TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE FOR THE UPPER BEAVER PROPERTY, ONTARIO FOR QUEENSTON MINING INC.

prepared by

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Toronto, Canada

Watts, Griffis and McOuat
Since 1962
CONSULTING GEOLOGISTS AND ENGINEERS

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

LIST OF TABLES

LIST OF FIGURES

TABLE OF CONTENTS
(continued)

Page

1. SUMMARY

Introduction and Terms of Reference

In 1977, Queenston Gold Mines Limited ("**QGM**") acquired certain assets of Upper Canada Resources Limited, including the Upper Canada Mine and the Upper Beaver Mine located in Gautier Township, and other mineral claims in Lebel and Teck Townships. In 1990, QGM merged with HSK Minerals Limited to form Queenston Mining Inc ("**Queenston**"). From 1995 to 2007, various joint ventures were formed - Queenston currently owns 100% interest in a large land package in the Kirkland Lake area, including the Upper Beaver Property (the "Property").

In 2008, exploration work focused on the Upper Beaver Property where drilling in 2006-07 outlined a large gold-copper system in preparation of industry compliant Mineral Resource estimate. Watts, Griffis and McOuat Limited ("**WGM**") was retained by Queenston to complete a Mineral Resource estimate for the Property and document the study in an independent technical report prepared in compliance with the standards of the Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") and the definitions of the Council of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") standards.

Much of the material used to prepare this report was provided by Queenston, and was in the form of reports and digital drillhole data. Mr. Michael W. Kociumbas, P.Geo., Senior Geologist and WGM Vice-President visited the Property on June 18 and 19, 2008 to review logging and sampling procedures, review core from numerous drillholes and collect independent samples and other pertinent data from site personnel.

Property Description and Location

The Upper Beaver Property is located in northeastern Gauthier Township and northwestern McVittie Township in the Larder Lake Mining Division in northeastern Ontario. The claim group lies 8 km northwest of the village of Larder Lake and is approximately 25 km from Kirkland Lake. The Property consists of 34 patented claims covering 561.579 ha and 3 leased claims (one lease) covering 53.584 ha with surface and mining rights and 5 unpatented

mining claims (37 claim units – 592 ha) for a total 1,207.16 ha. The Property is owned 100% by Queenston with certain claims subject to royalties and interests to other parties.

Three shafts are located on the Property. The #3 Shaft on the west shore of York Lake was the main production shaft for the previous underground operation. It extends to a depth of 605 ft (184 m), with an internal winze from the 500 to the 1250-ft level. Levels are established at 80, 200, 350 and 500 ft, and, at 125-foot intervals from the 500 level to 1250 ft (381 m). The shaft is capped. WGM understands that there are no environmental or First Nation issues on the Property.

Accessibilty, Climate, Local Resources and Infrastructure

The Property is accessible from Highway 66. Beaverhouse Road (a gravel road) crosses Highway 66, 11 km west of the village of Larder Lake. Numerous old drill roads and recently constructed logging roads provide excellent access to the Property. The climate is northern temperate with warm summers and cold winters. Temperatures vary from +30º Celsius in the summer to –40º Celsius in the winter. The ground is usually snow covered between mid-November and mid-April. Vegetation is mixed bush with spruce, fir, larch, jack pine, poplar, birch, ash and alders. The topography is hummocky and relief is in the order of 50 m from lakes, rivers and alder swamps at waterway margins, to higher outcrop knobs with local jack pine. Overburden depths range up to 30 m of clay till.

Kirkland Lake is the main commercial centre for the north part of the Timiskaming District and there is a skilled and capable workforce with experience in mining and mineral exploration in the immediate area.

History

Gold was discovered west of Beaverhouse Lake in 1912 and exploration, development and production was completed on the Property sporadically since then. The main periods of production on the Property were 1912 to 1919, 1919 to 1928 and 1965 to 1971. Minor production also occurred from 1928 through 1944. In 1985, when Queenston first became involved in the Property, magnetometer surveys, detailed surface mapping, rock geochemical survey and limited stripping was conducted. Various joint ventures were formed over the

years, and in 2000, Queenston re-acquired 100% interest in the Property and has been advancing it ever since.

A historic "inferred resource" of 200,000 tons (181,437 t) grading 7.89 g Au/t and 1.2% copper was estimated by Cunningham in 1974 on behalf of Upper Canada Resources Ltd. The estimate includes 68,039 t outlined at the time of closure in 1971, and 113,398 t of an inferred potential resource based on a minimum of 40 drill intersections accessible from the mine workings.

Regional, Property Geology and Mineralization

The Property is located in the Abitibi greenstone belt in the Superior Province of the Canadian Shield. The Upper Beaver area is underlain by a succession of Archean assemblages of volcanic and volcaniclastic rocks of the Tisdale and Blake River assemblages. The dominant regional structural feature is the east-west trending Cadillac-Larder Lake Deformation Zone ("CLLDZ"). This deformation zone includes a number of component faults or breaks which are main controls for gold mineralization. The northeast-trending Upper Canada Break is one such component and likely is a splay fault off the CLLDZ. The Upper Canada Break, and its parallel Upper Canada Break South Branch, straddle the shafts on the Property and control to some extent syenite intrusions on the Property. The Victoria Creek Deformation Zone lies along the contact between the Tisdale and Blake River assemblages in the Property area and also likely represents a component of movement related to the CLLDZ.

The Tisdale assemblage is conformably overlain by the Lower Blake River assemblage. This contact is located immediately south of the Upper Beaver mine shafts. The Victoria Creek Deformation Zone is in part spatially coincident with this contact between the older Tisdale and younger Lower Blake River assemblages. The majority of the north part of the Property is underlain by the Lower Blake assemblage. These rocks consist of an alternating sequence of strongly magnetic iron and magnesium-rich tholeiitic basalts. The southern part of the Property is underlain by Timiskaming volcanics, volcaniclastics and sediments, however. the age of these sediments is currently being debated. This sequence is in fault contact with Upper Tisdale assemblage rocks.

Syenite complexes of Timiskaming age intrude both the Tisdale, Blake River and Timiskaming assemblages. A prominent plug of syenite and mafic syenite, 600 m in diameter, occurs 250 m north of the #3 Shaft. A feldspar porphyry intrusion lies adjacent to its margin. Matachewan diabase dykes cut all other rock units. A diabase dyke, 30 to 40 m thick follows the north-trending Misema Fault. The mafic volcanics east, west and north of the syenite plug strike east-west and dip 70-80º to the north. Three sets of faults have been mapped; northwest-trending and steeply dipping northeast, northeast-trending and steeply dipping northwest, and east-west striking faults, dipping steeply north through the syenite plug and mafic volcanics.

The Upper Beaver deposit is atypical for the Kirkland Lake camp because of the copper-gold association at Upper Beaver with the widespread and pervasive development of magnetite-feldspar-actinolite-epidote and carbonate-sericite. Mineralization at Upper Beaver occurs both in flat and steeply dipping zones; is of replacement-type with rare vein-type mineralization is associated with minor to pervasive alteration which includes feldspathic, epidote, carbonate, sericite, silica and magnetite with trace hematite; and has an element association of Cu, Au, or Au-Cu with associated molybdenum. The three main groups of mineralization (from south to north) are the South Contact Zones; Beaver North Zones; and North Basalt Zones.

The controlling structure for these zones vary. For the North Basalt Zones, the controlling structures are probably a combination of the Upper Canada Break, folded primary volcanic stratigraphy and intrusion of the syenite complex. For the South Contact Zones, multistage deformation along the contact between the Lower Blake River and Upper Tisdale assemblages is important. This deformation likely includes the Victoria Creek Deformation Zone, the feldspar Porphyry and progressive deformation prior to, during and postdating the feldspar porphyry. For the Beaver North Zones, these same controls seem likely, plus the central syenite plug and continual deformation postdating intrusion of the central syenite plug are probably important. Mineralization also is zoned both with depth and laterally towards the central parts of individual zones.

Exploration and Drilling

Queenston exploration programs since reacquisition of the Property in 2000 have consisted mostly of diamond drilling and some geophysical surveying. In early-2005, Queenston re-

established a north-south cutline grid over the north-central part of the Property with lines spaced at 100 m intervals and completed a frequency domain Induced Polarization ("IP") survey over the grid. A number of IP and magnetic anomalies were tested in Phase I, May 2005, by drilling 15 holes into these anomalies and to follow-up anomalous gold-copper zones intersected in the 1989-1995 Pamorex/Beaverhouse/Queenston joint venture drill programs. The Phase II program completed August 27, 2005, which consisted of five holes, was conducted to follow-up the results of the first phase. The exploration programs in 2006 consisted mostly of drilling during Phase III (from September 2005 to November 2006) and consisted of 54 drillholes.

Preceding 2007 drilling, a helicopter-borne geophysical survey over the Property was completed to determine the geophysical signature or "footprint" of the Upper Beaver gold-copper deposit and identify other potential targets on the properties. The most significant electromagnetic responses are located in the southern portion of the survey area within a magnetic-low feature that outlines the Upper Tisdale metavolcanic felsic pyroclastic assemblage. In late-2007, a four-line Titan24 DCIP and MT survey was run over the Property to determine the geophysical characteristics of the new gold-copper mineralization discovered and to identify other, deeper targets on the Property that display similar characteristics. Queenston completed exploratory drill holes testing a variety of targets, with the most significant result intersecting a mineralized zone approximately 300 m vertically below the previous drilling (assayed 2.7 g Au/t with 0.75% Cu over a core length of 4.8 m - 3.5 m true width). This intersection beneath the current Mineral Resources confirms the continuity of the mineralized corridor to depth and adds potential for additional resources at Upper Beaver.

The drilling in 2006 encountered several areas of high grade mineralization over wide intervals and after completing a preliminary in-house resource estimation, it was decided to carry out an infill definition drilling program in preparation for an "NI 43-101" Mineral Resource estimate. The Phase IV infill drilling program started January 3, 2007 and was completed March 19, 2008. The purpose of this work was to drill off the Upper Porphyry gold-copper zone at 50-m spacing between the 400-700 m levels. The drilling also tested the Syenite, North Contact, Lower Porphyry, Lower Gauthier and Syenite Breccia zones which occur in a broad alteration corridor above and below the main Upper Porphyry Zone. The Phase I to Phase IV programs aggregated 100,672 m. All drilling was nominally NQ and carried out by Benoit Diamond Drilling Ltd. from Val d'Or, Quebec.

Sampling and Quality Assurance / Quality Control

Core displaying obvious mineralization and alteration is sampled and depending on the lithology, alteration and mineralization, sample widths vary from 0.30 m to 1.4 m, averaging 1.0 m. The core samples are cut in half for assaying using a diamond core saw. Samples with visible gold are flagged and the core cutter is advised to take special care to clean the saw blade after cutting the potentially high grade sample in order to avoid contamination of the next sample. The assay lab is also advised of visible gold samples to avoid batch contamination. The bagged samples are placed in plastic pails and delivered Swastika Laboratories Ltd. ("**Swastika**"). Secondary laboratories for external check assaying were used for the 2007 to 2008 programs. For Queenston's programs prior to 2006, there were no field-inserted Standards and/or Blanks. For its 2006 to 2008 programs, field-inserted Certified Reference Standards and Blanks supplemented Swastika's internal Quality Assurance / Quality Control ("QA/QC") programs on Blanks and Standards.

At Swastika, all samples were assayed for gold by fire assay using a 1 assay ton charge and for copper using Atomic Absorption spectroscopy ("AAS"). Routine sample preparation includes sample drying, crushing to 6 to 10 mesh, and splitting out a 400 g sub-sample using a Jones Riffler. The 400 g sub-sample is pulverized using a ring and puck pulverizer to 90-95% passing 100 mesh. For gold analysis by fire assay, the finish is routinely by AAS. For copper assay, digest is by aqua regia (nitric and hydrochloric acids) in a hot water bath until the pulp is all dissolved. Samples that on initial assay return results greater than 1 g Au/t are re-assayed and these assays are then finished gravimetrically. Samples that on initial assay return greater than 1% Cu are re-assayed using a smaller charge of sample. A total of 1,220 samples from the 2005-2006 drill programs, in addition to routine assaying, were re-assayed by the screened pulp metallic method. In the final database, the final gold assay is the metallic screen assay, where such assays were completed. Metallic screen assaying was discontinued after the 2006 program.

Starting with the infill definition drilling program in January 2007, Queenston initiated insertion of Certified Reference Standards and Blanks into the sample stream at frequencies of one control sample every 25th regular/routine sample. Blank samples were drill core of un-mineralized basalt and interflow sediments from a previous Queenston drill program. Blanks were also inserted following samples containing coarse visible gold for the purpose of determining if there was any contamination between samples. No re-assaying was done by

Queenston on the basis of the results for field-inserted Blanks and Standards. Queenston used Polymet and Expert for Check assaying a selection of samples originally assayed by Swastika. Queenston's aim was to complete Check assaying on 5% of rejects and 5% of pulps from the gold-copper mineralized zones.

WGM observed that logging and sampling procedures were meticulous and "general housekeeping" at the site, core shack and field office was very good. While at the site, WGM reviewed numerous intersections of drillholes completed by Queenston throughout the various phases of drilling. Drill core was examined and compared with drill log descriptions and representations on drill cross sections. Nine independent samples of mineralized split drill core (the remaining half) were taken for check assaying at SGS Mineral Services Inc. ("**SGS**") ISO 9001:2000 accredited laboratory in Toronto. The WGM samples were taken as characterization samples to confirm that gold and copper was present and the general nature/tenure of the mineralization. WGM's sampling results generally corroborated those obtained by Queenston. The variance in assays from one half of the core to the other is typical of gold mineralization and, in particular Upper Beaver-style deposit mineralization, where there may be coarse gold particles present.

Mineral Processing and Metallurgy

Samples of Upper Beaver ore are thought to have been first tested by American Cyanimid Co. in 1939. The next documented series of tests was performed in 1963. Jigging was attempted, but the laboratory equipment was said to be inadequate and the test results unsatisfactory. Using a procedure involving flotation and cyanidation of the flotation tailings, 94 and 95.5% of the copper was recovered from two composite samples with 86.6 and 89.6% Au flotation recovery, which increased to 96.2 and 96.9% after cyanidation of the flotation tailings. Direct cyanidation was also attempted but the presence of 1% Cu resulted in significant solution fouling problems unless extreme cyanide levels were employed.

Faraday Mines undertook three tests of Upper Beaver ore in 1964 and were able to recover 95.5 – 97.2% of the copper in a Cu-Au concentrate, together with 84.5 – 87% of the gold, which could be increased to 96.8% by cyanidation of the flotation tailings. These tests were performed at a fineness of grind of 56% passing 200 mesh and the ore proved to be free-milling. In 1964, Upper Canada recommended putting the Upper Beaver deposit into production by retro-fitting of the Upper Canada mill with a separate milling circuit to include

jigging and flotation. A 150 tpd flowsheet was developed and constructed, but had no jigging stage. The flotation circuit comprised seven Denver No. 24 cells – four roughing, two scavenging and a single cleaner cell. The flotation tailing was thickened and introduced to an agitator at the tail end of the Upper Canada cyanidation circuit. Early production figures from Feb. to Nov. 1965 showed 37,277 tons milled at 12.3 g Au/t and 0.64% Cu, with recoveries of 90% for copper and 93.6% for gold. First shipments of concentrate to the Horne Smelter in Rouyn-Noranda, Quebec, assayed 189 g Au/t and 23.3% Cu.

In July 2008, Queenston authorized a limited bench scale testing program at SGS–Lakefield with the primary objective of confirming metallurgical performance of earlier testwork and mine production as part of the recent Upper Beaver Property NI 43-101 Mineral Resource assessment. Two samples were provided; the master composite sample was selected from copper-rich gold-bearing intersections, while the secondary sample was prepared from copper-poor intersections. A Bond ball mill work index test was also completed on the high copper sample. Two gravity concentration tests have been performed on the high copper sample using a Knelson concentrator at varying finenesses of grind. To date, a total of six flotation tests have been undertaken. Copper recoveries in the roughing stage have varied from 96.5 to 98.3%, with the best of the two cleaning tests giving a cleaner concentrate of 19.9% Cu at a recovery of 96.3%. Flotation recovery of gold in the roughing stage has ranged from 83.1 to 88.7%. Combined gold recovery from gravity and flotation in one test was 92.5%, and 94.2% in another test at a 14.2% Cu grade, versus the range of 84.5 to 89.6% reported in earlier flotation testwork.

Mineral Resource Estimate

WGM prepared a Mineral Resource estimate for the Upper Beaver Property. The procedure included development of 3-D wireframe models for the mineralized zones that have sufficient data to allow for continuity of geology and grades and the generation of a block model for each defined zone and categorizing the Mineral Resource estimate results according to NI 43-101 and CIM definitions. Vertical sections were generated to mimic those defined by Queenston staff for its cross sectional interpretation and the drilling for zone definition was conducted on sections that had a spacing that varied from 25 m to 50 m, with most drilling conducted on 25 m spaced sections. In total, 25 west-looking cross sections at 25 m spacing were defined. A minimum horizontal width of 2 m and a nominal 1.0 g Au/t cutoff was used to determine the zone outlines for continuity purposes. As the building of the 3-D zone

models/wireframes progressed, revisions to the interpretation were made until WGM was satisfied within the 3-D spatial integrity of the zones. The final interpretation was discussed with Queenston technical personnel before proceeding to the Mineral Resource estimation stage.

In order to carry out the Mineral Resource grade interpolation, a set of equal length composites of 1.0 m was generated from the raw drillhole intervals. The statistical distributions of both Au and Cu show good lognormal distributions. WGM studied various capping levels for both Au and Cu and determined that an upper value of 50 g Au/t and 2% Cu for all the defined mineralized zones was appropriate. An Inverse Distance Cubed ("ID^3") method for Au and ID^2 for Cu was used for grade interpolation. The net result of WGM's capping for the Mineral Resource estimate at a 3.0 g Au/t cutoff grade was to reduce the Indicated Resource Au grade by 8.8% and the contained metal by 12.4%, and to reduce the Inferred Resource Au grade by 9.4% and the contained metal by 9.8%. The capping on the Cu grades had a similar reducing effect on the contained metal.

Queenston determined specific gravity ("SG") measurements on half core, as well as on rejects of assayed samples by pycnometer method. In general, SG increases with both copper and gold grade, but the rate of increase is small. A constant SG of 2.9 was used for the Mineral Resource estimate. The block model was created using the Gemcom software package to create a grid of regular blocks to estimate tonnes and grades. The block sizes used were 5 m (strike) x 2 m x 5 m (height).

To categorize the Mineral Resources, WGM generated a distance model (distance from actual data point to the block centroid) and reported the estimated resources by distances which represented the category or classification. WGM chose to use the blocks that had a distance of 25 m or less to be Indicated category and +25 m to be Inferred category. For the Mineral Resource estimate, a 3.0 g Au/t cutoff was determined to be appropriate at this stage of the project (see table below). These parameters were chosen based on a preliminary review of the parameters that would likely determine the economic viability of an underground mining operation and comparison to similar projects in the area that are currently being mined or are at an advanced stage of study / development.

Categorized Mineral Resource Estimate For
Main Upper Beaver Zones (Cutoff of 3.0 g Au/t)

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 1.0 g Au/t outline and a minimum horizontal thickness of 2 m.
2. Mineral Resources were estimated using a block model with a block size of 5 m by 5 m by 2 m and a specific gravity of 2.9 t/m³
3. Grade capping was done on 1 m composite/individual assays at 50 g Au/t and 2% Cu.
4. Assumed gold price was US$650/ounce.

