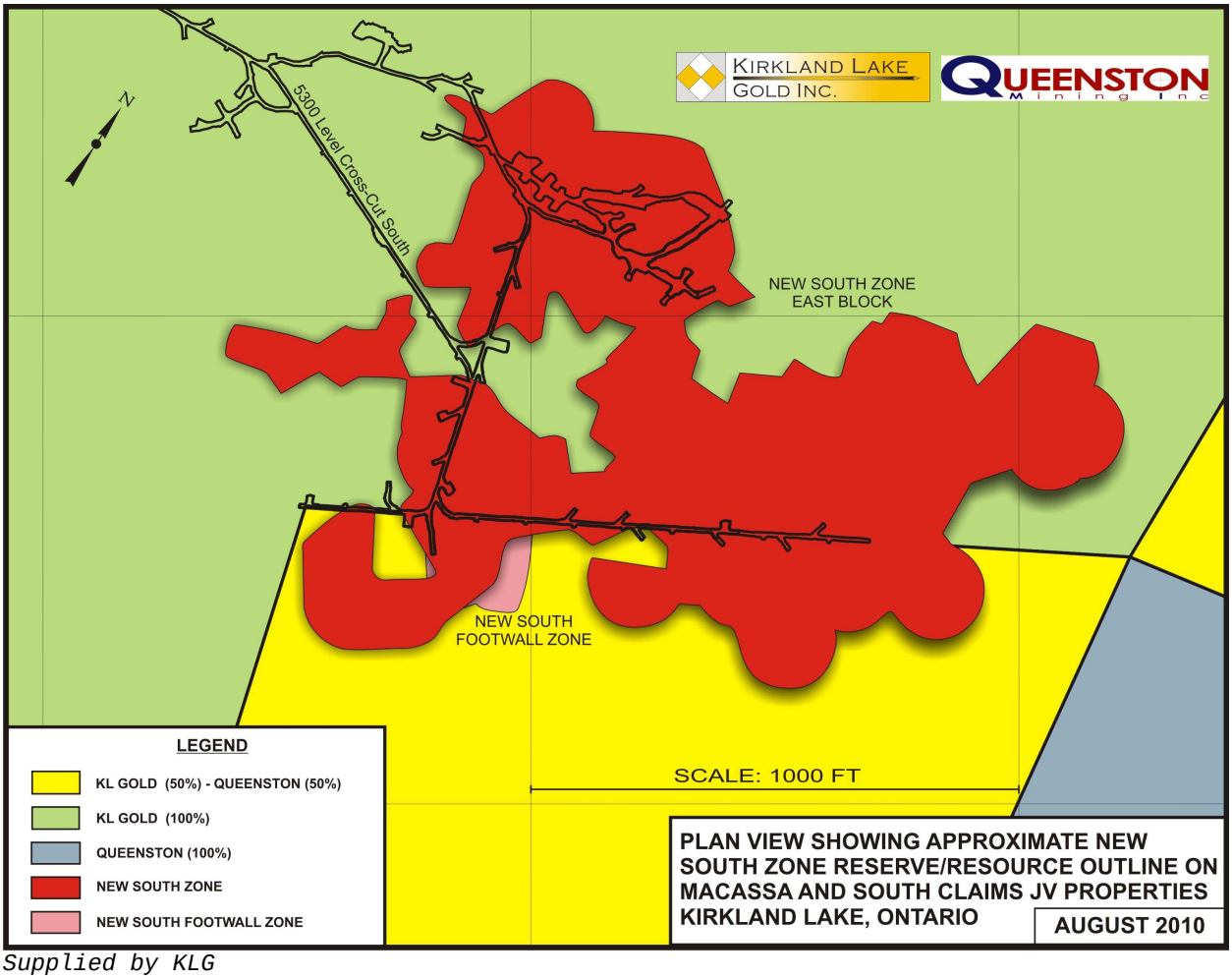
During the fall of 2007, the SCJV commenced an underground exploration program on the South Claims property targeting the SMC. This work on the 5300' level of the Macassa mine consisted of driving a crosscut to the northern portion of the South Claims where a series of diamond drilling stations were established to complete a minimum of 5,000' of underground diamond drilling. This program was so successful that it has carried on since then and a continuing program is being planned.



Supplied by Queenston

Figure 5: Plan Showing Recent Drill Hole Intersections

Since August 2009, the SCJV completed 5 diamond drill holes on the South Claims property from underground to further define the extent of the South Zone. A list of these holes and assay results are outlined in Table 3. The location of these holes is shown on Figure 5. Figure 5 shows the known shape of the New South Zone prior to the drilling. Figure 6 shows the current known shape of the New South Zone.



Supplied by KLG

Figure 6: Plan View New South Zone

Prior to August 2009 a total of 15 holes were completed on the SCJV. The details of these holes can be found in Appendix D.

In addition, Table 4 shows the results of the latest surface drilling on the HM claim.

The locations of the intersections are shown on Figure 5.

The highlights of the recent underground drilling are from the results of drill holes 53-1364, 53-1365and 53-1366. Drill hole 53-1366 intersected the New South Zone 100 feet down-dip of previously released drill hole 53-1203 representing both the furthest south intersection to date on the Joint Venture property as well as the deepest intersection to date at the -5755 elevation. Drill hole 53-1364 (5.12 oz Au/ton over a true width of 6.3 feet) intersected the New South Zone 105 feet west of 53-1203 and 53-1365 (5.11 oz Au/ton over a true width of 6.1 feet) intersected the New South Zone 125 feet east of 53-1203. (Figure 6)

Table 3: Assay Results of Recent Underground Drilling

Hole #	Dip (º)	Az (º)	From (ft)	To (ft)	Interval (ft)	Estimated TW (ft)	Au (oz/ton)	Zone
53-1362	0	147	583.0	644.0	61			Fault Zone
53-1363	-88	147	411.0	413.0	2	Not calc.	0.18	New South
53-1364	-75	205	444.7	451.8	7.1	6.3	5.12	New South
							3.47 cut	
			449.0	450.5	1.5	1.3	14.76	Incl.
			450.5	451.8	1.3	1.2	7.50	and
53-1365	-73	087	464.8	472.0	7.2	6.1	5.11	New South
							3.92 cut	
			467.0	469.5	2.5	2.1	10.63	Incl.
53-1366	-68	147	481.7	483.0	1.3	Not calc.	0.35	New South HW
			494.0	495.5	1.5	Not calc.	0.63	New South HW
			533.0	537.9	4.9	3.6	3.07	New South
							2.76 cut	
			535.0	536.5	1.5	1.1	8.20	Incl
			604.7	606.0	1.3	Not calc.	0.41	Footwall
			620.0	623.0	3.0	Not calc.	0.69	Footwall

The highlight of the surface drilling was that drill hole AK09-2W6 intersected a New Zone grading 1.74 oz Au/ton over 4.8 feet on the HM claim which is part of the SCJV. This intersection is approximately 1,300 feet east and on the trend of the existing mineral resource on the South Mine Complex.

Table 4: Assay Results of Recent Surface Drilling

Hole #	Dip (º)	Az (º)	From (ft)	To (ft)	Interval (ft)	Estimated TW (ft)	Au (oz/ton)	Zone
AK08-2W4	-61	323.6	6,358.9	6363.9	5.0	Not calc.	1.35	New Zone
AK09-2W5	-70	334.9	6,564.8	6,605.9	41.1	Not calc.	0..25	New Zone
			6,564.8	6,566.6	1.8		1.49	Incl
			6,566.6	6,569.8	3.2		0.28	and
			6,599.4	6,602.6	3.2		0.45	and
			6,632.2	6,642.0	9.8		0.09	New Zone
AK09-2W6	-70	349.9	6,612.5	6,635.4	22.9	Not calc.	0.08	New Zone
			7,045.4	7,050.2	4.8		1.74	New Zone
			7,048.7	7,050.2	1.5		4.13	Incl.
AK08-04A	-84	326.5	7,737.5	7,739.7	2.2	Not calc.	0.11	New Zone
			7,891.2	7,892.8	1.6		0.19	New Zone

Section 8

SAMPLING AND ASSAYING

The exploration samples from the drilling programs are sent to the Swastika Laboratory (Swastika) and Polymet's Resource's Laboratory (Polymet) for analysis.

The sampling, handling and assaying methods used at KLG are consistent with good exploration and operational practices.

Diamond drill holes are used to locate the extensions of the veins or to find new veins. Drill holes are also used to provide sample data between the mine levels for resource and reserve determinations. The drill core is logged in KLG's facility at the mine site. The core is oriented and marked for sampling by the geologist. All of the exploration core and some of the definition core, the intervals selected for sampling are cut in half by a diamond saw by the designated core splitter. One half of the core is retained in the core box for further consideration and the other is placed in properly marked sample bags for shipment to the laboratory. In the case of the exploration samples they are sent to Swastika and Polymet. The collars of all diamond drill holes are surveyed and the holes are surveyed down the hole.

Many of the pulps and rejects are sent out for analysis at commercial labs for a check on the quality of the assaying. Some of the exploration samples that go directly to a commercial lab are sent to another commercial lab for verification.

The program to send the samples out for check analysis is under the direction of Mr. S. Gray, P.Geo. of KLG.

Assaying:

Swastika and Polymet

The Swastika and Polymet Labs used the following procedure with the samples.