Conclusions and Recommendations

Based on our review of the available information for the Upper Beaver Property and the results of our Mineral Resource estimate, WGM concludes the following:

- The Upper Beaver deposit is an Archean gold lode deposit with structurally controlled mineralized zones consisting of brittle to ductile discontinuous, anatomising structures. Such deposit types are common along the CLLDZ in the Kirkland Lake area, however, the Cu-Au association at Upper Beaver is not typical in this camp. The Upper Beaver deposits are consistent with an alkali porphyry copper-gold model and the mineralization occurs both in flat and steeply dipping zones; is of replacement-type with rare vein-type mineralization; is associated with minor to pervasive alteration which includes feldspathic, epidote, carbonate, sericite, silica and magnetite with trace hematite; and has an element association of Cu, Au, or Au-Cu with associated molybdenum;

- The Upper Beaver Property has three main types of mineralization, or groups of zones; the South Contact Zones, Beaver North Zones, and North Basalt Zones. The North Basalt Zones currently do not have Mineral Resources estimated. The Indicated and Inferred Mineral Resources are summarized below:

Summary of Upper Beaver Property Mineral Resource Estimate
(Cutoff of 3.0 g Au/t)

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	291,000	7.7	262,500

Note: Au is capped at 50 g/t; cu is capped at 2%.

- Plans and cross sections through the current block model display a reasonable distribution of gold grades based on drillhole intersections;

- Queenston's current sampling, assaying and QA/QC protocols represent good industry practice and are appropriate for this type of deposit. Analytical results for prepared Standards inserted by Queenston and Check assaying completed at Secondary labs indicates Primary assay laboratory results are, in general, accurate and precise;

- The follow-up phases of Queenston's drilling programs had a favourable impact on zone interpretations and Mineral Resources, indicating that the main zones of mineralization are fairly continuous and predictable along both strike and dip; and

- The Upper Beaver Property shows excellent potential for additional Mineral Resources being defined, either as extensions of known zones, or as further delineation of known gold mineralization with more drilling. Some of these areas may be better drilled from underground due to the length of the holes from surface or old workings making drilling from surface less than optimal or even impossible.

WGM offers the following recommendations for the Upper Beaver Project:

- WGM believes Queenston's general QA/QC procedures are to industry standards, but we also note that none of the quality control materials submitted to the lab were "blind", except for the Blanks. These Blanks were also used to check for carry-over gold in the crushers, as they were also submitted after high grade samples and WGM believes this is good practice. A program of some second half core assaying can also be useful for quality assurance because such samples are blind to the lab;

- WGM notes that Swastika's lab protocols call only for blowing out the crushers and pulverizers between samples, not using a wash sample between high grade samples. If Queenston is providing notice to the lab that particular samples are high grade, it is WGM's opinion that the lab should be using a wash after high grade samples;

- WGM recommends that Queenston strives to improve its sampling and assaying database for future drilling programs and should compile all of its pre-2006 assay records. The databases should include all assays, not just the Finals computed from component assays. The database also should include results for all QA/QC materials both for Queenston inserted materials and also laboratory inserted materials;

- Queenston maintains an archive containing digital text versions of its assay certificates from both Swastika and the Secondary assay labs, but should also acquire and store the PDFs of the final signed certificates from the labs. Queenston should also strive to avoid repeating sample numbers, as sample number repeats complicate tracing assays to certificates and archived core;

- Considering that iron-rich tholeiitic basalts are common host rocks to the mineralized zones and certain intrusives also have magnetic aureoles, the traces for the drillholes that only have EZ-SHOT surveys are not optimally reliable. WGM recommends that a non-magnetic downhole drillhole survey system be used for all future drilling and Queenston try to complete collar surveys on all collars not already surveyed. WGM understands that all drillholes are currently being gyro surveyed. Also the surveying of collars not already surveyed, especially the holes used in the Mineral Resource estimate, is in progress and should be completed shortly;

- Doing SG determinations on rejects has an advantage compared to determinations on 6 inch core lengths in terms of defining SG variations with copper and gold grades. However, WGM recommends that future pycnometer work should be done using organic solvents in place of water, or using the gas comparison pycnometer method. Another improvement in approach would be to use an apparatus for weighing in water and air that can accommodate an entire sample of half core (i.e., a bulk measurement) in order to better compare the SG to the resultant assay for exactly the same interval. WGM also recommends that the SG results, like all assays, should also be stored in an assay database table for ease of use and comparison purposes;

- WGM believes that an alternative approach to estimate SGs for the Mineral Resource block model would be on the basis of copper grades, or by regressing SG against a combination both copper and gold grades. Using SG in the function for averaging grades most likely would result in slightly higher average grades for both gold and copper in the Mineral Resource estimate and excluding SG is likely slightly conservative;

- WGM recommends that future Mineral Resource estimates, after more drilling is conducted, include evaluation of multiple capping strategies for individual zones; and

- Further metallurgical and engineering studies need to be completed in order to determine if the addition of a cyanidation step to improve the overall gold recovery by 2-3% to the 96% level would be economic. The flowsheet and permitting requirements would be simplified if no cyanidation was used, while reducing capital expenditures and operating costs. As part of this future testing program for cyanidation of the flotation tailings, low copper samples will be evaluated using the gravity–flotation–cyanidation approach and preliminary environmental testwork on tailing samples will also be undertaken. This phase of the Upper Beaver Property testing program is scheduled to be completed by the end of 2008.

Upper Beaver Proposed Work Program and Budget

In general, the work in progress and planned for the Upper Beaver Property includes further exploration and Mineral Resource definition drilling, metallurgical testwork (employing gravity and floatation methods) and a Preliminary Assessment ("PA") to evaluate the economics of the project. A total of 24 drillholes is planned, including both pilot holes and wedge holes, representing a total of approximately 20,000 m of drilling. This work is estimated to cost approximately $2.56 million and upon completion, Queenston will make a decision on whether to advance the project to the pre-feasibility stage.

The above description of the work program and estimated cost breakdown for the next phases for the Upper Beaver Property is summarized below:

Upper Beaver Work Program and Budget
2008-2009

Main Task	Units	Unit Cost (C$)	Cost (C$)
Delineation and exploration diamond drilling, all inclusive price	20,000	$120	C$2,400,000
Metallurgical Testwork			60,000
Preliminary Assessment and initialize Baseline Study			100,000
TOTAL			**C$2,560,000**

2. INTRODUCTION AND TERMS OF REFERENCE

2.1 GENERAL

Queenston Gold Mines Limited ("**QGM**") was incorporated in 1941 in Ontario and held properties in Gauthier Township, including the current Anoki and McBean gold deposits. In 1977, QGM acquired certain assets of Upper Canada Resources Limited, including the Upper Canada Mine and Upper Beaver Mine located in Gautier Township, as well as other mineral claims in Lebel and Teck Townships. From 1978 to 1995, QGM formed 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, QGM merged with HSK Minerals Limited to form Queenston Mining Inc. ("**Queenston**"). From 1995 to 2001, Queenston formed a joint venture with Franco-Nevada Mining Corporation Limited ("**Franco-Nevada**") to explore joint properties in the Kirkland Lake area.

In 2002, Queenston purchased the joint venture assets of Franco-Nevada from Newmont Mining Corporation to hold a 100% interest in a large land package in the Kirkland Lake area. This land package (19 properties) now represents a total of 887 patented, leased and unpatented mineral claims (34,600 acres) hosted in three townships; Gauthier, Lebel and Teck. In 2004-2007, Queenston and KL Gold formed three joint ventures in Teck Township to explore properties adjacent to the Macassa gold mine.

In the eastern portion of the Kirkland Lake camp in Gauthier Twp., Queenston's goal is to advance four 100% owned gold deposits (Upper Beaver, McBean, Anoki and Upper Canada) to industry compliant Mineral Resource status. In 2008, exploration work was focused on the Upper Beaver Property (the "Property") where drilling in 2006-07 outlined a large gold-copper system that was being prepared for a Mineral Resource estimate.

2.2 TERMS OF REFERENCE

Watts, Griffis and McOuat Limited ("**WGM**") was retained by Queenston to complete a Mineral Resource estimate for the Property and document the study in an independent technical report prepared in compliance with the standards of the Canadian Securities

Administrators' National Instrument 43-101 ("NI 43-101") and the definitions of the Council of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") standards.

This NI 43-101 Technical Report is copyright protected, the copyright is vested in WGM, and this report or any part thereof may not be reproduced in any form or by any means whatsoever without the written permission of WGM. Notwithstanding the foregoing, WGM hereby permits Queenston to file this report with securities regulators to support public disclosure of the Mineral Resource estimate and for filing on SEDAR. Furthermore, WGM permits the report to be used for a basis for project financings and in the preparation of a Pre-Feasibility Study, should one be undertaken, and that part or all of the report may be produced by Queenston in any subsequent reports, with prior consent of WGM.

WGM was originally authorized to complete the Mineral Resource estimate and NI 43-101 Technical Report by Mr. Charles E. Page, President and CEO, Queenston Mining Inc., on January 10, 2007.

2.3 SOURCES OF INFORMATION

Much of the material used to prepare this report was provided by Queenston. This included a previous NI 43-101 report concerning all of Queenston's property holdings by Dale R. Alexander for Queenston titled: "*Technical Report for the Mineral Properties of Queenston Mining Inc. in the Kirkland Lake Gold Camp*" dated November 15, 2007 and available on SEDAR. Also provided were the reports: "*Drill Report 2005 Drill Program Upper Beaver Property*" prepared by Wayne R. Benham, April 3, 2006 and "*Drill Report 2007-2008 Drill Program Upper Beaver Property*" prepared by Benham, April 9, 2008. WGM was also provided with additional written (in the form of reports and memos) and verbal data by Queenston, as well as drillhole, geology and assay data, both as hard copies and digitally on CD and by e-mail.

Mr. Michael W. Kociumbas, P.Geo., Senior Geologist and WGM Vice-President visited the Property on June 18 and 19, 2008 to review logging and sampling procedures, review core from numerous drillholes and collect independent samples and other pertinent data from site personnel.

A complete list of the material reviewed is appended to this report.

2.4 UNITS AND CURRENCY

Throughout this report, measurements are in metric units, unless the historic context dictates the use of Imperial units is appropriate. Tonnages are shown as tonnes ("t") (1,000 kg), linear measurements are metres ("m"), or kilometres ("km") and precious metal values are grams per tonne ("g Au/t") or troy ounces per ton ("T") ("oz Au/T" or "opt"). Grams are converted to ounces based on 31.104 g = 1 troy ounce and 34.29 g/t = 1 oz/T. Copper assays are generally reported in %. There are also instances where copper is reported in parts per million ("ppm"), where 1% = 10,000 ppm.

Currency amounts are generally quoted in Canadian dollars ("$") and in some cases, United States dollars ("US$").

2.5 DISCLAIMER

This report or portions of this report are not to be reproduced or used other than to fulfil Queenston's obligations pursuant to Canadian provincial securities legislation including disclosure on SEDAR, and if Queenston chooses to do so, to support financings, without WGM's prior written permission in each specific instance, all as discussed in Section 2.2 above.

WGM does not assume any responsibility or liability for losses occasioned by any party as a result of the circulation, publication or reproduction or use of this report contrary to the provisions of this paragraph.

3. RELIANCE ON OTHER EXPERTS

WGM prepared this study using the resource materials, reports and documents as noted in the text and "References" at the end of this report.

WGM has relied on the metallurgical analysis and recommendations of Peter W. Godbehere, B.Sc., an independent consultant based in Rouyn-Noranda, Quebec. His comments are reflected in Section 16 of this report. Mr. Godbehere worked for Noranda Inc. and Falconbridge Ltd. from 1969-2004 almost continuously, holding various positions as mill metallurgist, mill superintendent, superintendent of concentrator and superintendent of business development, primarily at the Horne Smelter, Quebec. Presently, Mr. Godbehere is a consultant in metallurgy, mineral dressing, metal accounting and small mine development for junior exploration, major mining and metallurgical and mine contracting companies. He is not a QP by definition for this report, but Rene Jackman of Lakefield Research (Mr. Godbehere's indirect supervisor) is a P.Eng. and has reviewed the metallurgical write up that is contained in this Technical Report.

WGM has not independently verified legal title to the Property. We are relying on public documents and information provided by Queenston for our descriptions of title and status of the Property agreements.

We have not carried out any independent geological surveys of the Property, but did complete an initial site visit in July 2007 and a second site visit June 18 and 19, 2008 to review drill core and results and to collect data pertinent to the project. We have relied for our geological descriptions and program results solely on the basis of reports, notes and communications completed by or with Queenston.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 PROPERTY LOCATION

The Property is located in northeastern Gauthier Township and northwestern McVittie Township in the Larder Lake Mining Division in northeastern Ontario (Figure 1). The claim group lies 8 km northwest of the village of Larder Lake and is approximately 25 km from Kirkland Lake.

4.2 PROPERTY DESCRIPTION AND OWNERSHIP

The Property consists of 34 patented claims covering 561.579 ha and 3 leased claims (one lease) covering 53.584 ha with surface and mining rights and 5 unpatented mining claims (37 claim units – 592 ha) for a total 1,207.16 ha as listed in Table 1 and shown on Figure 2.

TABLE 1.
UPPER BEAVER PROPERTY CLAIMS AND LEASES

Claim Number	Units	Township	Claim Type	Rights	Interest	Due Date	Royalty
L9551-55 *	5	McVittie	Patented	M+SR	100%	NA	0
L9556-57 *	2	Gauthier	Patented	M+SR	100%	NA	0
L9150-55 *	6	McVittie	Patented	M+SR	100%	NA	0
L9178-80 *	3	McVittie	Patented	M+SR	100%	NA	0
L9545-46 *	2	Gauthier	Patented	M+SR	100%	NA	0
L2601-02 *	2	Gauthier	Patented	M+SR	100%	NA	0
LS339-40 *	2	Gauthier	Patented	M+SR	100%	NA	0
L2648	1	Gauthier	Patented	MRO	100%	NA	2%NSR
L2649	1	Gauthier	Patented	MRO	100%	NA	2%NSR
L7934 *	1	McVittie	Patented	M+SR	100%	NA	0
L7055 *	1	Gauthier	Patented	M+SR	100%	NA	0
L7056 *	1	McVittie	Patented	M+SR	100%	NA	0
L35279 *	1	Gauthier	Patented	M+SR	100%	NA	0
L2586-87 *	2	Gauthier	Patented	M+SR	100%	NA	0
L2588-89 *	2	McVittie	Patented	M+SR	100%	NA	0
L6246 *	1	Gauthier	Patented	M+SR	100%	NA	0
L6247 *	1	McVittie	Patented	M+SR	100%	NA	0
106884 (67180) *	1	Gauthier	Lease	M+SR	100%	2013-Aug-01	0
106884 (72883) *	1	Gauthier	Lease	M+SR	100%	2013-Aug-01	0
106884 (67288) *	1	Gauthier	Lease	M+SR	100%	2013-Aug-01	0
3003814-15	12	Gauthier	Unpatented	MRO	100%	2014-Jun-28	0
4210194	8	McVittie	Unpatented	MRO	100%	2014-Mar-24	0
4210195	16	McVittie	Unpatented	MRO	100%	2014-Mar-24	0
4210196	1	McVittie	Unpatented	MRO	100%	2014-Mar-24	0
Total	**74**						

Note: M=Mining Rights, SR=Surface Rights, MRO=Mining Rights Only.

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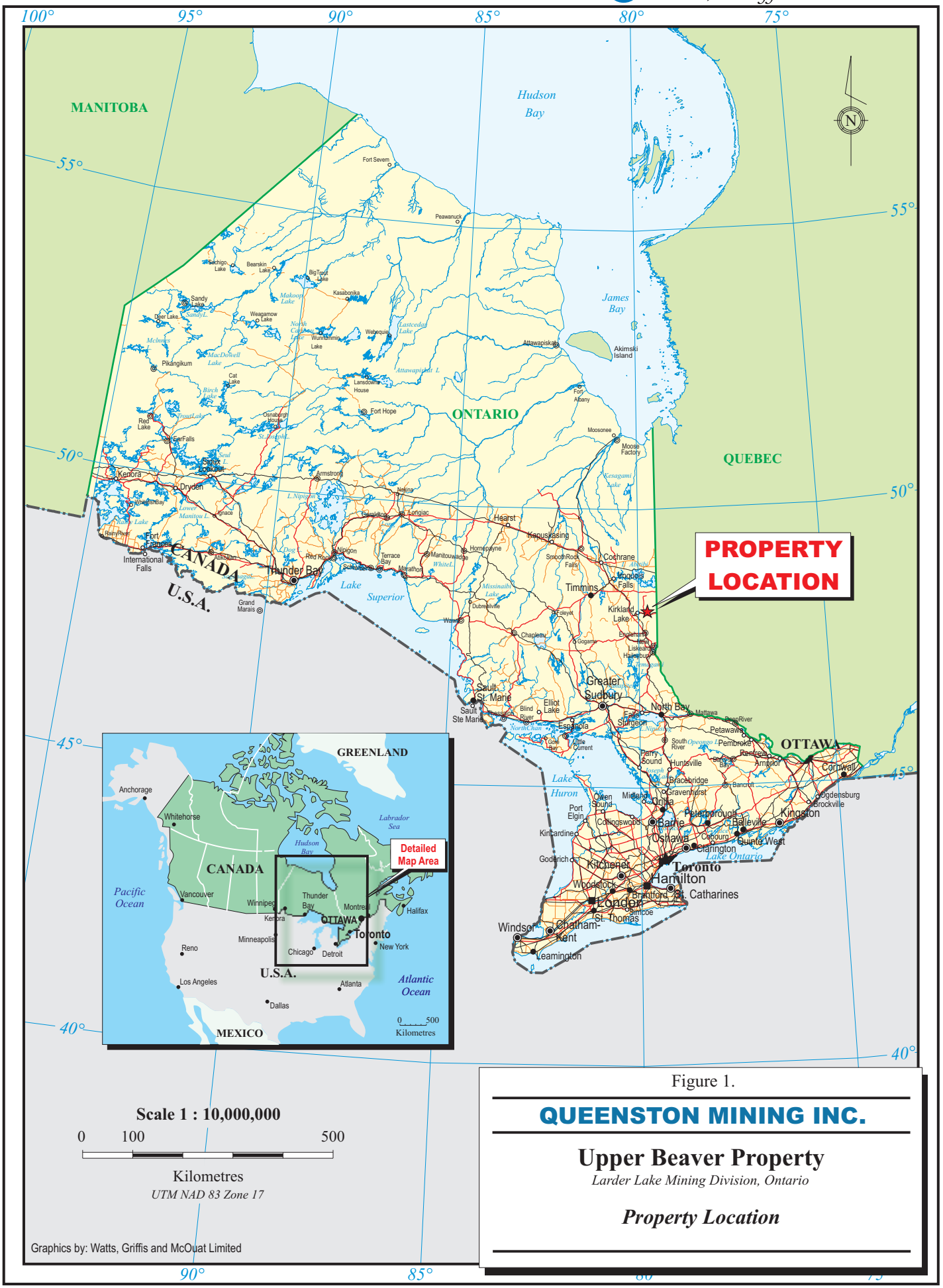

Figure 1.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

Property Location

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Last revision date: Tuesday 28 October 2008