SAMPLE PREPARATION
1) Dry samples if required.
2) Crush total sample to ½ inch (Jaw Crusher)
3) Crush total sample to 10 mesh (Rolls Crusher)
4) Split approximately 350 grams using a Jones riffle.
5) The remaining reject is placed in a plastic bag, and packed in cartons with sample numbers listed on the outside.
6) Pulverize the 350g sample

7) Homogenize the pulp. It is then ready for assay.

General Description

Both gold assay and geochemical gold analysis begin with a fusion using a flux mixture of litharge (Pb02), sodium carbonate, borax, silica, fluorspar with further oxidants (nitre) or reductants (flour) added as required. The relative concentrations of the fluxing materials are adjusted to suit the type of sample being analyzed. An aliquot of silver is added as a final collection agent. The resultant lead button containing the precious metals is reduced to Pb02 and absorbed into a cupel in a cupellation furnace.

The precious metals collected in the silver aliquot are now ready for either geochemical analysis using an atomic absorption spectrometer or a gravimetric assay finish. The geochemical method involves dissolving the precious metal and analyzing by atomic absorption. Gravimetric assays are completed by dissolving the silver of the dore bead in nitric acid and leaving the gold to be weighed on a micro balance.

Quality control consists of using in house or Canmet standards, blanks and by re-assaying at least 10% of all samples.

Check Assaying:

The exploration assaying is done at the Swastika and Polymet labs. Each of these labs carries out internal check assaying and KLG arranges for check analysis between the labs. This is the normal pattern for KLG and they have been carrying out this protocol for a number of years. The results in the previous years have been satisfactory, as they are this year.

The samples that are the most critical to the estimation of the grade of the resources are the samples with the values between 0.20 and 3.5 oz Au/ton. In the previous years, KLG reduced all values over 3.5 oz Au/ton to 3.5 oz Au/ton so the wide variations that can exist in high grade samples are not important as far as the assaying is concerned. Starting in 2007, for some zones in the south complex, the grade cap has been raised. As this represents only a small portion of the total Macassa resource at present, the irregularity of the higher grade samples is not a problem. The New South Zone has a higher grade cap at 7.2 oz Au/ton.

It is not good enough to just average all of the samples and compare them as often there is an abundance of low grade samples that has a smoothing effect on the average of all the samples. The values in the zones that are going to be mined are of great importance and the average results of the check assaying in the

range from the cut-off up should be close, if the sample size is sufficient.

The following are the averages for 2009-10 check samples. The comparisons between the laboratories are shown below in Table 5.

Table 5: Check Assaying, Polymet and Swastika

	Polymet	Swastika
	257 samples	
Oz Au/ton	Assay	Assay
All Samples	2.67	2.61
	257	
Samples +3.5	23.06	22.28
	25	
Samples 0.20-3.5	0.79	0.81
	121	
Samples to <0.20	0.13	0.13
	111	

The grouping is based on the original Polymet assay.

These are excellent results and give great confidence in the values that are used in establishing the mineral resource. The values in the critical range (shaded in blue) are very close. The results based on the higher grade samples are quite close even with the small number of samples in the group. It can be expected that the higher values are more erratic and with a small number of samples in an assay group a wider variation would be expected.

Section 9

MINERAL RESOURCE

Mining has been carried out at the Macassa Mine since 1933. The grade of the ore mined during that period is similar to the grade of the resources and reserves that are currently identified at Macassa. Most of the resources and reserves are associated with the "04" Break that has been the most productive at Macassa. KLG has located new zones, the 'D' Zone and the other south zones of the SMC have been added to the resources and reserves and the continuing exploration of these zones shows great promise, especially due to the higher grades that are being encountered. In the Table 6 below you will see that the production grades have been maintained over the years.

Table 6: Historical Production at Macassa

DECADE OF PRODUCTION	TONS X 1000	GRADE, oz Au/ton
1930's	564	0.48
1940's	1,087	0.45
1950's	1,440	0.40
1960's	1,290	0.48
1970's	943	0.56
1980's	1,314	0.49
1990's	1,294	0.47
2000's	982	0.36
1933 to 2010	**8,914**	**0.45**

During these many years of production the methods used for calculating the resources and reserves have evolved. The current method of calculation by KGL is quite similar to the methods employed for the last 25 years.

Each year the Macassa geology staff prepares a resource and reserve summary based on standard methods, with the criteria that have been developed over the years. The method of calculation and the results are discussed below. A number of studies on grade capping and reserves and production reconciliation were carried out internally and by consultants for Lac Minerals and Kinross from the early 1990's to the suspension of mining in 1999. In 2002, RPA reviewed the resources and reserves for KLG. In 2003 and 2004 the reserves were monitored by M. Sutton the Qualified Person (QP) for KLG in keeping with the directives of National Instrument 43-101 for technical reports. The resources and reserves were reviewed by

GRCA in 2005, 2006, 2007, 2008 and 2009. S. Carmichael reported on the resources and the reserves of the South Zone mineralization in January 2007. R. Routledge of Scott Wilson Roscoe Postle Associates Inc. reported on the possible grade capping of the South zones, April 2007.

Resource and reserve calculations are based on chip sampling of the veins and diamond drill hole results.

Resource and Reserve Calculations:

The Macassa Mine has resources and reserves both in the traditional structures at Macassa and other properties and the SMC structures at Macassa Mine. The Macassa Mine staff using the same criteria estimated the resources and reserves for all the structures. These resource and reserve estimates have been made under the supervision of S. Gray, P.Geo. and S. Carmichael, P.Geo.

The resources and reserves have been classified to meet the requirements of NI43-101.

National Instrument 43-101 Definitions of Resources and Reserves

The Reserve and Resource estimation classifications as prescribed in National Instrument 43-101 are given here for clarity.

Mineral Resource

Mineral Resources are sub-divided into 3 categories depending on the geological confidence. The highest level or the level with the most confidence is the ‘Measured’ category. The next level of confidence is the ‘Indicated’ category and the lowest level, or the resource with the least confidence, is the ‘Inferred’ category.

Inferred Mineral Resource

An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling, gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineral Reserve

Mineral Reserves are sub-divided into 2 categories. The highest level of Reserves or the level with the most confidence is the 'Proven' category and the lower level of confidence of the Reserves is the 'Probable' category. Reserves are distinguished from resources as all of the technical and economic parameters have been applied and the estimated grade and tonnage of the resources should closely approximate the actual results of mining.

The mineralization on the SCJV property does not qualify as a reserve.

Kirkland Lake Gold Calculation Method:

Basic Information

All of the assay data is plotted on plans and sections to be used for zone interpretations.

The ore reserves are calculated on 20 scale longitudinal sections or plan views in the case of veins dipping less than 45 degrees. Some calculations are done on 10 scale longitudinal sections using a modified polygon method of blocking.

Each stope area has a section or plan and a work sheet that is kept on file.

The calculated grade, zone width, area of influence and resource or reserve category for each data set (ie. drill hole or chip sample assays) is entered into a spread sheet. For reserves the expected dilution based on the assumed mining method is included. A separate page for each stope area is maintained.

Minimum Width

The minimum mining width for steep-dipping structures is 5 feet.

The minimum mining height for flat structures is 8.0 ft. This was previously 6.5 feet.

Minimum Strike Length

The minimum strike length for a block is 21 ft. equivalent to 3 sets of chip assays.

Areas of Influence

The radius of influence from a sampled heading is 30 feet for a Measured Resource/Proven Reserve (MR/PV).

A MR/PV Block must be exposed by at least one drift and tested between drifts by drilling in a 25 to 30 foot pattern. Where continuity is proven with the drilling, the intervening polygons that are based on the 25 to 30 foot drill pattern may be considered as MR/PV blocks. Drill holes are only used for MR/PV blocks when the block is otherwise very well defined. This only occurs below the 57 level where there is development on all 4 sides of a massive sheet of continuous ore.

For an Indicated Resource/Probable Reserve (IR/PB) block the radius of influence is an additional 50 feet (30-80 feet from the data). This applies to blocks sampled on two sides by workings a maximum of 150 feet apart where no drilling exists, or above and below a drift where drill hole spacing is greater than 100 feet. For blocks with only drilling a 50 foot radius is used.

Inferred Resource blocks are an additional 50 feet from the IR/PB block (from 80 to 130 ft. from the data). This applies to blocks bounded on one side by a MR/PV or IR/PB. Blocks that are

on a proven mineralized trend and have drill hole spacing greater than 100 feet but less than 200 feet are included as Inferred Resource.

Raises that have been bored are usually ignored in the calculations. Most of the raises are only 42-60″ in diameter, and are not representative of the ore width.

Test hole and drift muck data is not used for ore reserve calculations.

Density of Ore

The density or tonnage factor used to convert the volume of the blocks to tons is 11.7 cu ft/ton for all of the zones except the Lower D.

The Lower D Zone volumes were converted at a density of 11.5 cu ft/ton due to the additional sulphides that are present.

The density traditionally used in the camp was 12.0 cu ft/ton. There have been a number of studies that suggest that the traditional number was too high and consequently gave an understated tonnage. The difference in the tonnage estimate is only about 2.5% between the density used in the past and the current density being used. As this has been applied to all blocks the changed density does not affect the reserve grades.