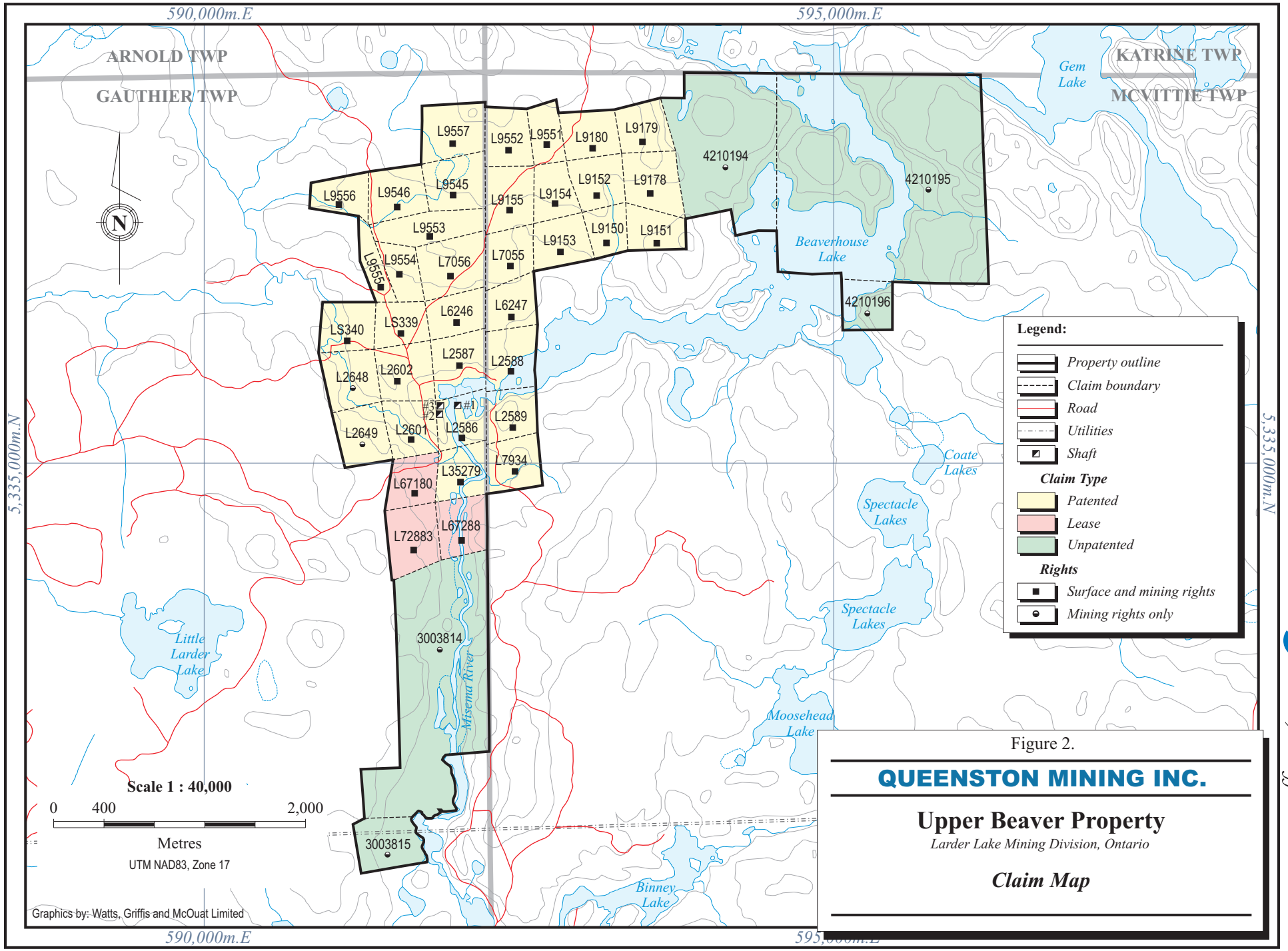


Figure 2.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

Claim Map

Watts, Griffis and McOuat

The patented claims would have had a legal land survey when they were registered, however, WGM has not seen this survey. The Project Geologist, Mr. Wayne Benham, states he has not observed any iron bars on the Property, however, the leased claims have been surveyed. The Ontario Mining Act requires that unpatented claims must be surveyed by a licensed Ontario surveyor before a lease can be granted. All survey documents for the Upper Beaver Property leased and patented claims are registered and filed at the Ontario Land Registry Office located in Haileybury, Ontario.

The unpatented mining claims have not had a legal land survey.

The Property is owned 100% by Queenston with certain claims subject to royalties and interests to other parties (see Property Agreements).

Queenston pays a land tax to maintain the patented claims in good standing. The 21-year Lease, 106884, covering three claims requires annual rental payments. To maintain unpatented claims in good standing, approved exploration work of required dollar value must be completed and filed with the Ministry of Northern Development and Mines. As prescribed by the Ontario Mining Act and Regulations, work to a value of $400 per year is required per claim except for the first year, when no assessment work is required. Assessment work must be performed and applied to each of the mining claims until the holder applies for a Mining Lease. The earliest due date for Queenston's mining claims is August 1, 2013 (see Table 1). WGM understands that Queenston has abundant excess credits from its exploration programs to renew the claims when they become due.

4.3 PROPERTY AGREEMENTS

Contact Diamond Mines Corp., formerly Sudbury Contact Mines Limited, holds 100% of the diamond rights only on the 35 leased and patented claims.

On claims L2648 and L2649, Timmins Forest Products holds a 2% Net Smelter Return ("NSR") royalty (see Table 1). Queenston has the right to purchase 50% of the royalty, at any time, for C$1,000,000 and retains a First Right of Refusal on any third party offer to purchase the royalty.

4.4 ENVIRONMENTAL ISSUES

WGM understands that there are no environmental issues on the Property. There may be some mill tailings from the 1920s stamp mills, but their location is unknown due to re-vegetation of the mine site. The last production (1965-1972) from the Property was trucked to the Upper Canada mill located 7 km to the southwest.

Three shafts are located on the Property. The #3 Shaft on the west shore of York Lake was the main production shaft for the previous underground operation. It extends to a depth of 605 ft (184 m), with an internal winze from the 500 to the 1,250-ft level. Levels are established at 80, 200, 350 and 500 ft, and, at 125-foot intervals from the 500 level to 1,250 ft (381 m). The shaft is capped. A waste pile from the early 1919-1935 underground development is located east of the #3 Shaft at the edge of Beaverhouse Lake. This waste material is non-acid generating and about 60% was used recently in 2003 to build roads.

The #1 Shaft is located further east, on the east shore of York Lake. It is 102 ft (31 m) deep and water filled. Its perimeter is fenced. Less is known about the #2 Shaft, but historic plans show it to be 68 m SSW of the #3 Shaft at the northern end of the g Vein. The shaft (estimated at 15 m deep) is now incorporated into the g Vein open cut, which is backfilled with waste rock.

In addition to the three shafts, two adits dating to 1912-1919 on the H and K veins are present. Both are backfilled. As noted above, an open cut on the g Vein was backfilled with mine rock, along with capping of various raises, and refurbishment of the fencing and timber at the remaining hazards between 2001 and 2004.

No permits were required to conduct the drilling programs.

4.5 FIRST NATION ISSUES

Queenston is not aware of any First Nation issues pertaining to the Property. At a very early stage in the project development, Queenston intends to consult and seek input from the First Nation communities that may be affected.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

The Property is accessible from Highway 66. Beaverhouse Road crosses Highway 66, 11 km west of the village of Larder Lake. Beaverhouse Road is a gravel road that extends from the village of Dobie to Beaverhouse Lake, a distance of 7 km. Numerous old drill roads and recently constructed logging roads provide excellent access to the Property (see Figure 1).

5.2 CLIMATE

The climate is northern temperate with warm summers and cold winters. Temperatures vary from +30º Celsius in the summer to –40º Celsius in the winter. The ground is usually snow covered between mid-November and mid-April.

Vegetation is mixed bush with spruce, fir, larch, jack pine, poplar, birch, ash and alders. The patented claims were recently logged. Soil conditions and drainage tend to dictate the type of vegetation from open wet swamps to bare outcrop scarps.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The Property is located approximately 25 km east of the town of Kirkland Lake, Ontario. Kirkland Lake is the main commercial centre for the north part of the Timiskaming District and there is a skilled and capable workforce with experience in mining and mineral exploration in the immediate area.

There is no power into the Property. The closest power lines are located 7 km to the south-southwest at the Upper Canada mine site at Dobie, Ontario.

5.4 PHYSIOGRAPHY

The topography is hummocky. Relief is in the order of 50 m from lakes, rivers and alder swamps at waterway margins, to higher outcrop knobs with local jack pine. Overburden depths range up to 30 m of clay till. Outcrop exposure averages 10-15% from low-lying exposures to more prominent knobs.

6. HISTORY

6.1 GENERAL

Gold was discovered west of Beaverhouse Lake in 1912 by Alfred Beauregard. A summary of previous work on the property follows:

1912-1919 La Mine d'Or Huronia: shaft sinking, Nos. 1 and 3 shafts, development and production. No. 1 shaft 102 ft deep located on the east shore of York Lake. No 3 Shaft, 500 ft deep and winze, from 500 ft to 1,250 ft on the west shore of York Lake. Ten levels of mine developed. 15 ton stamp mill constructed;

1919-1928 Argonaut Gold Mines Limited leased the property, constructed a 200 tpd mill and continued production. Mine was closed in 1928 when lower levels failed to develop sufficient ore. Production from 1912 to 1928, 131,000 tons at 0.20 opt Au (6.9 g Au /t and 0.60% Cu);

1935 Beaverhouse Lake Mines acquired property and carries out surface exploration program, which resulted in the discovery of new veins;

1937-1939 Toburn Mines ("**Toburn**") options the property. Underground development and mining to 350-level resumed;

1939 Ventures Ltd. dewatered the mine to the 500-level, 800 ft of new development;

1951 Toburn initiates surface drilling and geological mapping program;

1961 Augustus Exploration Ltd. acquires the property. De-waters the mine, completes surface and underground drilling;

1964 Upper Canada Mines Ltd. ("**Upper Canada**") became manager of the property, conducts AEM ("airborne electromagnetic") survey and geological mapping program;

1965 Upper Canada dewaters mine and carries out underground development. Mine put into production at 100 tpd. Mining rate then increased to 750 tpd, ore trucked to Upper Canada mill at Dobie;

1966 Upper Canada/Canico conducts geophysical test surveys, magnetometer, self potential and VLEM ("vertical loop electromagnetic") surveys completed over known veins;

1967	Upper Canada conducts Turam EM survey and surface drill program to test three AEM anomalies from the 1964 survey. Discovery of pyrite-pyrrhotite-graphite mineralization in Gauthier felsic volcanics;
1968	Upper Canada geophysical test surveys were conducted over the known veins to the west of No 3 Shaft, (IP ("induced polarization"), HLEM ("horizontal loop electromagnetic"), VLEM and magnetometer surveys;
1970	Upper Canada geological report by G.E. Parsons. Surface and underground mapping by R.G. Roberts and J.H. Morris. Geochemical mercury survey completed. Surface drillholes 71-1 to 71-4 completed;
1971	Mine closes after producing 106,750 ounces of gold Au (427,000 tons grading 0.25 opt Au (8.6 g Au t) and 1.28% Cu;
1974	Upper Canada surface diamond drilling, two holes (74-1, 74-2), aggregating 1,588 ft. Eighty-five (85) line miles of magnetometer survey, HLEM, and VLF-EM survey over claims in McVittie Twp. M.Sc. thesis concerning property completed by J.H. Morris;
1974	Upper Canada study of property completed by L.J. Cunningham, consultant. Inferred mineral resource estimate completed totalling 200,000 tons grading 0.23 opt Au, 1.23% Cu; mainly as a salvage operation;
1985	Queenston Gold Mines Ltd. conducts magnetometer surveys, detailed surface mapping, rock geochemical survey and limited stripping;
1989-1990	Pamorex Minerals Inc. - Queenston Mining Inc. JV formed. Program of detailed geological mapping and sampling, overburden stripping and trenching, geophysical surveys; HLEM (Horizontal Loop Electromagnetic) and magnetometer. Diamond drilling of 12 holes and 2 wedges aggregating 20,844 ft;
1991	Beaverhouse Resources Ltd., a subsidiary of Royal Oak Mines Ltd. ("**Royal Oak**") - Queenston Mining Inc. ("**Beaverhouse-Queenston**") JV formed. Diamond drilling of 17 holes aggregating 24,693 ft;
1995	Beaverhouse-Queenston continues exploration with diamond drilling of 10 holes aggregating 12,833 ft. IP and down-hole EM survey completed in drillhole 91-9;
2000	Queenston re-acquires 100% interest in the Property from Royal Oak receiver. Completes diamond drilling of one hole to 596 m;
2005	Queenston continues surface exploration with linecutting and IP survey;

2005 Queenston diamond drilling of 20 holes aggregating 8,334 m;

2006 Queenston extends drill program. Fifty-four holes aggregating 40,720 m completed;

2007 Queenston mandates Aeroquest International Limited ("**Aeroquest**") to complete a helicopter AeroTEM electromagnetic and magnetic survey of the Property;

2007 Quantec Geoscience Inc. ("**Quantec**") Titan-24 Array-DCIP & magnetotelluric survey completed for Queenston; and

2007-Q1/2008 Queenston completes diamond drilling of 60 holes, including wedge cuts, aggregating 49,060 m.

6.2 HISTORIC PRODUCTION

The main periods of production from the Property were 1912 to 1919, 1919 to 1928 and 1965 to 1971. Minor sporadic production also occurred from 1928 through 1944. Table 2 summarizes production after Lovell, 1979.

TABLE 2.
SUMMARY OF HISTORIC MINE PRODUCTION

Period	Source	Production
1912-1944	La Mine d'Or Huronia, Argonaut Gold Mines Limited and Toburn Mines	38,347 ounces of gold and 1,030,783 pounds of copper from 119,372 t grading 9.99 g Au/t and 0.39% Cu.
1965-1971	Upper Canada/Upper Beaver Mines	102,362 ounces gold and 10,924,529 pounds of copper from 407,306 t grading 7.82 g Au/t and 1.22% Cu.
Total		**140,709 ounces gold and 11,955,312 pounds of copper from 526,678 t grading 8.31 g Au/t and 1.03% Cu.**

6.3 HISTORIC MINERAL RESOURCE/RESERVE ESTIMATES

A historic "inferred resource" of 200,000 tons (181,437 t) grading 7.89 g Au/t and 1.2% copper was estimated by Cunningham in 1974 on behalf of Upper Canada Resources Ltd. The estimate includes 68,039 t outlined at the time of closure in 1971, and 113,398 t of an inferred potential resource based on a minimum of 40 drill intersections accessible from the mine workings.

Cunningham (1977) stated that: "the bulk of the resources occur in veins U, X, XW and Y, which lie at the extreme north-western end of the mine workings". WGM understands that a list of the individual blocks that constitute the "resource" are no longer available with the 1974 report. The threads of the calculations are available, but the method and supportive data are missing. Thus, this historic "resource" estimate cannot currently be validated and should not be relied on.

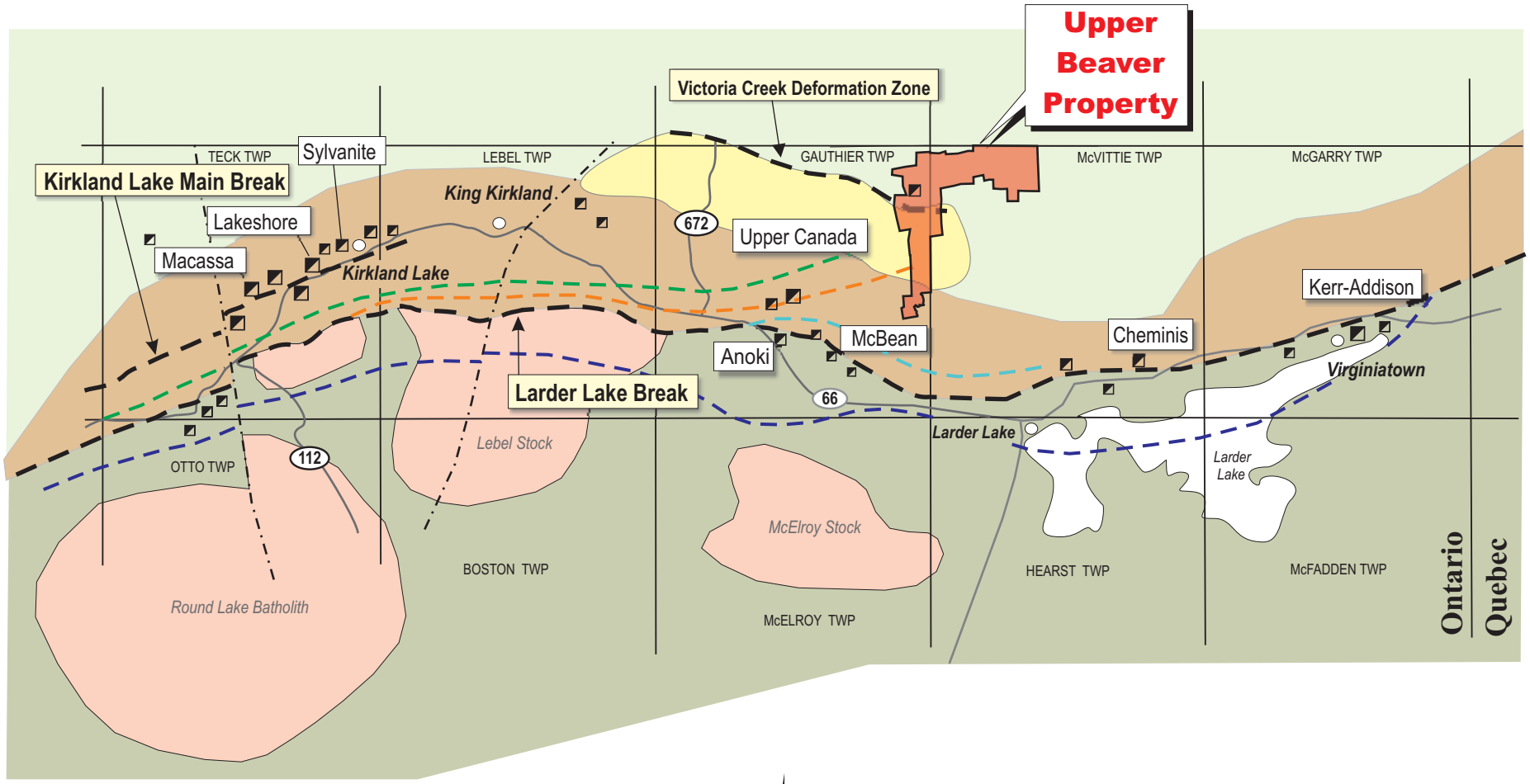
7. GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

The Upper Beaver Property is located in the Abitibi greenstone belt in the Superior Province of the Canadian Shield (Figure 3). Past gold production in the Kirkland Lake area has exceeded 75 million ounces.

The Upper Beaver area is underlain by a succession of Archean assemblages:

Timiskaming	2676-2670 Ma. Clastic sedimentary rocks and some intercalated alkaline volcanic rocks. Syenite intrusions.
Unconformity	
	Upper Blake River: 2701- 2696 Ma; calc-alkaline basalt and andesite with some areas underlain by bimodal tholeiitic basalt and rhyolite.
Blake River	Lower Blake River: 2704-2701 Ma, Tholeiitic mafic volcanics with lesser amounts felsic volcanic rocks and turbiditic sedimentary rocks.
Victoria Creek Deformation Zone	
Tisdale	Upper Tisdale: 2704-2706 Ma Gauthier Group; Mainly calc-alkaline felsic to intermediate volcanic rocks with volcaniclastic sedimentary units.
	Lower Tisdale: 2707-2710 MA, Larder Lake Group, mainly tholeiitic mafic volcanic rocks with some komatiite, intermediate to felsic cal-alkaline volcanic rocks and iron formation



Legend:

- *Syenite Intrusive*
- *Timiskaming Assemblage*
- *Blake River Assemblage*
- *Upper Tisdale Assemblage*
- *Tisdale Assemblage*
- *Past Producer*
- *Fault*
- *103 Break*
- *Upper Canada Break*
- *North Break*
- *South Break*

N

0 2 10

Kilometres

Figure 3.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

Regional Geology

Graphics by: Watts, Griffis and McOuat Limited After Queenston Mining

Watts, Griffis and McOuat

The Upper Beaver area is underlain by volcanic and volcaniclastic rocks of the Tisdale and Blake River assemblages. The dominant regional structural feature is the east-west trending Cadillac-Larder Lake Deformation Zone ("CLLDZ").

The locus of the CLLDZ is approximately 8 km south of the Upper Beaver mine. This deformation zone includes a number of component faults or breaks which are main controls for gold mineralization. The northeast-trending Upper Canada Break is one such component and likely is a splay fault off the CLLDZ. The Upper Canada Break, and its parallel Upper Canada Break South Branch, straddle the shafts on the Property and control to some extent syenite intrusions on the Property. The Victoria Creek Deformation Zone lies along the contact between the Tisdale and Blake River assemblages in the Property area and also likely represents a component of movement related to the CLLDZ.

7.2 PROPERTY GEOLOGY

7.2.1 GENERAL

The central part of the Property is underlain by felsic and intermediate volcaniclastics of the Upper Tisdale assemblage (Figure 4). These rocks are interpreted to occur in the core of an east to east-southeast-trending, southeasterly plunging anticline – the Spectacle Lake anticline. The uppermost unit of the felsic volcanic sequence is a chert-pyritic tuff-carbonaceous sedimentary horizon. The Tisdale assemblage is conformably overlain by the Lower Blake River assemblage. This contact is located immediately south of the Upper Beaver mine shafts. The Victoria Creek Deformation Zone is in part spatially coincident with this contact between the older Tisdale and younger Lower Blake River assemblages.

The majority of the north part of the Property is underlain by the Lower Blake assemblage. These rocks, (previously known as the Kinojevis) consist of an alternating sequence of strongly magnetic iron and magnesium-rich tholeiitic basalts. The southern part of the Property is underlain by Timiskaming volcanics, volcaniclastics and sediments, however, the age of these sediments is currently being debated. This sequence is in fault contact with Tisdale assemblage rocks.

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Last revision date: Wednesday 29 October 2008

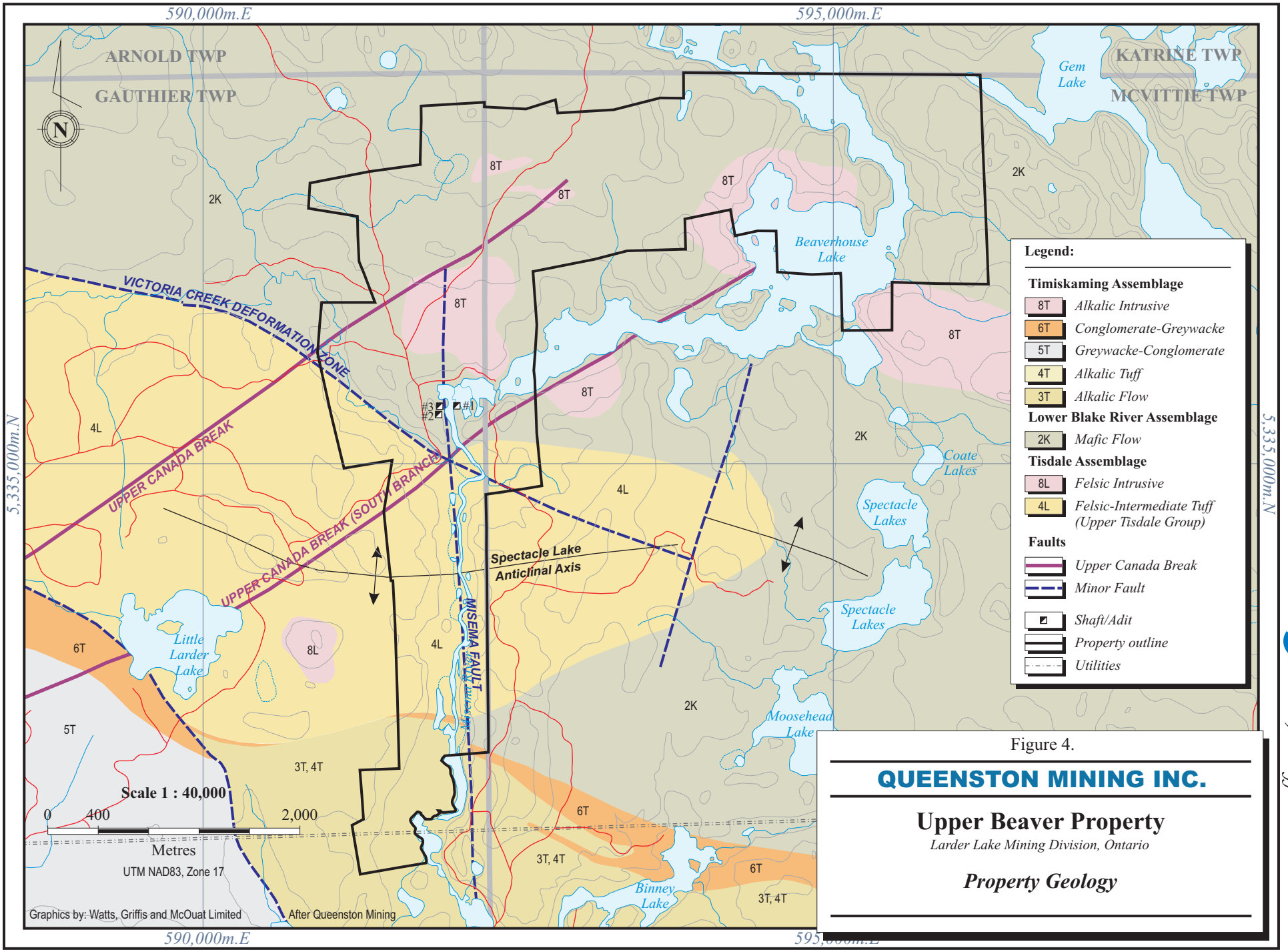


Figure 4.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

Property Geology

Watts, Griffis and McOuat

Syenite complexes of Timaskaming age intrude both the Tisdale, Blake River and Timiskaming assemblages. Various intrusive phases are present. The two main syenite phases are a dark grey mafic syenite and a red-brown to dark grey feldspar phyric syenite with an aphanitic matrix. Feldspar porphyry phases are also present. A prominent plug of syenite and mafic syenite, 600 m in diameter, occurs 250 m north of the #3 Shaft. A feldspar porphyry intrusion lies adjacent to its margin.

Matachewan diabase dykes cut all other rock units. The north-trending Misema Fault follows the Misema River. A diabase dyke, 30 to 40 m thick follows this structure.

The mafic volcanics east, west and north of the syenite plug strike east-west and dip 70-80º to the north. Three sets of faults have been mapped as follows:

- northwest-trending and steeply dipping northeast,
- northeast-trending and steeply dipping northwest, and
- east-west striking faults, dipping steeply north through the syenite plug and mafic volcanics.

8. DEPOSIT TYPES

The Upper Beaver deposit is an Archean gold lode deposit where mineralized zones are structurally controlled and consist of brittle to ductile discontinuous, anatomising structures.

Such deposit types are common along the CLLDZ in the Kirkland Lake area where precious metal production has exceeded 40 million ounces. Details for these deposits are, however, highly variable. Common features include regional and local structural control and spatial and temporal relationship with felsic to alkalic intrusives.

Not-typical for the Kirkland Lake camp is the copper-gold association at Upper Beaver with the widespread and pervasive development of magnetite-feldspar-actinolite-epidote and carbonate-sericite. These features are more consistent with some deposits in the Timmins camp along the Destor-Porcupine Fault Zone. Kontact, Dube and Benham have suggested that the Upper Beaver deposits are consistent with an alkali porphyry copper-gold model.

9. MINERALIZATION

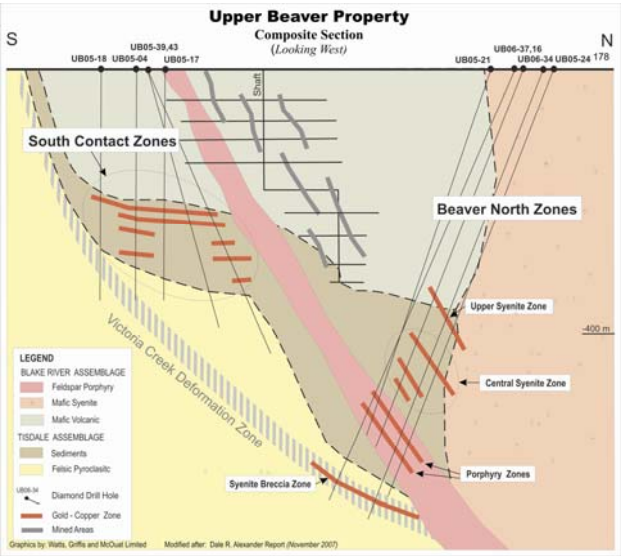
Mineralization at Upper Beaver, as described by Queenston (Kontack, Dube and Benham, unpublished):

- occurs both in flat and steeply dipping zones;
- is of replacement-type with rare vein-type mineralization;
- is associated with minor to pervasive alteration which includes feldspathic, epidote, carbonate, sericite, silica and magnetite with trace hematite; and
- has an element association of Cu, Au, or Au-Cu with associated molybdenum.

Queenston classifies the mineralization as three main groups of zones (from south to north):

- South Contact Zones;
- Beaver North Zones; and
- North Basalt Zones.

The vein systems are complex. Sufficient data is often not available to define a true width. As a rule of thumb, the more steeply dipping zones in the Beaver North and North Basalt Zones are estimated to have a true width factor of 70 to 77% of the core length interval, while the more flatly dipping South Contact mineralization ranges from 90 to 100% of the original intersection. The composite cross section from the previous NI 43-101 report illustrates schematically the South Contact and Beaver North zones, their orientations / structures and host rocks that contain the mineralization.



South Contact Zones

The South Contact Zone disseminated mineralization consists of two, relatively flat-lying zones. It occurs below and south of the mine workings in the Upper Tisdale contact area, marked by the roll in the stratigraphy from a northwesterly to northeasterly strike. Gold and copper contents increase where steeply dipping quartz-chalcopyrite-quartz veins and stringers intersect the flat-lying disseminated zones. The host is mafic breccia and volcaniclastic conglomerate with variable silica, epidote and calcite alteration, along with magnetite, chalcopyrite, pyrite, pyrrhotite, and visible gold.

Beaver North Zones

The Beaver North Zones include a series of east-northeast striking, north-dipping, fracture, vein and stringer systems containing chalcopyrite, magnetite, pyrite and visible gold. They occur below and north of the mine workings near the south contact of the large (600 m) syenite plug. The fracture systems crosscut a variety of rock types and are tentatively named by their position in the stratigraphy when first identified as: Syenite Zones, North Contact Zone (the basalt / syenite contact area), Porphyry Zones (associated with feldspar porphyry), Syenite Breccia Zones, and Lower Gauthier Zone (in Upper Tisdale assemblage rocks).

North Basalt Zones

The North Basalt Zones are located at the north contact of the 600 m, syenite plug. They are also characterized by a series of fractures and stringers with chalcopyrite and magnetite crosscutting syenite to mafic syenite and basalt. In all, some five zones (lettered A to E) are currently indicated, however, drill information is sparse and no Mineral Resources are yet defined for these zones. The fracture systems strike east-northeasterly and dip steeply north. They are primarily found in altered and brecciated basalt. Although no major faulting is indicated, the North Basalt Zones track close to the proposed trace of the regional Upper Canada Break.

The controlling structure for these zones vary. For the North Basalt Zones, the controlling structures are probably a combination of the Upper Canada Break, folded primary volcanic stratigraphy and intrusion of the syenite complex. For the South Contact Zones, multistage deformation along the contact between the Lower Blake River and Upper Tisdale assemblages is important. This deformation likely includes the Victoria Creek Deformation Zone, the feldspar Porphyry and progressive deformation prior to, during and postdating the feldspar porphyry. For the Beaver North Zones, these same controls seem likely, plus the

central syenite plug and continual deformation postdating intrusion of the central syenite plug are probably important.

Mineralization also is zoned both with depth and laterally towards the central parts of individual zones. Early 1920s-1935 historic production came from gold quartz veins with low copper ratios, however, historic 1965-1972 production was from gold-bearing quartz-chalcopyrite-magnetite veins with high copper ratios. The central portions of the Porphyry Zones are chalcopyrite-magnetite rich. Laterally towards the east and west margins of the zones, pyrite becomes the dominant sulphide while chalcopyrite and magnetite decrease. Near the margins, the zone width is less than 1 m quartz-calcite veins, usually with visible gold. Outside the margins of the mineralized zones there is a chlorite-epidote-carbonate altered fractured to brecciated zones.

Vertically, the width of zones typically increase from an average of less than 1.5 m in the volcanics, to greater than 5 m in the syenite and mafic syenite porphyry rocks most, likely due to the more brittle nature of the intrusive rocks. There is an apparent increase in gold grades with depth from 3 g Au/t at the -400 m level to +10 g Au/t below the -500 m level. The Porphyry Zone are still open at depth, so it is not known if there is a similar quartz-sulphide-magnetite zoning towards the bottom of the zones, as is the case laterally. High gold ratios are not directly related to the chalcopyrite and magnetite content of the mineralized zones.

10. EXPLORATION

10.1 GENERAL

Queenston exploration programs since reacquisition of the Property in 2000 have consisted mostly of diamond drilling and some geophysical surveying.

In 2000, Queenston drilled one drillhole. In early-2005, Queenston re-established a north-south cutline grid over the north-central part of the Property with lines spaced at 100 m intervals. Subsequently, Remy Belanger Geophysics from Rouyn-Noranda, Quebec was mandated to conduct a frequency domain Induced Polarization survey over the grid. A number of anomalies were defined that were drilled later in Phase I, 2005. Most anomalies were attributed to flowtop breccias and iron-rich (magnetite-enriched) tholeiitic basalts; some to mineralized zones.

The exploration programs in 2006 consisted mostly of drilling as described under *Drilling*. Preceding 2007 drilling Aeroquest International Limited was contracted to carry out a helicopter-borne geophysical survey over the Property and the adjacent Lac-McVittie JV property. The survey was conducted using an AreoTEM II (Echo) time domain system and a high-sensitivity caesium vapour magnetometer. The total survey coverage was 297.8 line kilometres flown at a100 m line spacing in a 147 degree survey flight direction. The purpose of the survey was to determine the geophysical signature or "footprint" of the Upper Beaver gold-copper deposit and identify other potential targets on the properties.

The magnetometer survey was successful in outlining the geological characteristics of the properties. In the western portion of the survey area, on the Upper Beaver property, the syenite plug that lies north of the mine workings and hosts the gold-copper mineralization at depth is identified by an oval shaped magnetic-low feature. This feature is surrounded by a high magnetic response occurring in the Lower Blake River metavolcanic basalts indicating the presence of magnetite, an important component of the mineralized system that hosts the Upper Beaver deposit. A similar magnetic-high response in the same package of rocks located 4 km to the east has been identified by the survey and will be thoroughly prospected and geologically mapped in 2009.

The most significant electromagnetic responses are located in the southern portion of the survey area within a magnetic-low feature that outlines the Upper Tisdale metavolcanic felsic pyroclastic assemblage. Here the survey has located a cluster of AEM anomalies in an area where previous drilling has intersected semi-massive pyrite, minor chalcopyrite, sphalerite and arsenopyrite with trace gold.

In September and October 2007, Quantec Geoscience Ltd. completed a four-line Titan24 DCIP (DC Resistivity and Induced Polarization) and MT (Tensor-Magnetotelluric) survey over the Property. The purpose of the survey was to determine the geophysical characteristics of the new gold-copper mineralization discovered and to identify other, deeper targets on the Property that display similar characteristics.

The Titan 24 inversion results over the Upper Beaver mineralization identified responses (strong chargeability with coincident DC and MT low resistivity) for the South Contact, Beaver North and North Basalt Zones. The survey also identified at least 5 other anomalies that could represent significant sulphide mineralization, alteration and/or structure.

Queenston has completed nine exploratory drill holes testing a variety of targets on the property including geophysical anomalies that resulted from a Quantec Geoscience, Titan 24 survey. The most significant result was hole UB08-135 that was drilled to target the Porphyry Zone at a vertical depth of 1,100 m in the vicinity of a Titan anomaly. This hole intersected the zone approximately 300 m vertically below the previous drilling and assayed 2.7 g Au/t with 0.75% Cu over a core length of 4.8 m (3.5 m true width). This intersection beneath the new mineral resource confirms the continuity of the mineralized corridor to depth and adds potential for additional resources at Upper Beaver.

Other holes that intersected gold mineralization as part of the anomaly testing program include UB08-130 assaying 5.4 g Au/t over 1.9 m under the North Basalt Zone, UB08-132 and UB08-132W assaying 1.2 g Au/t over 0.8 m and 3.0 g Au/t over 1.5 m located south of the mine workings, and hole UB08-63E assaying 4.4 g Au/t over 0.5 m at the projected location of the Porphyry Zone, 150 m west of hole UB08-135 and 130 m deeper at the -1265 level (true width estimated at 75% of core length).

Holes UB08-129, -131, -133 and -134 targeted isolated Titan anomalies outside the limits of the known Upper Beaver deposit. Each hole intersected zones of alteration and sulphide mineralization and indicate the broad nature of the mineralized system associated to the deposit. Although no significant values were encountered in these holes further exploration is warranted.

11. DRILLING

11.1 PRE-2000 DRILLING

WGM has not reviewed pre-2000 drilling on the Property except for what is listed in the History of the Property section. No pre-2000 drillholes are used for the current Mineral Resource estimate.

11.2 QUEENSTON 2000 TO 2008 DRILLING

11.2.1 GENERAL

The magnetite-chalcopyrite-gold mineralization intersected in altered mafic breccias in the Pamorex-Beaverhouse Resources and Queenston drilling was considered to be possibly representing chalcopyrite-magnetite stringer mineralization related to a hydrothermal feeder zone to a nearby blind VMS deposit similar to the Corbet and Ansil VSM deposits which were mined at Rouyn-Noranda. During the winter of 2005, an IP survey was conducted to search for sulphide zones along east-west striking interflow contacts within the mafic volcanics overlying the felsic volcanics to the north and west of the old mine workings. Several IP anomalies of interest were detected.

Drilling to test the IP anomalies was started in May 2005. Phase I consisted of 15 drillholes (UB-05-01 to UB-05-15) totalling 5,913.4 metres, was planned to test IP and magnetic anomalies and to follow-up anomalous gold-copper zones intersected in the 1989-1995 Pamorex/Beaverhouse/Queenston joint venture drill programs. A phase II program, which consisted of five holes (UB-05-16 to UB-05-20) totalling 2,420.9 metres was planned to follow-up the results of the first phase. Drilling was started on Phase II was completed on August 27, 2005. Phase III extended from September 25, 2005 to November 03, 2006. It consisted of 54 drillholes (UB-05-21 to UB-06-74 totalling 40,720 m.

Drilling in 2006 continued to encounter high grade mineralization over wide intervals. After completing a preliminary in-house resource estimation, it was decided to carry out an infill definition drilling program in preparation for an "NI 43-101" Mineral Resource estimate.

The Phase IV infill drill program started January 3, 2007 and was completed March 19, 2008. The purpose of this work was to drill off the Upper Porphyry gold-copper zone at 50-metre spacing's between the 400-700 metre levels. After intersecting a high grade zone in hole UB07-100 at -810 metre level, the infill drilling was extended to the 800 metre level. The drilling also tested the Syenite, North Contact, Lower Porphyry, Lower Gauthier and Syenite Breccia zones which occur in a broad alteration corridor above and below the main Upper Porphyry Zone. The program consisted of 60 drillholes, including wedge holes (UB-07-75 to UB-08-128), aggregating 49,060 m.

The Phase I to Phase IV programs aggregated 100,672 m. All drilling was nominally NQ and carried out by Benoit Diamond Drilling Ltd. from Val d'Or, Quebec. The drill programs were planned and supervised by Wayne R. Benham P.Geo., Queenston. The core through the four phases was logged and sampled by W. Benham, F. Ploeger, P.Geo; D. Alexander, P.Geo; M. Leblanc, P.Geo and Eric. von Bloedau (Temp. Geo) at Queenston's Upper Canada mine site.

WGM understands that most casings are left in place and drillhole markers consisting of 2" by 2" posts with aluminum tags are used to label all drillholes.

Table 3 provides a list of Queenston's Phase I to Phase IV drill programs.