In 2007 a total of 95 samples were used to measure the density of the SMC zones. These samples confirmed that the density used for the Lower D of 11.5 cu ft/ton was realistic. The other SMC zones varied and it appears that the 11.7 cu ft/ton used overall at Macassa is reasonable. The tonnage difference between 11.5 and 11.7 is less than 2%. This difference is well within the estimation accuracy of the resources and reserves.

The assays of the samples varied from 0.1 oz Au/ton to 42.6 oz Au/ton and the densities varied from 12.1 cu ft/ton to 10.5 cu ft/ton, however there was no correlation between the grade and the density.

Gold Price

The gold price used to establish the cut-off grades has been set at US$898.01. The average of the price of gold over the last three years was Cdn$982.66 per ounce. The exchange rate used was US$1.00= Cdn$1.094.

Cut-Off Grade

Cut-off grades of both 0.25 oz Au/ton and 0.30 oz Au/ton are used for resource and reserve calculations depending on the location and economics of the block. Generally a cut-off of 0.31 oz Au/ton is required on a whole-block basis to achieve profitability. This cut-off is based on the 3 year gold price and the operating cost forecast. For mining or geotechnical reasons some sub-blocks below the cut-off may be included. Blocks that grade between 0.20 and the cut-off are classified as resource blocks.

The resources at the #2 Shaft are blocks greater than 0.25 oz/t.

Capping of Assays

Macassa used to use a more complex system for cutting assays than it does now. The capping system, currently in use, is based on a Kinross report by B. Davis (1995). It appears that this simpler single cap method gives much the same results as the old system. It is probably not the final answer. As new ore is found in different settings the capping procedure may need to be modified.

The effect of grade capping can only be truly examined when a large tonnage has been mined and the recovered gold can be compared with the forecast for that period.

Grade capping or cutting is necessary at Macassa. The capping practice for the main zones has also been used on some of the zones in the SMC. Assays higher than 3.5 oz Au/ton are cut to 3.5 oz. This capping practice appears to be reasonable.

Some of the zones in the SMC have increased grades much higher than has been normally found in the main zones. This increased grade is also associated with a different style of mineralization. Initial investigation by the Company’s staff indicated that the historic cutting factor of 3.5 oz Au/ton was understating the grade of mineralization for the SMC.

The consulting firm of Scott Wilson Roscoe Postle Associates Inc. (SWRPA) was retained to investigate, by statistical analysis, 10 of the larger mineralized zones forming part of the SMC. They concluded that there were sufficient data points for a statistical analysis of seven of the 10 zones reviewed. As a result, the Company has implemented various higher grade cutting factors for four of the seven zones. These four zones are the New South Zone (7.2 oz Au/ton), Lower D North (9.3 oz Au/ton), Lower D North Footwall (4.8 oz Au/ton), the #7 and #7 HW Zones (6.4 oz Au/ton). These new capping levels are now being used on both drill hole assays and underground chip assays.

These revised cutting factors, based on the mean of the assays in the zone plus one standard deviation, are considered to be conservative and are lower than those recommended by SWRPA. Accordingly, the factors may be subject to upward revision as more data points are generated.

Revised factors for the other mineralized zones including the Lower D, White, YYZ, Freewill and Limelight will be implemented as more assay data are derived.

SCJV Property Resources:

Using the above method and criteria the Macassa geology staff has estimated the resources on the South Claims property as shown in Table 8. The classifications are in keeping with the guidelines in the NI43-101.

The resources reported in Table 6 include only Queenston's share of the SCJV. The Joint Venture with Queenston is a 50/50 arrangement sharing all of the costs equally, with KLG being operator. The mineralization located on the Joint Venture claims is also shared equally. The cost of the development heading along the boundary between the KLG claims and the JV claims is divided 75% to KLG and 25% to Queenston as this heading also serves the adjacent claims that are 100% owned by KLG. Drilling costs are shared on a 50/50 basis. Any development on the South Claims proper will be shared on a 50/50 basis.

In the past year exploration of the South Claims continued by drilling holes from the Macassa 5000 and 5300 ft. levels. These holes continued to expand the New South Zone on the Joint Venture claims.

In the past year 5 holes were drilled on the South Claims. These 5 holes increased the estimated Indicated Resource from 73 thousand tons at a grade of 1.24 oz Au/ton to 97 thousand tons at a grade of 1.37 oz Au/ton. The estimated Inferred Resource was increased from 125 thousand tons at a grade of 1.23 oz Au/ton to 134 thousand tons at a grade of 1.24 oz Au/ton.

Queenston's share of the estimated Indicated Resource of the South Mine Complex on the South Claims property at April 30, 2010 is 48 thousand tons at a grade of 1.37 oz Au/ton.