TABLE 3.
SUMMARY OF DRILLHOLES

Hole-ID	Location X	Location Y	Location Z	Azimuth	Dip	Length
2000						
UB00_1	592030.00	5336775.00	320.0	180	-70.0	596.0
2005						
UB05_01	591733.51	5335410.28	285.7	228	-75.0	255.0
UB05_02	591733.73	5335410.43	285.5	228	-55.0	266.8
UB05_03	591908.79	5335275.00	288.3	235	-70.0	266.8
UB05_04	591908.79	5335275.00	288.3	235	-83.0	408.0
UB05_05	591465.00	5335786.00	308.2	235	-70.0	185.8
UB05_06	591738.73	5336050.98	303.7	180	-55.0	656.8
UB05_07	591441.40	5336173.70	302.4	180	-55.0	595.4
UB05_08	592334.00	5336059.00	300.0	180	-50.0	711.0
UB05_09	592525.00	5336319.00	298.3	180	-60.0	558.0
UB05_10	592227.98	5336654.56	316.2	180	-55.0	360.0
UB05_11	592027.00	5336951.00	320.0	180	-55.0	206.9
UB05_12	592130.00	5337164.00	320.0	190	-50.0	165.7
UB05_13	591928.09	5336726.36	317.3	180	-55.0	492.3
UB05_14	591641.00	5336718.00	316.5	180	-65.0	402.0
UB05_15	591335.00	5336840.00	310.0	180	-60.0	382.9
UB05_16	591838.59	5335974.41	302.9	180	-65.0	681.0
UB05_17	591914.90	5335340.54	284.7	235	-85.0	371.4
UB05_18	591945.29	5335226.57	287.1	235	-85.0	435.0
UB05_19	591933.42	5335289.97	287.0	235	-85.0	332.0
UB05_20	591916.93	5335341.89	284.7	50	-69.0	601.5
UB05_21	591839.45	5335891.19	303.9	180	-65.0	820.9

TABLE 3.
SUMMARY OF DRILLHOLES (continued)

Hole-ID	Location X	Location Y	Location Z	Azimuth	Dip	Length
UB05_22	591836.95	5336072.64	302.7	142.34	-65.5	956.9
UB05_23	591938.42	5336003.97	303.1	180	-64.7	960.3
UB05_24	591672.99	5335959.27	304.6	135.81	-65.8	976.4
UB05_25	591747.81	5335466.78	286.5	145	-60.0	426.4
UB05_26	591747.81	5335466.78	286.5	145	-72.0	419.0
UB05_27	591747.81	5335466.78	286.5	145	-83.0	412.0
UB05_28	591634.62	5335923.92	305.5	139.92	-67.1	1051.0
UB05_29	591746.92	5335465.84	286.1	55	-62.0	537.0
UB05_30	591502.04	5335843.45	304.7	140	-65.0	84.0
UB05_30A	591502.04	5335843.45	304.7	140	-65.0	813.5
UB05_31	591746.92	5335465.84	286.1	55	-72.0	441.0
UB05_32	591744.43	5335464.03	286.1	235	-45.0	414.0
Subtotal	**33**					**16646.6**
2006						
UB06_33	591743.64	5335463.42	286.0	235	-62.0	321.0
UB06_34	591720.22	5335929.73	304.4	142.17	-66.1	962.5
UB06_35	591779.64	5335531.40	284.2	122	-75.0	426.0
UB06_36	591779.64	5335531.40	284.2	122	-88.0	393.0
UB06_37	591708.75	5335866.17	305.3	136.18	-65.9	924.5
UB06_38	591755.07	5335531.35	284.6	126	-74.0	307.0
UB06_39	591911.76	5335330.06	285.5	325	-70.0	336.0
UB06_40	591911.76	5335330.06	285.5	325	-58.0	165.0
UB06_41	591919.93	5335329.24	285.2	55	-45.0	462.0
UB06_42A	591635.71	5335874.89	305.6	133.22	-65.1	921.0
UB06_43	591911.76	5335330.06	285.5	344	-60.0	519.0
UB06_44	591991.04	5335749.79	302.1	140	-57.3	659.9
UB06_45	591627.12	5335808.33	303.6	140	-66.8	999.2
UB06_46	591804.39	5335992.37	303.1	140	-65.9	960.0
UB06_47	591653.34	5335941.97	305.1	140	-64.4	981.0
UB06_48	591764.40	5336044.09	302.9	140	-66.0	924.0
UB06_49	591897.46	5336055.56	302.3	140	-65.0	867.5
UB06_50	591872.39	5336097.63	301.9	140	-65.0	1014.0
UB06_51	592038.51	5336463.62	307.2	318.46	-63.8	761.2
UB06_52	591939.74	5335986.96	303.3	140	-65.0	903.0
UB06_53	591798.61	5336809.79	315.4	147.40	-67.3	792.3
UB06_54	591835.08	5336929.75	314.9	144.2	-66.0	922.0
UB06_55	591976.72	5336115.81	298.9	140	-68.0	1020.0
UB06_56	591834.90	5336929.68	315.0	140.48	-61.5	898.0
UB06_57	592149.86	5336052.77	300.9	140	-68.0	925.0
UB06_58	591768.31	5336985.86	314.1	135	-67.0	974.7
UB06_59	592322.41	5335982.39	305.2	143	-65.0	990.2
UB06_60	591712.00	5336764.98	314.9	142.08	-67.1	869.8
UB06_61	592454.00	5335962.00	301.0	140	-67.0	828.0
UB06_62	591628.00	5336707.00	320.0	136	-67.0	681.0
UB06_63	591565.00	5336626.00	320.0	140	-67.0	782.0
UB06_64	591853.60	5336028.46	303.2	135.96	-63.2	823.4
UB06_65	591839.29	5336749.14	316.1	138	-66.0	726.0
UB06_66	591926.48	5336979.58	316.8	138	-67.0	978.0
UB06_67	591876.17	5335912.12	303.6	138.97	-65.4	759.5
UB06_68	591952.89	5335811.51	304.4	137.86	-65.3	654.0
UB06_69	592201.74	5336767.47	315.4	138	-66.0	672.3
UB06_70	591455.77	5336080.27	302.7	133.40	-70.6	1152.0
UB06_71	591865.09	5336714.94	316.7	140	-66.0	566.4
UB06_72	591741.82	5336801.81	314.0	140.02	-69.8	684.0
UB06_73	591498.00	5336719.00	322.0	145	-67.0	603.0
UB06_74	591620.00	5336283.00	302.0	137	-69.0	1157.0
Subtotal	**42**					**32265.3**
2007						
UB07_100	591734.00	5336120.00	302.8	138.71	-68.7	1238.0
UB07_101	591984.40	5335870.60	304.1	138.98	-54.8	708.0
UB07_102	591697.00	5336000.00	304.8	140.23	-64.8	997.0

TABLE 3.
SUMMARY OF DRILLHOLES (continued)

Hole-ID	Location X	Location Y	Location Z	Azimuth	Dip	Length
UB07_103	591984.40	5335870.60	304.1	142.34	-63.4	731.0
UB07_104	591739.00	5335942.00	304.2	140.32	-65.6	927.3
UB07_105	591705.07	5336075.76	304.2	135	-67.0	756.4
UB07_106	591784.00	5335976.00	303.6	135.37	-65.4	892.0
UB07_107	591703.75	5336073.99	304.2	153.19	-67.5	1081.0
UB07_108	591767.12	5335953.23	303.8	134.36	-62.1	921.0
UB07_109	591757.00	5335874.00	304.7	133.20	-66.8	848.0
UB07_110	591675.00	5336030.00	303.7	136.78	-68.6	1045.9
UB07_111	591713.00	5335847.00	304.5	145	-65.0	877.5
UB07_112	591675.00	5336030.00	303.7	136.10	-65.1	862.0
UB07_113	591800.00	5336114.00	301.8	139.10	-66.2	896.3
UB07_114	591655.00	5335888.00	305.3	139.27	-64.8	758.1
UB07_115	591800.00	5336114.00	301.8	139.31	-70.5	1056.0
UB07_116	591632.00	5335922.00	305.2	135.22	-67.0	976.2
UB07_116W	591632.00	5335922.00	305.2	135.22	-67.0	771.9
UB07_117	591868.00	5336018.00	303.3	137.62	-62.4	843.0
UB07_118	591772.00	5336070.00	302.2	140	-65.0	485.6
UB07_119	591696.00	5336045.00	304.0	135.44	-66.5	1004.0
UB07_120	591772.00	5336070.00	302.2	135	-74.0	708.0
UB07_121	591696.00	5336045.00	304.0	135.96	-71.5	937.0
UB07_122	591759.00	5336052.00	302.2	130	-68.0	354.4
UB07_122A	591759.00	5336052.00	302.2	128	-72.0	363.0
UB07_75	591784.00	5336020.00	303.0	140	-65.0	902.0
UB07_76	591630.00	5335842.00	305.6	139.5	-66.0	879.4
UB07_77	591753.00	5335977.00	304.6	140.87	-66.8	911.0
UB07_78	591640.90	5335905.90	305.7	144.15	-65.1	908.9
UB07_79	591753.00	5335977.00	304.6	135	-63.0	366.5
UB07_80	591850.00	5335928.00	303.7	141.05	-66.8	840.0
UB07_80W	591850.00	5335928.00	303.7	141.05	-66.8	520.0
UB07_81	591616.00	5335941.10	305.0	139.99	-66.1	1010.9
UB07_82	591826.00	5335962.00	303.4	138.68	-65.2	832.5
UB07_83	591732.00	5336004.00	304.8	134.75	-65.1	898.5
UB07_84	591579.00	5335906.00	305.0	140.1	-64.9	726.2
UB07_85	591732.00	5336004.00	304.8	135	-60.0	632.0
UB07_86	591710.00	5335894.00	305.6	137.70	-66.0	888.2
UB07_87	591836.00	5336064.00	302.7	135.2	-62.9	936.0
UB07_87W	591836.00	5336064.00	302.7	135.2	-62.9	854.0
UB07_88	591810.00	5336098.00	302.4	136.87	-64.0	924.0
UB07_88W	591810.00	5336098.00	302.4	136.87	-64.0	828.0
UB07_89	591682.60	5335934.00	305.2	139.34	-65.1	937.7
UB07_90	592000.00	5336003.00	303.4	141.38	-66.8	750.0
UB07_91	591789.00	5336130.00	301.8	139	-66.8	1050.0
UB07_92	591914.00	5336125.00	301.2	144.74	-65.5	1122.0
UB07_93	591646.00	5335985.00	305.2	136.73	-66.2	833.4
UB07_94	591895.00	5336066.00	302.1	145.10	-66.0	1019.0
UB07_95	591758.00	5336088.00	302.6	135	-67.0	823.0
UB07_96	591697.00	5336000.00	304.8	140.40	-64.7	908.3
UB07_97	591882.00	5336000.00	304.2	145.47	-62.2	895.0
UB07_98	591697.00	5336000.00	304.8	140.17	-67.3	986.7
UB07_99	591758.00	5336088.00	302.6	130	-63.0	450.4
UB08_124	591696.00	5336045.00	304.0	132.08	-68.9	703.0
UB08_125	591826.00	5336168.00	302.2	147.60	-72.5	855.0
Subtotal	**55**					**46,230.0**
2008						
UB08_123	591827.00	5336165.00	302.2	139.77	-71.5	1051.0
UB08_124W	591696.00	5336045.00	304.0	132.08	-68.9	911.0
UB08_126	591850.00	5336132.00	302.4	142.20	-70.8	903.0
UB08_127	591635.00	5336002.00	304.4	139.07	-68.0	1,066.9
UB08_128	591621.00	5336020.00	304.0	123.25	-69.9	1,002.4
Subtotal	**5**					**4,934.3**
Total						**100,672.2**

Note: The totals represent the entire drillhole length, even if they are wedged holes.

11.2.1 SURVEYS

For the 2005 Phase I and II programs, drillholes were spotted using global positioning system ("GPS") and the north trending (100 m spaced lines) cut grid on the Property established for the IP survey. Casing for most of the drilling have been left and subsequently these 2005 casings have been surveyed by Northland Technical Surveys ("**Northland**") of Kirkland Lake, Ontario using Total Station, NAD 83 UTM co-ordinates and geodetic elevation. Phase III and IV program drillhole sites were all (except for one drillhole) spotted directly by Northland using Total Station.

Two fore sites were used to spot the holes because of the configuration of the drill shack. Drillers lined up the drills for azimuth. The project geologist, W. Benham, would be contacted by the drillers by phone when the first downhole survey test results were taken 15 m below the casing. As a guideline, if the test results were within ± 0.5° of the planned dip and within ± 2° of the planned azimuth, the hole was continued. If the results were unsatisfactory, the drillers were instructed to pull the casing and restart the hole. The drillers submitted daily work reports for day and night shifts for each drill rig. The drillers were in radio and/or cell phone contact with their foreman, Queenston's Kirkland Lake exploration office and/or the project geologist at his local residence in case of any problems or questions.

Downhole attitude surveys for Phase I, UB-05-01 to UB-05-15 were by Reflex EZ-SHOT. For subsequent drilling, EZ-SHOT was largely used for surveying only during drilling. After the holes were completed they were resurveyed using a north seeking gyroscopic system by Halliburton Sperry Drilling Services ("**Halliburton**") North Bay, Ontario. However, for a number of drillholes, Halliburton was not available in a timely manner, some holes were lost in faults or were blocked by cave after the drill was dismounted. A number of drillholes therefore only have EZ-SHOT surveys.

11.2.2 WGM COMMENT ON DRILLING

Considering that iron-rich tholeiitic basalts are common host rocks to the mineralized structure on the Property, and certain intrusives also have magnetic aureoles, the traces for the drillholes that only have EZ-SHOT surveys are not optimally reliable. WGM recommends that a non-magnetic downhole drillhole survey system be used for all future drilling and Queenston try to complete collar surveys on all collars not already surveyed. It is understood by WGM that Queenston is currently gyro-surveying all drillholes. Also the surveying of collars not already surveyed, especially the holes used in the Mineral Resource estimate, is currently in progress and should be completed shortly.

12. SAMPLING METHOD AND APPROACH

12.1 PRE-2002 PROGRAMS

WGM has not reviewed any pre-2002 program data for the Property. No pre-2002 drillhole data is used in the current Mineral Resource estimate.

12.2 2005 TO 2008 PROGRAMS

12.2.1 CORE HANDLING, LOGGING AND SAMPLING PROCEDURES

Core Logging

During the period May 2005 to March 2008, all surface diamond drillholes were NQ in diameter. After pulling the rods, the core is placed in wooden core boxes by the drillers. The boxes are picked up by Queenston technicians at the drill site and delivered to the core logging facility at the former Upper Canada mine site.

The core logging protocol by Queenston geologists is summarized as follows:

The core is first measured to check that the driller's metre blocks are correct. The metreage is marked at the start of each box and any lost or ground core is noted and zones of poor RQD are also noted (i.e. <75%).

The core is logged in detail and recorded in a digital format using an MSExcel spreadsheet with exception of some holes which were logged using a LOG II Systems Inc. Log II program. Special attention is given to alteration mineralization and structural information which is considered important for zone correlation and interpretation.

Sampling

Core displaying obvious mineralization and alteration are sampled. The samples are marked by the geologist and sample tickets are inserted in the core box. Depending on the lithology, alteration and mineralization, sample widths vary from 0.30 m to 1.4 m, averaging 1.0 m. The samples are entered on the drill logs and for each sample the percentage of quartz-

carbonate veining, % pyrite/pyrrhotite, % magnetite and % chalcopyrite are estimated and entered on the log.

The samples are then cut in half by a Queenston technician using a diamond core saw. Half the core is placed in a plastic bag with a sample ticket and the other half is put back in the box with a duplicate sample ticket at the end of the sampled interval. Samples with visible gold are flagged and the core cutter is advised to take special care to clean the saw blade after cutting the potentially high grade sample in order to avoid contamination of the next sample. The assay lab is also advised of visible gold samples to avoid batch contamination.

Metal tags with the drillhole number and the depth of hole for the contained core interval are nailed onto the end of each core box. The boxes are placed in racks outside for future reference. Starting in 2007, some old holes and the unmineralized tops of drillholes with no samples were stacked on wooden pallets to save core rack space. The bagged samples are placed in plastic pails, a lab work order is prepared and the samples are delivered by truck to Swastika Laboratories Ltd. ("**Swastika**") of Swastika, Ontario.

WGM Comments on Drill Core Logging and Sampling

WGM believes that Queenston's logging and sampling methods are to industry standard and appropriate.

13. SAMPLE PREPARATION, ASSAYING AND SECURITY

13.1 2002-2008 PROGRAMS

Queenston's assessment program on the Upper Beaver Property was initiated with one drillhole in 2002. Additional drilling was completed from 2005 through 2008. Swastika was the Primary laboratory used for all assay work. Secondary laboratories for external check assaying were used for the 2007 to 2008 programs. The Secondary labs were Polymet Laboratory ("**Polymet**") of Cobalt, Ontario and Laboratoire Expert Inc., ("**Expert**") of Rouyn-Noranda, Quebec. None of these labs are completely accredited, but Swastika and Polymet do have certificates of laboratory proficiency issued by the Standards Council of Canada.

For Queenston's programs prior to 2006, there were no field-inserted Standards and/or Blanks. For its 2006 to 2008 programs, field-inserted Certified Reference Standards and Blanks supplemented Swastika's internal Quality Assurance / Quality Control ("QA/QC") programs on Blanks and Standards (Table 4).

TABLE 4.
SUMMARY OF ASSAY METHODS

Sample Type	Number of Assays
Routine Au Sample Assays	30,428
Metallic Screen Assays	1,180
Assays of Field-inserted Blanks	581
Assays of Field-inserted Gold Assay Control Certified Reference Standards	523
Secondary Lab Gold Check Assays (pulps and rejects)	627
Secondary Lab Copper Check Assays (pulps and rejects)	624

In addition to the details in Table 4, as aforementioned, Swastika's internal QA/QC procedures call for the insertion of Blanks and Standards. Queenston has not compiled this data so it is not readily assessed by a third party. The Secondary laboratories also conduct internal QA/QC programs involving insertion of Blanks and Standards, but again Queenston has not compiled this data.

13.1.1 ROUTINE ASSAYING AND TESTWORK

At Swastika, all samples were assayed for gold by fire assay using a 1 assay ton charge and for copper using Atomic Absorption spectroscopy ("AAS"). Routine sample preparation includes sample drying, crushing to 6 to 10 mesh, and splitting out a 400 g sub-sample using a Jones Riffler. The excess is stored as a reject. The 400 g sub-sample is pulverized using a ring and puck pulverizer for sufficient time enabling 90 – 95% of the material to pass through a 100 mesh screen. The sample is then blended and mixed well.

For gold analysis by fire assay, a charge of 29.17 g is obtained by sub-sampling. Assay finish is routinely by AAS. For copper assay, digest is by aqua regia (nitric and hydrochloric acids) in a hot water bath until the pulp is all dissolved.

Samples that on initial assay return results greater than 1 g Au/t are re-assayed using a new pulp from the 6-10 mesh reject. These assays are then finished gravimetrically.

Samples that on initial assay return greater than 1% Cu are re-assayed using a smaller charge of sample.

Swastika procedures call for:

- Cleaning the crushers with compressed air after each sample pass. Barren material is crushed subsequent to each customer run to minimize sample contamination;
- Compressed air is used to clean the riffle divider after the final split of each sample;
- Compressed air is used to clean the bowl, ring, puck and rubber mat after each sample is pulverized; and
- A screen test is performed on pulverized samples at the beginning of each shift, or more frequently when material hardness is in question, to ensure particle size remains within prescribed limits.

In the final database, the final gold assay is the metallic screen assay (see below), where such assays were completed. Where gravimetric gold fire assays and AAS finished assays were both completed on a sample, Gold-Final was the average of both AAS and gravimetric finished assays. Where two AAS finished gold assays are completed on the same pulp, the average result of the two assays is Gold-Final. Check assays completed at the Secondary labs are not used in the calculations of final assays for the assay database used for the Mineral Resource estimate. Where a second copper assay is completed, Copper-Final is the second assay determined using the higher reporting limit. Initial copper assays in such cases are

expressed as >10,000 ppm and therefore are not averaged in. No copper repeat assays are done if initial results are less than 10,000 ppm.