In addition, Queenston's share of the Inferred Resource is estimated at 67 thousand tons at a grade of 1.24 oz Au/ton.

Table 7: Queenston' Share of South Claims JV Resources

ESTIMATED MEASURED AND INDICATED RESOURCES, APRIL 30, 2010 (tons X 1000, grade oz Au/ton)						
Location	**Measured**		**Indicated**		Total	
	Tons	**Grade**	**Tons**	**Grade**	**Tons**	**Grade**
South Zones, Levels						
5600 (1)			14.0	1.04	14.0	1.04
5700 (1)			17.5	1.55	17.5	1.55
5800 (1)			16.8	1.45	16.8	1.45
Total			**48.3**	**1.37**	**48.3**	**1.37**

This table is reproduced in metric measurement in Appendix C.

Discussion of Resources:

The Macassa geological staff under the supervision of S. Gray, P.Geo. and S. Carmichael, P.Geo. completed the resource estimation.

Glenn R. Clark, P.Eng, reviewed the estimation procedures and the application of the procedures. This involved reviewing the interpretation of many of the stopes and spot checking the calculations and the summaries. The classifications meet the requirement of NI43-101 classification of Resources and Reserves.

The SCJV resources were estimated based on the underground drilling. The surface drilling on the HM Claim is not included within this resource.

The true test of a reserve estimate is whether the exploitation of the resource closely matches the estimate that was made.

The reserve and resource grades for the traditional mining areas at Macassa are similar to the grades that have been mined over the years. The average reserve grade has traditionally been close to the average head grade mined from 1933-2006 of 0.46 oz Au/ton. The grade mined when long hole stoping was being employed was considerably below this average. It is highly likely that with careful mining and proper grade control the production will match the reserves.

The average grade of the SMC is higher than the historical mining grades. At this time it appears that the grade will be considerably higher than the overall mine average grade when some of the SMC zones are mined.

The South Mine Complex is a very important part of the KLG resources and reserves. The resources on the SCJV extend the South Mine Complex to the south. The resource and reserve estimates for the portion of the SMC on KLG's 100% owned claims are given here to show the importance of the zone. The SMC is still open on both the KLG and SCJV properties.

The SMC on KLG's 100% owned property is estimated at;

M and I Resources, 709 thousand tons @ 0.53 oz Au/ton
Inferred Resources, 826 thousand tons @ 0.72 oz Au/ton

P & P Reserves, 954 thousand tons @ 0.76 oz Au/ton

Table 8: Queenston's Share of Resources 2009 and 2010

QUEENSTON'S SHARE ESTIMATED INDICATED AND INFERRED RESOURCES APRIL 30, 2009 AND APRIL 30, 2010 (tons X 1000, grade oz Au/ton)								
	2009				2010			
Location	Indicated		Inferred		Indicated		Inferred	
	Tons	Grade	Tons	Grade	Tons	Grade	Tons	Grade
SCJV Levels								
5600	12.2	1.22	11.7	1.13	14.0	1.04	13.7	0.94
5700	13.1	1.47	27.4	1.38	17.5	1.55	25.8	1.23
5800	11.2	1.00	23.3	1.10	16.8	1.45	26.9	1.40
Total	**36.5**	**1.24**	**62.4**	**1.23**	**48.3**	**1.37**	**66.4**	**1.24**

Queenston's share of the Indicated Resource increased by 12 thousand tons in the past year, at a grade of 1.77 oz Au/ton.

Section 10

EXPLORATION

Exploration:

The joint venture is planning further exploration on both the South Claims and HM properties in 2010 and 2011. The final program and budget has not been approved by the joint venture committee at this time.

Section 11

CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

The resources estimates truly reflect the mineralization that is currently known on the South Claims property. The estimates conform to the requirements of NI43-101. The resources outlined on the property have been estimated using the same methodology as KLG employs at the Macassa mine.

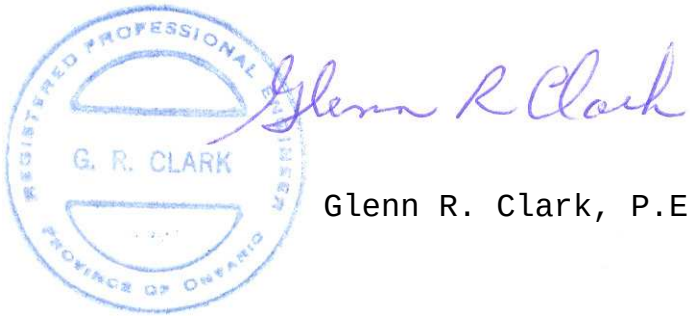
In general the development and exploration program initiated by the SCJV has been rewarding and it should continue.