13.1.2 ADDITIONAL ASSAYING

A total of 1,220 samples from the 2005-2006 drill programs, in addition to routine assaying, were re-assayed by the screened pulp metallic method. Metallic screen assaying is an assaying strategy used to help mitigate the effects of coarse gold towards obtaining more representative assays.

The samples for metallic screen assaying were selected using a variety of criteria. For programs up to the end of 2006, all samples within designated mineralized zones were sent for metallic screen assaying. Early in the program, samples with visible gold were also sent for screen assaying. A number of samples were also selected based on initial high copper assays. Metallic screen assaying was discontinued after the 2006 program, except for one sample that was Check Assayed in 2007. Swastika's metallic screen assaying procedure entails crushing and pulverizing the entire reject sample and dry screening at 100 mesh. The +100 mesh (coarse) fraction is weighed, fire assayed using a gravimetric finish. The -100 mesh (fine) fraction is also fire assayed using a gravimetric finish and a 1 assay ton charge. The gold content for the original samples is calculated using the weighted average assay results for the coarse and fine fractions.

Results for metallic screen fire assays compared to routine fire assays are shown in Figures 5 and 6 and Table 5.

TABLE 5.
SUMMARY STATISTICS FOR METALLIC SCREEN AND ROUTINE FIRE ASSAY PAIRS

Description	Number
Count of Samples	1,180
Average Original Regular Fire Assay (g Au/t)	2.779
Average Metallic Screen Fire Assay (g Au/t)	2.906
% Difference Between Averages	4.47

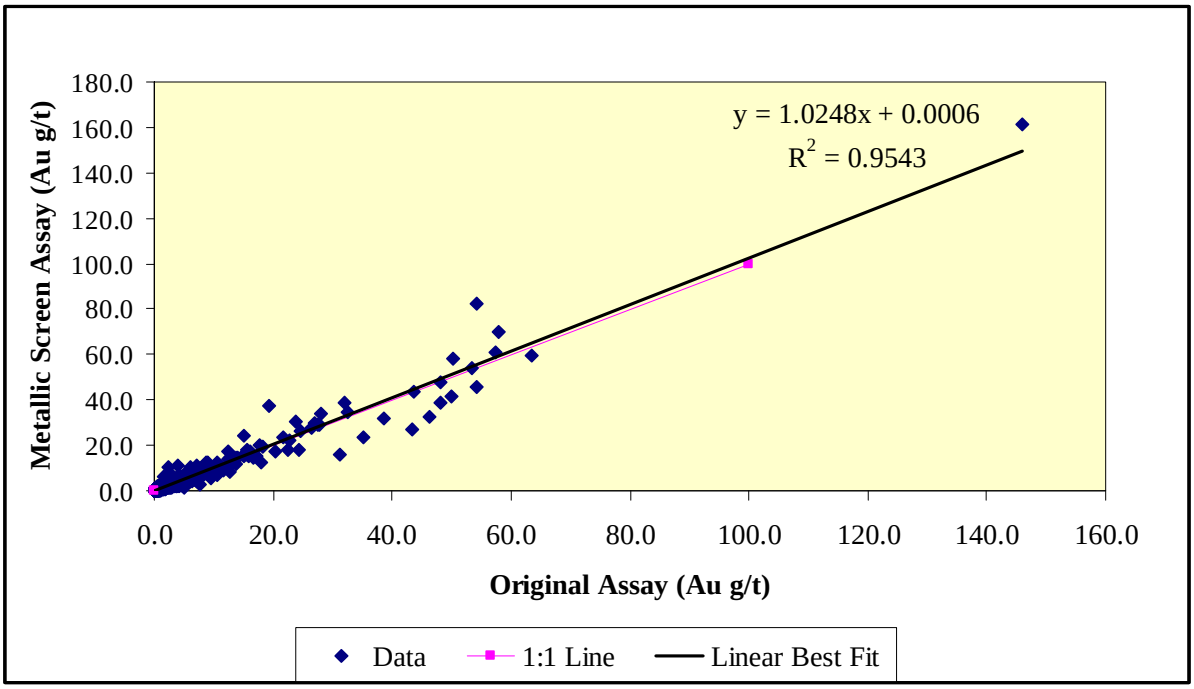


Figure 5. Comparison of Metallic Screen assays to Original regular / routine fire assays

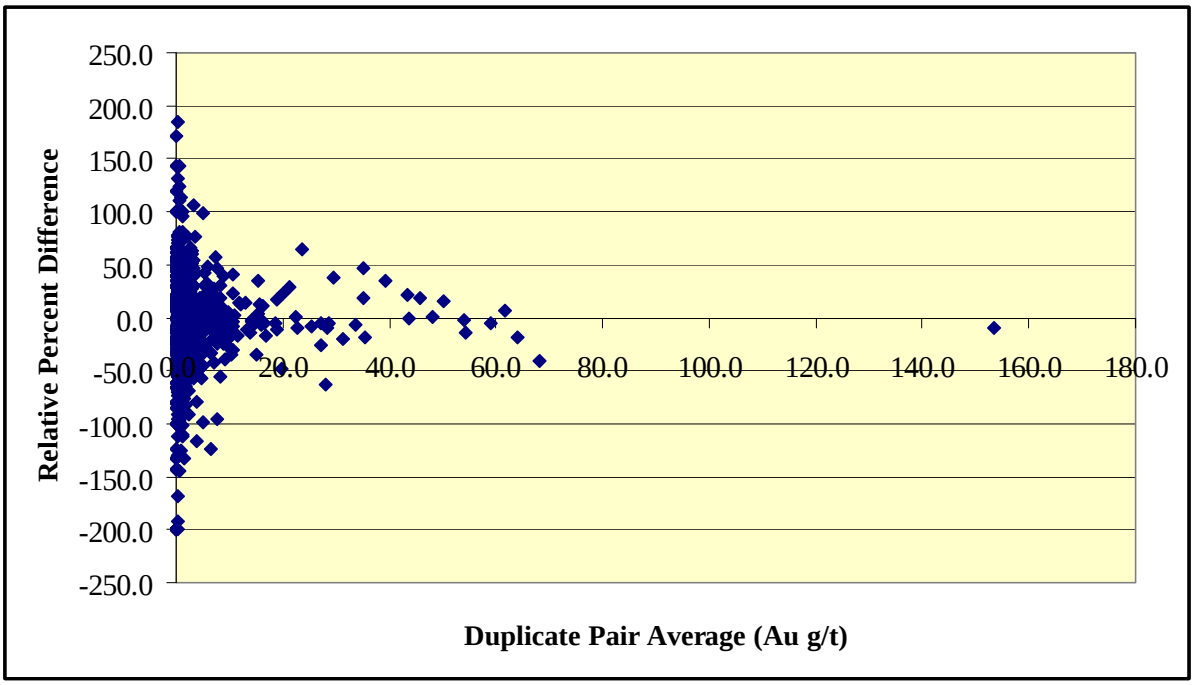


Figure 6. Relative Percent Difference Plot for Metallic Screen fire assays vs. Original regular / routine fire assays

13.1.3 QUALITY ASSURANCE/QUALITY CONTROL PROGRAM

Swastika Internal QA/QC Protocol

Swastika assays one Blank and one Standard approximately every 20 routine samples as part of internal QA/QC protocol. Queenston has not compiled most of this data so WGM did not review it.

Swastika also re-assays about 10 percent of all samples from the same pulp. This data has also not been compiled by Queenston and has not been reviewed by WGM.

Field-Inserted Blanks and Reference Materials

Starting with the infill definition drilling program in January 2007 (Hole UB07-75), a QA/QC program was implemented. Queenston initiated insertion of Certified Gold Reference Standards and Blanks into the sample stream at frequencies of one control sample every 25th regular/routine sample. Blank samples were drill core of un-mineralized basalt and interflow sediments from a previous Queenston drill program. These Blanks were also inserted following samples containing coarse visible gold for the purpose of determining if there was any contamination between samples. A value of 200 ppb Au was designated by Queenston as the upper limit threshold for separating anomalous from non-anomalous values. This value may have been selected based on previous experience with similar samples. A Certified Copper Reference Standard was submitted with each work order sample batch.

The Standards for gold control were purchased from Rocklabs Ltd. ("**Rocklabs**") Auckland, New Zealand. The certified copper-molybdenum ore reference material (HV-2) was purchased from CANMET, however, the assay results for the HV-2 Standard have not been compiled and have not been reviewed by WGM. These control samples were inserted in the field by the sampler as requested by the core logging geologist. About 50 g was scooped from the suppliers container and placed in a sample bag. The sample bags were numbered in accordance with the routine sampling scheme. The identity of the control material was not provided to Swastika.

The upper and lower limits for the Standards for Queenston's purpose were set based on the extreme assays obtained by Rocklabs in the round-robin assaying done to certify the reference

materials. For instance, for Standard OxL51, 29 laboratories assayed two samples each of the Standard. The limiting values selected by Queenston represent the highest and lowest two sample averages returned by the 29 labs.

No re-assaying was done by Queenston on the basis of the results for field-inserted Blanks and Standards.

Figure 7 shows assay results for field-inserted Blanks.

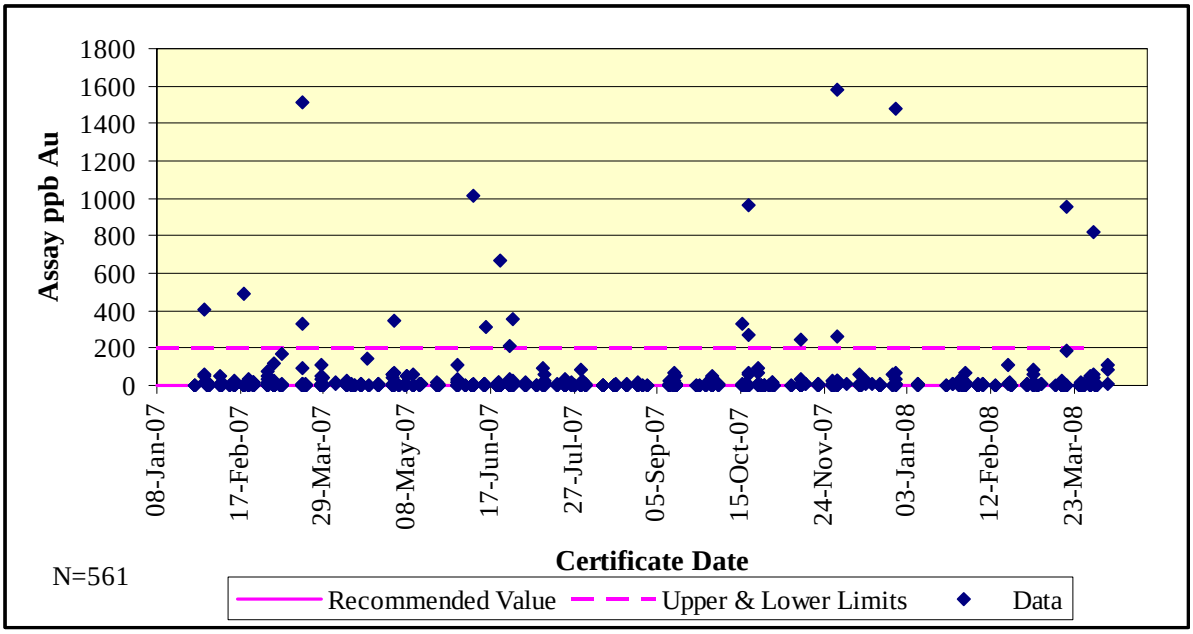


Figure 7. Assay results for field-inserted Blanks

Table 6 summarizes expected and observed results for the Standards used for gold assay control.

TABLE 6.
SUMMARY OF STATISTICS FOR FIELD-INSERTED CERTIFIED REFERENCE MATERIALS

Reference Material	Number of Instances	Expected Value (Au g/t)	Observed Value (Au g/t)	% of Expected
OxL51	269	5.850	5.799	0.991
SJ32	195	2.645	2.637	0.997
SK33	59	4.041	4.055	1.003

Figures 8 and 9 illustrate results for the two most frequently field-inserted Standards.

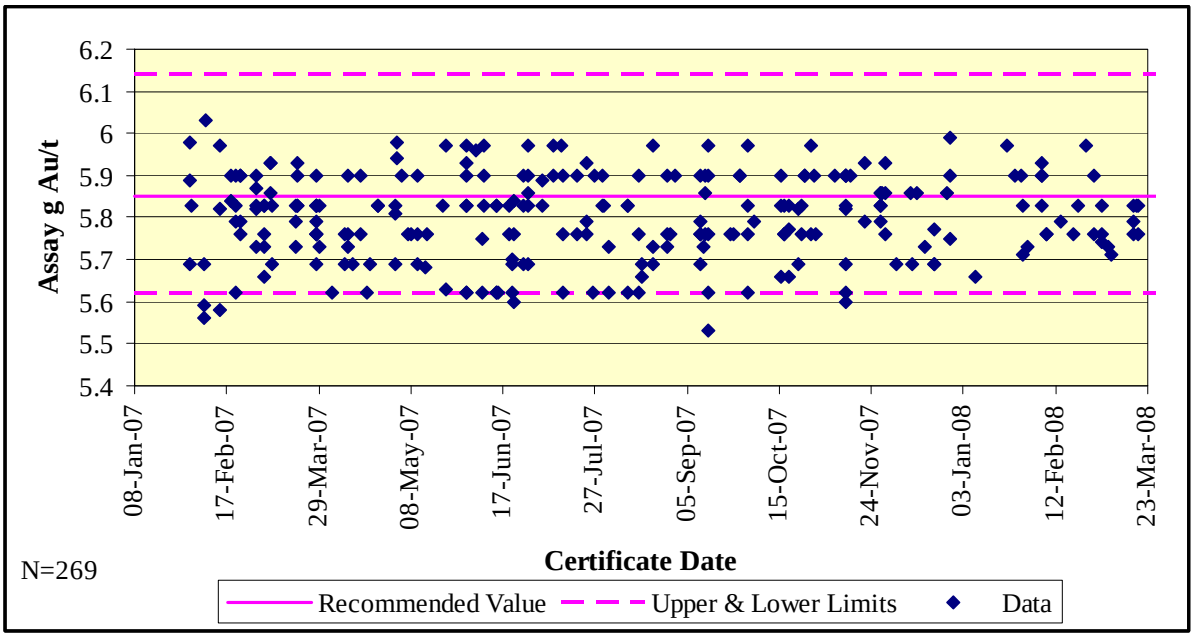


Figure 8. Assay results for Rocklabs' Standard OxL51

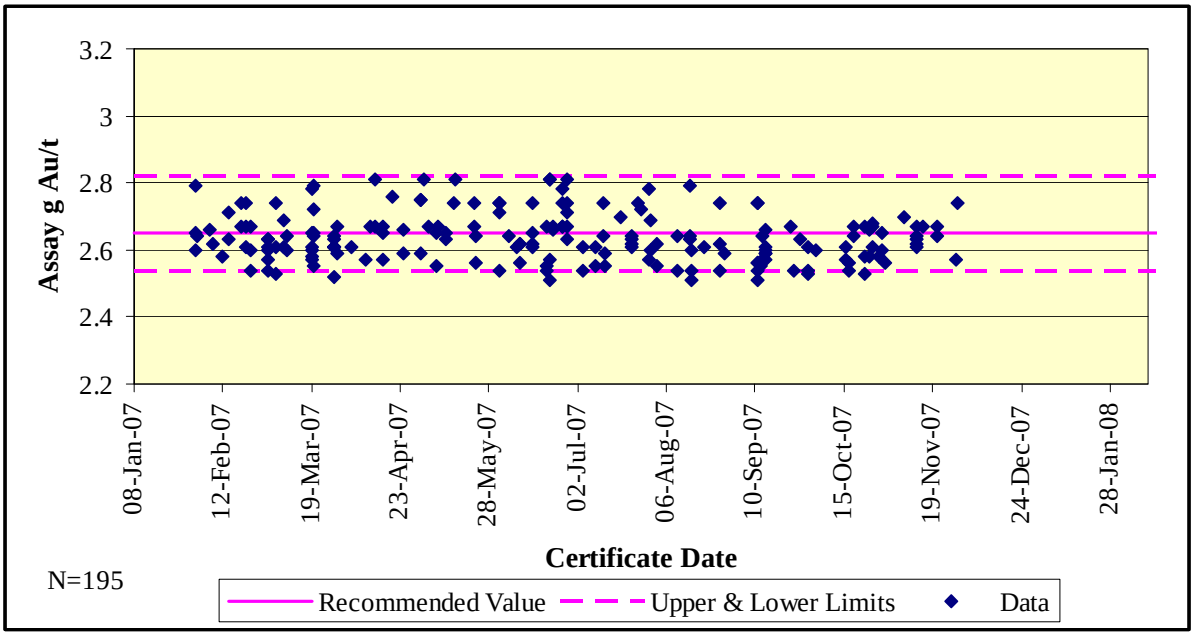


Figure 9. Assay results for Rocklabs' Standard SJ32

Check Assay Program

Queenston used Polymet and Expert for Check assaying a selection of samples originally assayed by Swastika (Table 7). Queenston's aim was to complete Check assaying on 5% of rejects and 5% of pulps from the gold-copper mineralized zones. Selected pulps and rejects from mineralized intervals were pulled from the initial sample populations approximately every two to three months starting with the definition drilling program in 2007. Rejects were bagged in larger plastic bags, sealed and labelled. Pulps were placed in cardboard boxes sealed and labelled. Sample numbers remained the same as the original sample numbers. The rejects and pulps were delivery by truck by a Queenston employee to the Secondary lab. After results were received from the Secondary labs, the pulps and rejects were picked up and returned to the storage containers at the Upper Canada mine site.

TABLE 7.
SUMMARY STATISTICS FOR GOLD CHECK ASSAYS

Description	Polymet Pulps	Expert Pulps	Polymet Rejects	Expert Rejects
Count of Samples	93	164	123	247
Average Swastika Original Assays (g Au/t)	12.017	10.416	7.684	7.502
Average Check Assays (g Au/t)	12.200	11.257	7.541	7.247
% Difference Between Averages	1.52	7.76	1.88	3.46

Figures 10 and 11 illustrate results for Check assaying of pulps by Polymet originally assayed by Swastika.

Figure 12 and 13 show assay results for pulps Check assayed at Expert and originally assayed at Swastika.

Similar to the Check assaying completed to verify gold values, selected rejects and pulps were also check assayed at Polymet and Expert for copper (Table 8).

TABLE 8.
SUMMARY STATISTICS FOR COPPER CHECK ASSAYS

Description	Polymet Pulps	Expert Pulps	Polymet Rejects	Expert Rejects
Count of Samples	93	161	123	247
Average of Swastika Original Assays (% Cu)	0.479	0.501	0.406	0.730
Average of Check Assays (% Cu)	0.453	0.569	0.381	0.843
% Difference Between Averages	5.68	12.61	6.47	14.42

Figures 14 and 15 show Check assay results for pulps originally assayed at Swastika and Check assayed at Polymet.

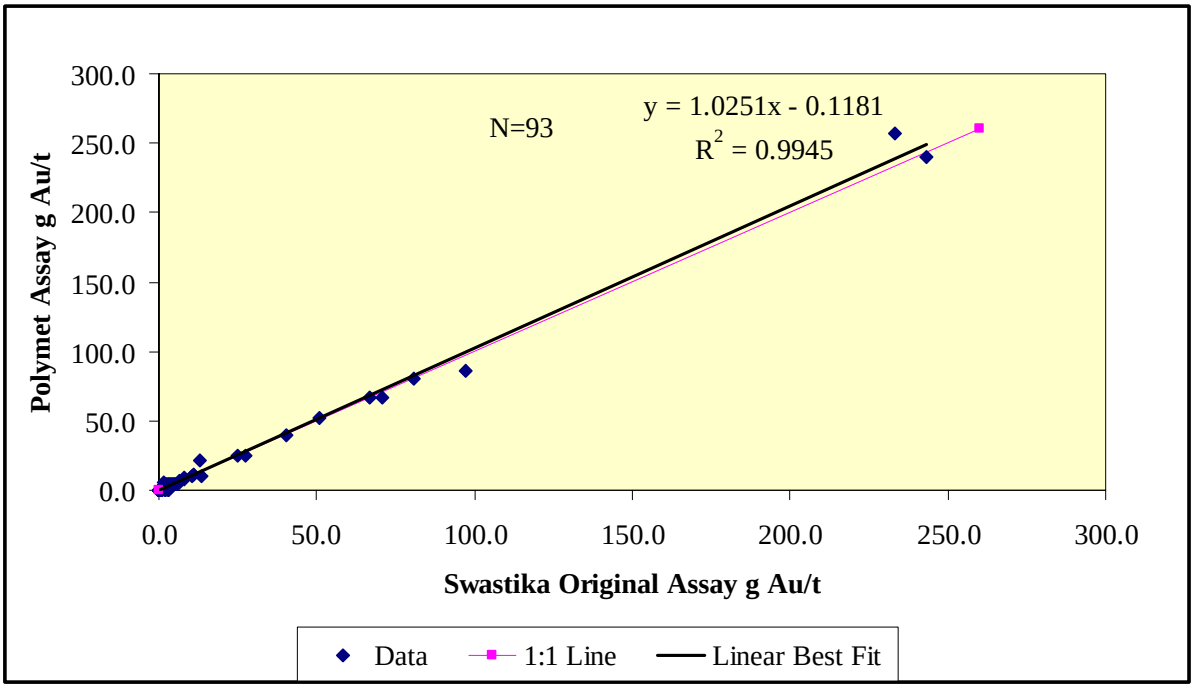


Figure 10. Polymet gold assay of duplicate pulp vs. Original Swastika assay

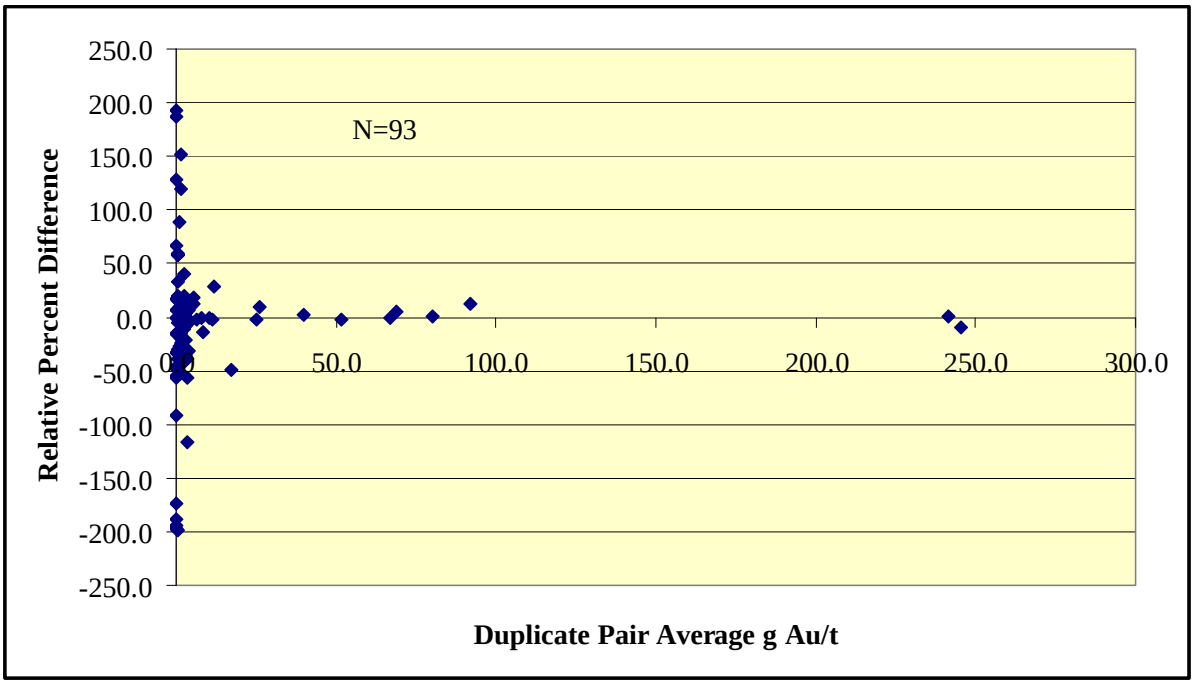


Figure 11. Relative percentage difference chart for Swastika and Polymet gold assays on duplicate pulps

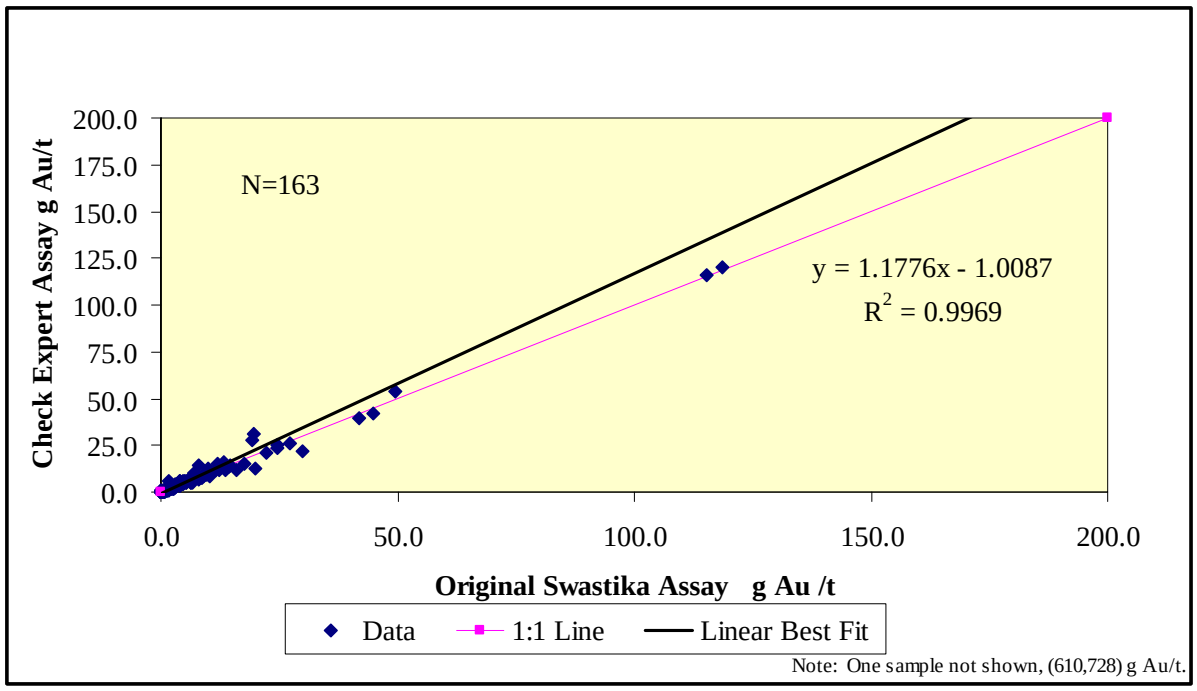


Figure 12. Expert gold assay of duplicate pulp vs. Original Swastika assay (truncated distribution)

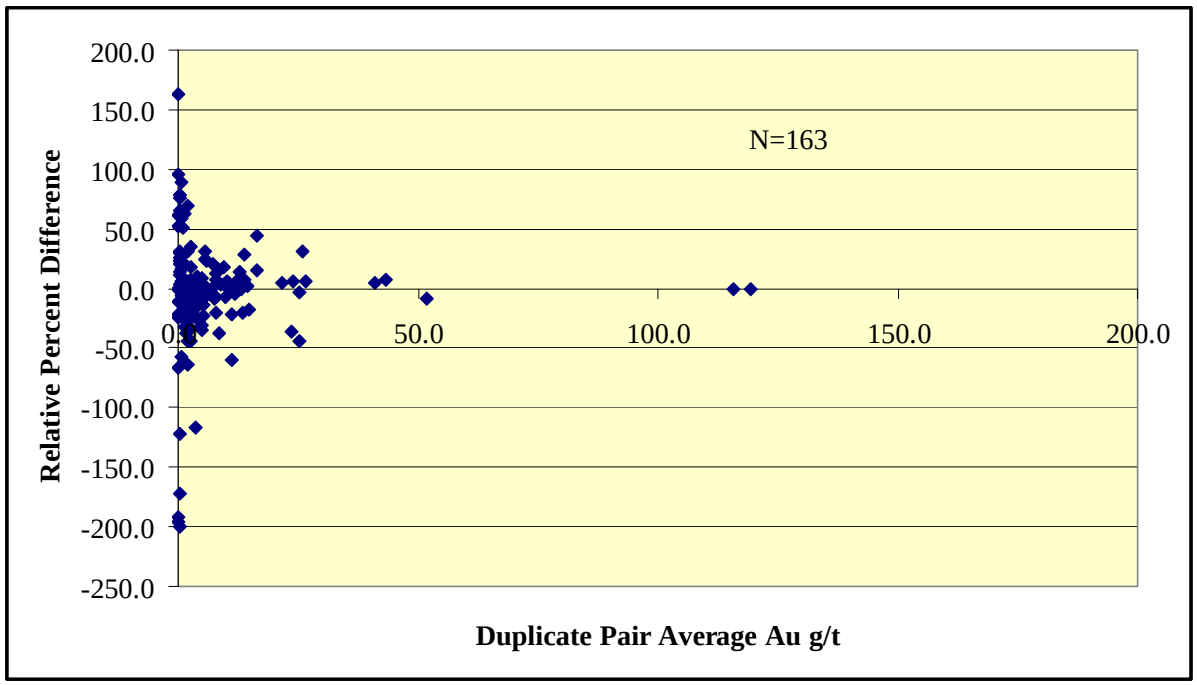


Figure 13. Relative percentage difference chart for Swastika and Expert gold assays on duplicate pulps (truncated distribution)

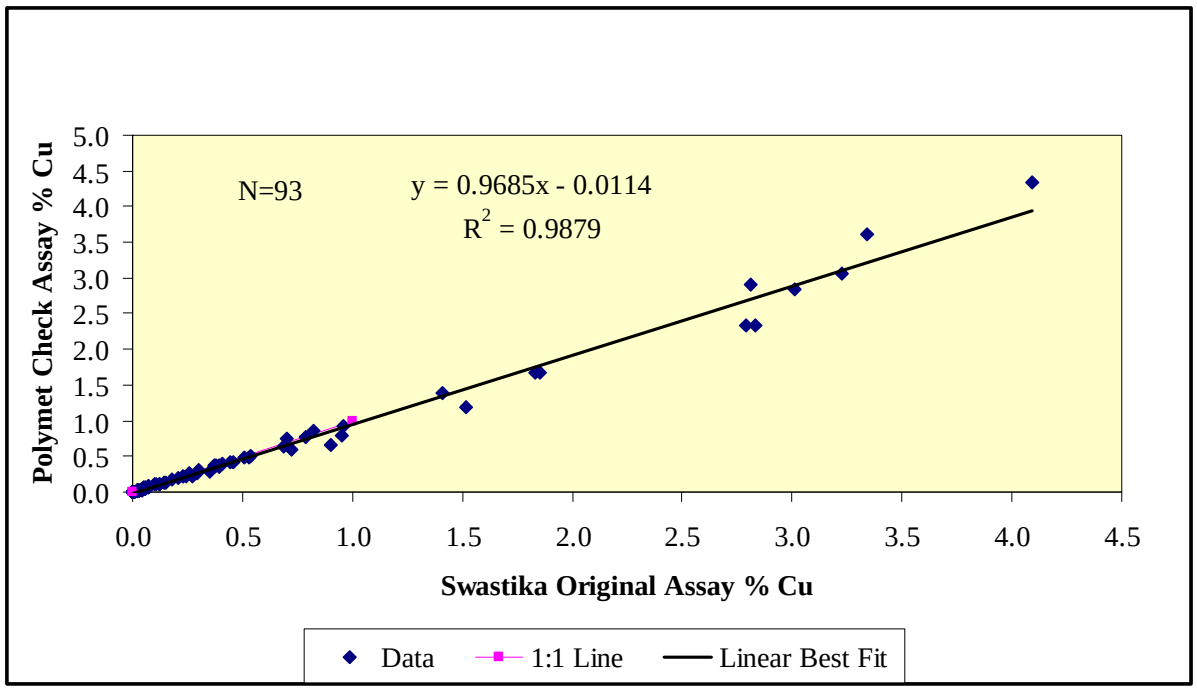


Figure 14. Polymet Check copper assays vs. Original Swastika assays on same pulps

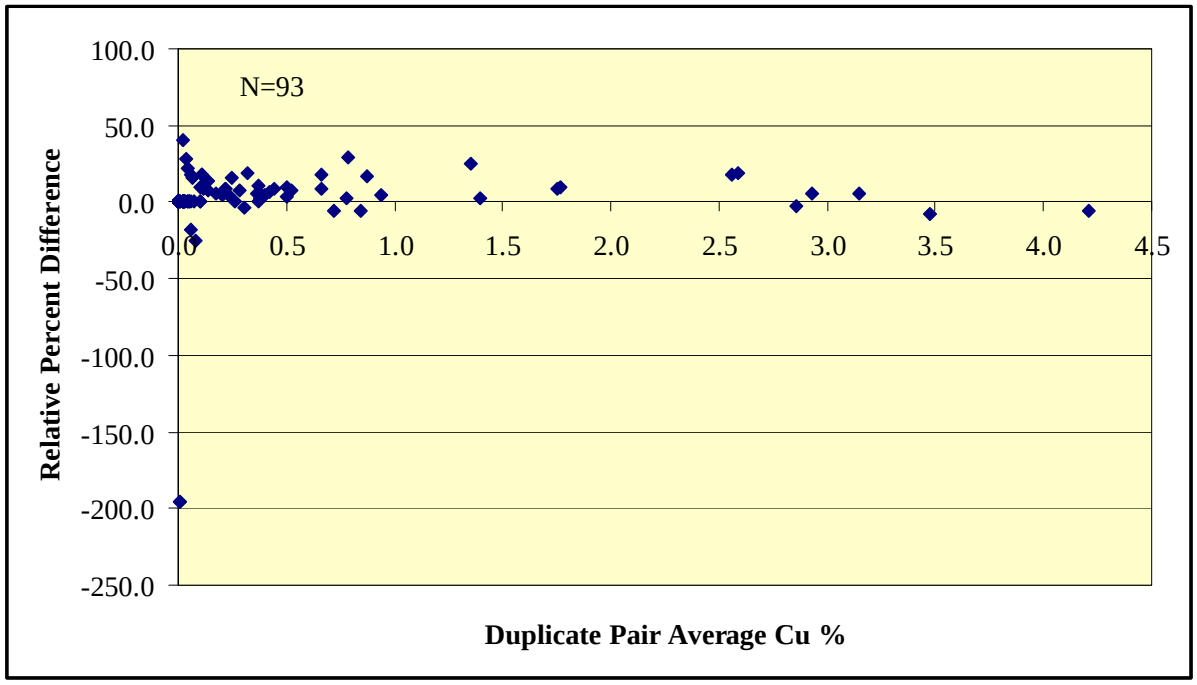


Figure 15. Relative percent difference chart for Polymet Check assays and Original Swastika assays on same pulps

13.1.3 SAMPLE SHIPPING AND SECURITY

Samples are delivered by truck to the Swastika Laboratory. The Upper Canada mine site, where the core is stored and the Queenston office is located, is surrounded by fences and locked gates are in place at all road access points to the site.

13.1.4 WGM COMMENTS ON 2005 - 2008 SAMPLING, ASSAYING AND QA/QC

WGM agrees that Queenston's current sampling, assaying and QA/QC protocols represent good industry practice. Analytical results for prepared Standards inserted by Queenston and Check assaying completed at Secondary labs indicates Primary assay laboratory results are, in general, accurate and precise. For gold Check assays, two of the four sets of Secondary lab Checks, (Polymet rejects, Expert rejects) returned slightly lower assay averages than Swastika originals, while the pulp Checks returned slightly higher average assay than Swastika originals. Comparison of averages for the Standards inserted in the field by Queenston are also mixed; for two of the Standards, Swastika assays are slightly lower; for the third Standard, Swastika assays are slightly higher.

WGM notes that none of the quality control materials submitted to the lab were "blind" to the lab, except for the Blanks. It is good practice by Queenston to use these Blanks to check for carry-over gold in the crushers after high grade (visible gold) samples. Any gold found in these Blanks could then be attributed to carry-over from these high grade samples. WGM believes that a program of some second half core assaying can also be useful for quality assurance because such samples are blind to the lab.

With respect to the carry-over gold problems, WGM notes that Swastika's lab protocols call only for blowing out the crushers and pulverizers between samples, not using a wash sample between high grade samples. If Queenston is providing notice to the lab that particular samples are high grade, then the lab should be using a wash after high grade samples.

WGM recommends that Queenston strives to improve its sampling and assaying database. It should compile all of its pre-2006 assay records. The databases should include all assays, not just the Finals computed from component assays. The database also should include results for all QA/QC materials both for Queenston inserted materials and also laboratory inserted materials. Tables should also contain results for specific gravity measurements.

Queenston maintains an archive containing digital text versions of its assay certificates from both Swastika and the Secondary assay labs, but should also acquire and store the PDFs of the final signed certificates from the labs. The digital text versions often do not contain analytical method identifiers. For instance, Polymet literature describes two digest options for copper determination; one using aqua regia and the other HCL, HNO_3 and HF. The Polymet "certificates" do not identify the digest method. Queenston should also strive to avoid repeating sample numbers, as sample number repeats complicate tracing assays to certificates and archived core.

14. DATA CORROBORATION

Information relating to past work on the property was primarily obtained from Queenston. On June 18 and 19, 2008, WGM Senior Geologist and Vice-President, Michael Kociumbas, P.Geo. and Qualified Person, visited the Property, the Queenston field office and core storage facilities at the old Upper Beaver mine site. During WGM's original site visit in 2007, the old shaft areas, trenches/pits and some old showing areas were visited. The drills were not in operation on the Upper Beaver Property during WGM's recent site visit, however, a few drill collar locations were visited on the first site visit and located with a GPS instrument.

Discussions were held with Wayne Benham, Chief Geologist of Queenston, and other core logging geologists and technicians on site. WGM observed that logging and sampling procedures were meticulous and "general housekeeping" at the site, core shack and field office was very good. While at the site, WGM reviewed numerous intersections of drillholes completed by Queenston throughout the various phases of drilling. Drill core was examined and compared with drill log descriptions and representations on drill cross sections.

Nine independent samples of mineralized split drill core (the remaining half) were taken for check assaying. They were bagged, sealed on site and were transported personally by car to WGM's Toronto office by Mr. Kociumbas. On arrival at the office, the samples were boxed up and couriered to the SGS Mineral Services Inc. ("**SGS**") ISO 9001:2000 accredited laboratory in Toronto for independent assaying. The samples were analyzed for Au and Cu using a similar analysis package offered by Swastika to Queenston (SGS codes FAI505 and FAG505 for Au and ICP90A for Cu), however, WGM decided to use a 50 g sample size instead of one assay ton due to the high grade nature of the mineralization being tested. Please see previous sections in this report for a more complete description of the Swastika analytical procedures.

The WGM samples were taken as characterization samples to confirm that gold and copper was present and the general nature/tenure of the mineralization. All samples returned gold/copper values and our sampling results, along with those of the original Queenston assays for the same intervals, are shown in Table 9.