Recommendations:

The assay capping or cutting is one parameter in the Resource estimation that needs to be monitored and modified if indicated. The capping of assays is an important part of the Resource estimations. There are a number of ways to establish the cap method and the method used by Macassa appears to be sufficient at present. However, it is known that all zones are not the same and the cap for one zone may not be proper for another zone. Changing mineralization or even the size and distribution of the gold will affect the necessary capping level.

KLG has been active in the pursuit of the proper capping levels and this work needs to be continued as more information becomes available. Mining has already started in KLG's wholly owned part of the SMC and the capping will be examined along with the mining reconciliation. Any changes will be applied to the SCJV zones.

For the new zones that have not been mined it will be important to consider the assays and the mineral distribution before a cutting factor is established.



Cobourg, Ontario
August 20, 2010

Glenn R. Clark, P.Eng.

Section 12

CERTIFICATE OF QUALIFICATIONS

I, Glenn R. Clark, am a professional engineer and principal of Glenn R. Clark & Associates Limited, Cobourg, Ontario, Canada. I reside at 288 King Street East, Cobourg, Ontario.

This certificate applies to the report prepared for Queenston Mining Inc., ”Review of Resources on the South Claims Property, Kirkland Lake, Ontario”, August 20, 2010

1. I am a Professional Engineer, registered as a Consulting Engineer with the Association of Professional Engineers of the Province of Ontario, Canada. Registration number 8506016. I graduated from the University of Toronto in 1958 with the degree of Bachelor of Applied Science in Geology. I have been engaged in mineral exploration and mine development for more than 52 years.

2. As a result of my experience and education, I am a “Qualified Person” as defined in National Policy 43-101.

3. This report is based on the examination of the available data including previous reports. A site visit to the Macassa Mine Property was made from April 26-30, 2010 for the purpose of this report.

4. The sources of all information are noted in the report. The information provided by the various parties to the best of my knowledge and experience is correct.

5. I am independent from Queenston Mining Inc. in accordance with the application of Section 1.4 of National Instrument 43-101

6. I reported on the Resources of the South Claims Joint Venture for Queenston on July 17, 2009 and August 25, 2008. I reported on the Resources and Reserves of the Macassa Mine for Kirkland Lake Gold Inc. on July 14, 2010, July 16, 2009, July 15, 2008, October 31, 2007, July 18, 2006 and September 9, 2005. I reported on the Resources and Reserves at Macassa Mine for Lac Minerals annually from 1980 to 1990.

7. I have read National Instrument 43-101 and Forms 43-101F1. This report has been prepared in compliance with these documents.

8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

9. I consent to the filing of this report with any stock exchange or other regulatory authority and any publication by them, including electronic publication of this report, in the public company files on their websites accessible to the public.

Cobourg, Ontario
August 20, 2010

Glenn R. Clark, P.Eng.

Appendix A

TERMS AND DEFINITIONS

Ag refers to silver **Au** refers to gold

GRCA refers to Glenn R. Clark & Associates Limited.

Joint Venture refers to a 50-50 joint venture between Queenston and KLG

KLG refers to Kirkland Lake Gold Inc.

Macassa is the operating property owned by Kirkland Lake Gold Inc.

NI43-101 refers to National Instrument 43-101

NSR refers to Net Smelter Return

P.Geo. refers to Professional Geologist

P.Eng. refers to Professional Engineer

Property refers to the joint venture South Claims property

Queenston refers to Queenston Mining Inc.

SCJV refers to the Queenston-Kirkland Lake gold Joint Venture on South Claims

SMC refers to South Mine Complex

UNITS

All units are Imperial unless otherwise noted.

Ton refers to an Imperial ton of 2000 pounds

oz/ton refers to ounces per dry imperial ton

ac refers to acres

1 mile = 1.609 km

1 acre = 0.405 hectares (ha)

1 ton = 0.907 t (metric tonne)

1 oz/ton =34.286 g/t (grams per metric tonne)

MONETARY

All monetary values are given in Canadian dollars unless otherwise stated.

The Fiscal Year for Queenston is the period January 1 to the following December 31.

Appendix B

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Appendix C

SOUTH CLAIM JOINT VENTURE RESOURCES

Table 9: Queenston's Share of South Claims Resources (metric)

ESTIMATED MEASURED AND INDICATED RESOURCES, APRIL 30, 2010 (tonnes X 1000, grade g Au/t)						
Location	**Measured**		**Indicated**		Total	
	Tonne	**Grade**	**Tonnes**	**Grade**	**Tonnes**	**Grade**
South Zones, Levels						
5600 (1)			12.7	35.66	12.7	35.66
5700 (1)			15.9	53.14	15.9	53.14
5800 (1)			15.2	49.71	15.2	49.71
Total			43.8	46.97	43.8	46.97

Appendix D

JOINT VENTURE DRILL RESULTS TO AUGUST 2009

Table 10: Assay Results of Previous Drilling From 2009 Report

Hole #	Dip (º)	Az (º)	From (ft)	To (ft)	Interval (ft)	Estimated TW (ft)	Au (oz/ton)	Zone
53-1084	-74	168	183.8	190.0	6.2	Unknown	0.11	New
			222.8	223.8	1.0	0.7	1.53	New South HW
			253.0	271.0	18.0	11.3	0.10	New South
53-1085	-63	149	221.7	226.0	4.3	Unknown	0.41	New
			322.2	328.0	5.8	3.0	2.42	New South HW
							0.88 cut	
			322.2	323.3	1.1	0.6	11.6	Incl.
			369.0	383.5	14.5	6.4	0.10	New South
53-1086	-62	207	194.2	196.0	1.8	Unknown	0.25	New
			261.3	267.7	6.4	4.1	1.25	New South HW
			261.3	264.0	2.7	1.7	2.03	Incl.
			264.0	266.0	2.0	1.3	1.00	and
			312.9	317.0	4.1	2.7	0.14	New South
53-1087	-58	183	232.3	236.6	4.3	Unknown	0.95	New
			232.3	234.5	2.2	Unknown	1.48	Incl.
			344.7	354.0	9.3	4.7	1.82	New South HW
							1.10 cut	
			344.7	346.1	1.4	0.7	6.29	Incl.
			352.5	354.0	1.5	0.8	5.38	and
			386.0	390.0	4.0	2.1	1.89	New South
			386.0	388.0	2.0	1.1	3.28	Incl.
53-1088	0	149	110.3	111.3	1.0	Unknown	1.98	New
			410.4	412.6	2.2	Unknown	0.11	New
			515.9	528.5	12.6	Unknown	0.04	New
			549.0	565.0	16.0	Unknown	0.05	New
			2,880.0	2,888.0	8.0	Unknown	0.05	New
Note: Hole 53-1088 was a flat hole drilled across the South Claims Property								
53-1200	-78	154	380.7	392.0	11.3	7.6	1.05	New South
			382.3	383.5	1.2	0.8	3.02	Incl.
			388.5	390.7	2.2	1.5	2.40	and
53-1201	-57	176	572.5	575.5	3.0	1.6	0.06	New South
53-1203	-56	075	548.8	562.3	13.5	7.9	2.63	New South
							1.63 cut	
			555.0	556.5	1.5	0.9	16.16	Incl.
			560.9	562.3	1.4	0.8	2.37	and
53-1212	-85	154	328.7	330.6	1.9	Unknown	0.46	New South HW
			371.8	373.5	1.7	1.3	0.35	New South
53-1213	-75	075	383.0	384.5	1.5	Unknown	2.50	New HW
			394.0	410.4	16.4	12.9	1.81	New South
			397.7	400.0	2.3	1.8	3.01	Incl.
			405.0	407.4	2.4	1.9	6.12	and
			407.4	408.4	1.0	0.8	2.15	and

Table 11: Assay Results of Previous Drilling From 2008 Report

Hole #	Dip (º)	Az (º)	From (ft)	To (ft)	Interval (ft)	Estimated TW (ft)	Au (oz/ton)	Zone
50-901	-15	109	2,787.6	2,836.8	49.2	17.6	0.75	New South
including			2,787.6	2,790.2	2.6	0.9	3.17	New South
and			2,825.0	2,828.0	3.0	1.1	4.34	New South HW
and			2,832.4	2,834.9	2.5	0.9	3.01	New South HW
50-901W	-15	109	2,728.6	2,750.2	21.6	10.5	1.04	New South
including			2,746.5	2,748.9	2.4	1.2	5.40	New South
			2,767.3	2,769.9	2.3	1.2	1.32	New South HW
53-907	-44	109	402.0	403.5	1.5	0.6	0.14	New South
53-908	-50	131	278.4	299.6	21.2	10.0	0.30	Hanging Wall
			306.2	310.4	4.2	1.5	0.75	Hanging Wall
			370.9	375.0	4.1	1.4	4.11	New South
including			370.9	372.0	1.1	0.4	2.47	New South
and			372.0	373.9	1.9	0.6	7.89	New South
53-909	-51	149	251.7	273.2	21.5	10.7	2.57	New South HW
including			251.7	253.0	1.3	0.6	3.40	New South HW
and			259.3	260.8	1.5	0.7	8.86	New South HW
and			269.3	271.3	2.0	1.0	10.09	New South HW
			354.2	371.0	16.8	5.9	2.54	New South
including			355.5	357.5	1.3	0.5	5.33	New South
and			368.5	369.5	2.0	0.7	11.46	New South