TABLE 9.
WGM INDEPENDENT SAMPLING RESULTS

Sample Number	Original Au (Queenston)	WGM Au FAI505 (ppb)	WGM Au FAG505 (g/t)	Original Cu (Queenston)	WGM Cu ICP90A (ppm)
2613	4.83	>10,000	11.20	184	250
2614	11.70	>10,000	27.80	4,843	7,790
2615	8.85	7,470	N.A.	4,980	9,460
2616	3.12	3,900	N.A.	1,080	2,110
2617	3.91	3,620	N.A.	3,152	3,050
2618	3.51	1,450	N.A.	83	120
2619	28.05	>10,000	23.00	5.92%	51,600
2620	10.00	7,750	N.A.	4	870
2621	4.38	3,190	N.A.	1.03%	11,200

WGM's sampling results generally corroborated those obtained by Queenston. The variance in assays from one half of the core to the other is typical of gold mineralization and, in particular Upper Beaver-style deposit mineralization, where there may be coarse gold particles present.

15. ADJACENT PROPERTIES

The Kirkland Lake area has been an active exploration area for more than 100 years and has produced more than 30 million ounces of gold from multiple operations. Queenston's Kirkland Lake Project, which includes the Upper Beaver Property, consists of a large block of claims within the Kirkland Lake gold camp. The camp extends for some 50 km and encompasses five townships from the Town of Kirkland Lake in Teck Township, to the Quebec border. The Kirkland Lake Project itself is large, covering almost 1,000 mining claims in the historic gold camp. Geologically, the Kirkland Lake gold camp is defined by a 5 km corridor around the Cadillac–Larder Lake Break from Kirkland Lake to the Quebec border. The properties that are truly adjacent to the Upper Beaver Property are Lac McVittie, Upper Canada and Victoria Creek (Figure 16).

Lac McVittie

The Lac-McVittie property consists of 61 unpatented mining claims in the western portion of McVittie Twp., adjacent to the southwest of the Upper Beaver Property. The Lac McVittie property geology is along strike of the Upper Beaver Property stratigraphy, but exploration on the property has not achieved the same results to date. The sequence includes the Upper Tisdale assemblage calc-alkaline, intermediate to felsic volcanics, overlain by the Lower Blake River magnesium and iron-rich tholeiitic flows. Current joint venture ownership for non-diamond rights is Barrick Gold Corporation ("**Barrick**") 49%, Queenston 41% and Sudbury Contact Mines Limited ("Sudbury Contact") 10%. For diamond rights ownership: Sudbury Contact is 51%, Barrick is 49%.

The property is readily accessible via a seasonally maintained road extending north from Highway 66, just east of Fork Lake in the southwest corner of McVittie Twp. Several trails, drill roads and bush roads provide additional access to area lakes, and, the more easterly parts of the claim group. The most significant exploration on the property was completed by a joint venture between Queenston and Royal Oak Mines between 1989 and 1996. During this period, ground geophysics, geological mapping and 11 diamond drillholes targeted a series of electromagnetic conductors for base metal potential. Past exploration on the property has been largely guided by conventional geophysics, particularly electromagnetics. Several drillholes tested the Upper Tisdale assemblage at the closure of the Spectacle Lake anticline.

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Last revision date: Wednesday 29 October 2008

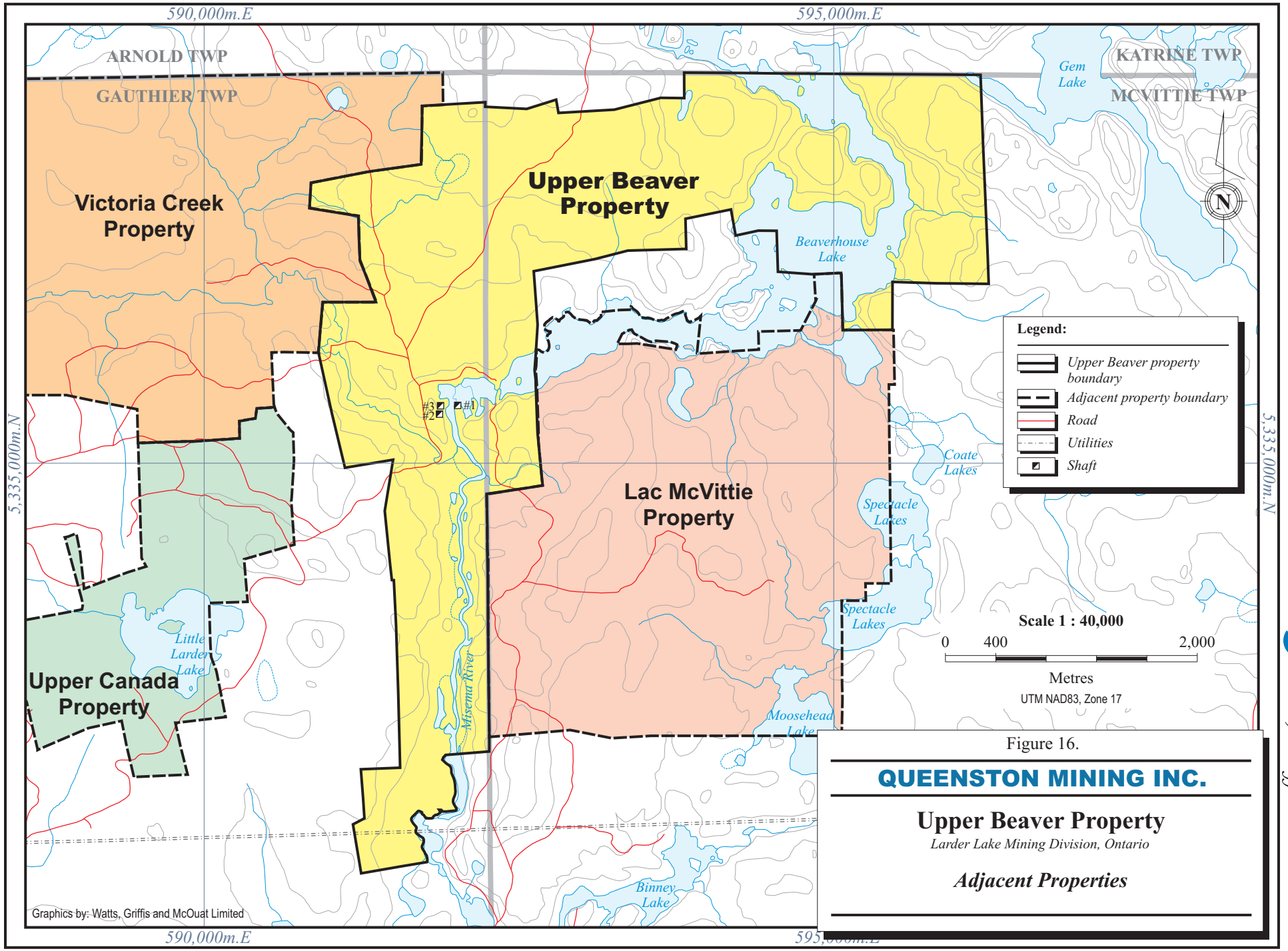

Figure 16.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

Adjacent Properties

Watts, Griffis and McOuat

A best assay of 3 g Au/t over 1.5 m is found in a historic drillhole and values in the balance of the drilling in this area are generally low. In 2007 the property was covered by the same Aeroquest airborne geophysical survey that was flown over the Upper Beaver Property. There is no past production recorded on the property and no Mineral Resources are currently developed. Queenston is the operator of the Lac-McVittie joint venture and is planning an exploration program on the property in 2009 to consist of an IP geophysical survey and diamond drilling.

Upper Canada

The Upper Canada Property is owned 100% by Queenston and comprises 57 claim units (923 ha) located in the central portion of Gauthier Township, southwest of the Upper Beaver 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 property hosts two gold deposits (Upper Canada and Brock) with past production of approximately 1.5 million oz. of gold.

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 1930s and between 1938-41, Brock Mines sunk a shaft to 192 m with four levels. No production was reported 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 Au/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 cycle. 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 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 1990, no exploration has been undertaken on the property.

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 non-compliant mineral resources (Table 10).

TABLE 10.
HISTORIC RESOURCES – MCBEAN (NI 43-101 NONCOMPLIANT)

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**

In 2007, Queenston commenced geological modeling of the Upper Canada deposit, including all mine workings and thousands of surface and underground drillholes. This study will be completed in 2008 and will assist in planning a new exploration program targeting both existing zones of known mineralization and potential new zones.

Victoria Creek

The Victoria Creek property is owned by Vault Minerals Inc. and comprises 88 unpatented mining claims in northern Gauthier Twp. The property is adjacent and west of the Upper Beaver Property. This property and the adjacent property to the west were previously owned by Sudbury Contact who between 1993 and 1998 completed an extensive exploration program leading to the discovery of the Victoria Creek gold deposit.

The property covers a 5.3 km strike extent of the Victoria Creek Deformation Zone west of the Upper Beaver Property. This deformation zone occurs at the contact of the Upper Tisdale assemblage of calc-alkaline, intermediate to felsic volcanics to the south, overlain to the north by the Lower Blake River magnesium and iron-rich tholeiitic flows. The gold mineralization occurs in pyritic zones hosted in two paired sequences consisting of a basal ash tuff intercalated with a felsic lapilli fragmental debri flow along the Victoria Creek Deformation Zone. This structure hosts the Victoria Creek gold deposit, where in 1996, Sudbury Contact outlined from surface diamond drilling a "global inferred resource" of 4.9 million tonnes grading 3.5 g Au/t. This resource is considered historic and is not compliant with NI 43-101

and should not be relied upon. In 1997, Sudbury Contact sunk a shaft on the property and completed underground exploration on the deposit. In 1998, the underground program was abandoned and the shaft was capped due to the lack of continuity of the gold mineralization. Since 1998, no exploration has been completed on the property.

16. MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 HISTORICAL OVERVIEW

Samples of Upper Beaver ore are thought to have been first tested by American Cyanimid Co. in 1939. From material grading 10.9 g Au/t and 0.9% Cu, recoveries of 96 and 95% respectively of the gold and copper were achieved with a combination of jigging (42% recovery to a bullion form), Cu-Au flotation and cyanidation of the flotation tailings. The next documented series of tests was performed by H.Lynch of Upper Canada Mines Ltd. ("**Upper Canada**") in 1963. Jigging was attempted, but the laboratory equipment was said to be inadequate and the test results unsatisfactory. Using a procedure involving flotation and cyanidation of the flotation tailings, 94 and 95.5% of the copper was recovered from two composite samples with 86.6 and 89.6% Au flotation recovery, which increased to 96.2 and 96.9% after cyanidation of the flotation tailings. Direct cyanidation was also attempted but the presence of 1% Cu resulted in significant solution fouling problems unless extreme cyanide levels were employed.

The best result was 92% Au extraction after 72 hours with very high cyanide consumption. Lynch's work was carried out at a fineness of grind of 65-70% passing 200 mesh, following the earlier work of American Cyanimid and testing by Faraday Mines. Lynch stated that flotation cleaning was unnecessary as the copper minerals floated cleanly in the rougher stage at good grades.

Faraday Mines undertook three tests of Upper Beaver ore in 1964 and were able to recover 95.5 – 97.2% of the copper in a Cu-Au concentrate, together with 84.5 – 87% of the gold, which could be increased to 96.8% by cyanidation of the flotation tailings. These tests were performed at a fineness of grind of 56% passing 200 mesh. Dick Roach, the Faraday Mill Superintendent described the Upper Beaver ore as 'one of the most free-milling ores he had ever seen'.

In 1964, J.Botsford, Upper Canada General Manager, recommended putting the Upper Beaver deposit into production by retro-fitting of the Upper Canada mill with a separate milling circuit to include jigging and flotation. Kilborn Engineering was consulted on flow sheet design and equipment selection. The 150 tpd flowsheet eventually developed and constructed had no jigging stage. The flotation circuit comprised seven Denver No. 24 cells –

four roughing, two scavenging and a single cleaner cell. The flotation tailing was thickened and introduced to an agitator at the tail end of the Upper Canada cyanidation circuit. Early production figures from Feb. to Nov. 1965 showed 37,277 tons milled at 12.3 g Au/t and 0.64% Cu, with recoveries of 90% for copper and 93.6% for gold. First shipments of concentrate to the Horne Smelter in Rouyn-Noranda, Quebec, assayed 189 g Au/t and 23.3% Cu.

16.2 SGS-LAKEFIELD 2008 TESTWORK PROGRAM

In July 2008, Queenston authorized a limited bench scale testing program at SGS–Lakefield with the primary objective of confirming metallurgical performance of earlier testwork and mine production as part of the recent Upper Beaver Property NI 43-101 Mineral Resource assessment. Two samples were provided; the master composite sample was selected from copper-rich gold-bearing intersections, while the secondary sample was prepared from copper-poor intersections. The principal head assays were reported as follows:

	High - Cu	Low - Cu
Au, gpt	9.64	4.83
Ag, gpt	6.54	0.80
Cu, %	1.17	0.16
Fe, %	8.33	5.47
S, %	1.61	0.85
SiO_2, %	49.1	51.8

A Bond ball mill work index test on the high copper sample gave 17.0 kWh/mt, placing the material in the medium-hard category. Two gravity concentration tests have been performed on the high copper sample using a Knelson concentrator at varying finenesses of grind. The results were gold recoveries of 61.2 and 63.9% at concentrate grades of 626 and 583 g Au/t; 51% of the silver was also recovered. These recoveries were in sharp contrast to the 42% gold recovery achieved by jigging in the earliest experimental work, although no records exist of the jig concentrate grade to facilitate comparisons. Tailings from the second gravity test were used in the flotation investigation.

To date, a total of six flotation tests have been undertaken (Table 11). Copper recoveries in the roughing stage have varied from 96.5 to 98.3%, with the best of the two cleaning tests (F-4) giving a cleaner concentrate of 19.9% Cu at a recovery of 96.3%. Flotation recovery of gold in the roughing stage has ranged from 83.1 to 88.7%. Combined gold recovery from

gravity and flotation in Test F-4 was 92.5%, and 94.2% in Test F-2 at a 14.2% Cu grade, versus the range of 84.5 to 89.6% reported in earlier flotation testwork.

TABLE 11.
FLOTATION TEST SUMMARY

			Flot. Assays		Flot. Stage Rec'y,%		Grav.+ Flot Rec'y, %	
Test No.	Product	Wt.%	Cu, %	Au, gpt	Cu	Au	Cu	Au
F-1	Cu/Au Rghr Conc 1	4.2	23.5	53.8	84.1	59.2		84.2
	Cu/Au Rghr Conc1-3	13.5	8.56	24.4	98.2	86.2		94.7
	Cu/Au Rghr Tail	86.5	0.024	0.61	1.8	13.8		
	Head	100.0	1.18	3.83	100.0	100.0		
F-2	Cu/Au Rghr Conc 1	3.9	24.9	59.4	83.7	62.9		86.3
	Cu/Au Rghr Conc 1-2	7.0	15.8	43.5	96.3	83.8		94.2
	Cu/Au Rghr Conc1-3	12.1	9.40	26.8	98.9	88.7		96.1
	Cu/Au Rghr Tail	87.9	0.015	0.47	1.1	11.3		
	Head	100.0	1.15	3.66	100.0	100.0		
F-3	Cu/Au Rghr Conc 1	4.5	23.0	58.3	88.3	66.5		86.8
	Cu/Au Rghr Conc1-3	8.1	13.8	40.1	96.5	83.1		93.4
	Cu/Au Rghr Tail	91.9	0.045	0.72	3.5	16.9		
	Head	100.0	1.16	3.92	100.0	100.0		
F-5	Cu/Au Rghr Conc 1	4.2	22.7	51.8	83.4	56.4		82.7
	Cu/Au Rghr Conc1-3	17.3	6.4	19.2	96.8	85.6		94.0
	Cu/Au Rghr Tail	82.7	0.044	0.68	3.2	14.4		
	Head	100.0	1.15	3.87	100.0	100.0		
F-4	Cu/Au 1st Clnr Conc	5.4	19.9	55.6	96.3	80.4		92.5
	Cu/Au Rghr/Scav Conc	9.5	11.6	33.6	98.3	85.1		94.3
	Cu/Au Rghr Tail	90.5	0.022	0.63	1.7	14.9		
	Head	100.0	1.12	3.75	100.0	100.0		
F-6	Cu/Au 1st Clnr Conc	5.8	18.6	50.8	94.1	77.1		91.2
	Cu/Au Rghr/Scav Conc	18.0	6.16	17.9	97.1	84.7		94.1
	Cu/Au Rghr Tail	82.0	0.04	0.71	2.9	15.3		
	Head	100.0	1.14	3.81	100.0	100.0		

At this stage in the metallurgical testing program, it is considered that the addition of a cyanidation step to improve the overall gold recovery by 2-3% to the 96% level may be uneconomic. This still needs to be confirmed by further metallurgical and engineering studies, but would simplify the flowsheet and permitting requirements if no cyanidation was used, while reducing capital expenditures and operating costs.

Future testing will be directed at confirming if the additional gold recovery can be achieved by cyanidation of the flotation tailings. The low copper sample will be evaluated using the gravity – flotation – cyanidation approach and preliminary environmental testwork on tailing samples will also be undertaken. This phase of the Upper Beaver Property testing program is scheduled to be completed by the end of 2008.

17. MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 WGM MINERAL RESOURCE ESTIMATE STATEMENT

WGM has prepared a Mineral Resource estimate for the Upper Beaver Property mineralized zones that have sufficient data to allow for continuity of geology and grades. A summary of the Mineral Resources is provided in Table 12.

TABLE 12.
SUMMARY OF UPPER BEAVER PROPERTY MINERAL RESOURCE ESTIMATE
(Cutoff of 3.0 g Au/t)

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	291,000	7.7	262,500

Note: Au is capped at 50 g/t; cu is capped at 2%.

The classification of Mineral Resources used in this report conforms with the definitions provided in the final version of NI 43-101, which came into effect on February 1, 2001, as revised on December 11, 2005. We further confirm that, in arriving at our classification, we have followed the guidelines adopted by the Council of the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM**") Standards. The relevant definitions for the CIM Standards/NI 43-101 are as follows:

> A **Mineral Resource** is a concentration or occurrence of diamonds, natural, solid, inorganic or fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
>
> 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 drillholes.

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 drillholes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, 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 drillholes that are spaced closely enough to confirm both geological and grade continuity.

A **Mineral Reserve** is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A **Probable Mineral Reserve** is the economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A **Proven Mineral Reserve** is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Mineral Resource classification is based on certainty and continuity of geology and grades. In most deposits, there are areas where the uncertainty is greater than in others. The majority of the time, this is directly related to the drilling density. Areas more densely drilled are usually better known and understood than areas with sparser drilling.

17.2 GENERAL MINERAL RESOURCE ESTIMATION PROCEDURES

The block model Mineral Resource estimate procedure included:

- importing/compiling and validation of data from Microsoft Excel to Gemcom to create a Project database;
- generation of cross sections and plans to be used for geological interpretations;
- basic statistical analyses to assess cutoff grades, compositing and cutting (capping) factors;
- development of 3-D wireframe models for zones with continuity of geology/mineralization, using available geochemical assays for each drillhole sample interval; and
- generation of block models for Mineral Resource estimates for each defined zone and categorizing the results according to NI 43-101 and CIM definitions.

17.3 DATABASE

17.3.1 GENERAL

Data used to generate the Mineral Resource estimates originated from Microsoft Excel files supplied to WGM by Queenston on a CD. A Gemcom project was established to hold all data and to be used for the manipulations necessary for the Mineral Resource estimate.

The Property drillhole database consisted of 136 drillholes, geological codes, and 30,591 assay intervals for Au and Cu ranging from 0.1 m to 5.3 m, with over 80% being between 0.8 and 1.2 m in length. Additional information, including copies of the geological logs, summary reports, mine workings, internal "resource estimates" and geological interpretations were supplied as paper copies or in DXF files.

17.3.2 DATA VALIDATION

Upon receipt of the data, WGM performed the following validation steps:

- ✓ checking for location and elevation discrepancies by comparing collar coordinates with the copies of the original drill logs received from the site;

- ✓ checking minimum and maximum values for each quality value field and confirming/modifying those outside of expected ranges;
- ✓ checking for inconsistency in lithological unit terminology and/or gaps in the lithological code;
- ✓ spot checking original assay certificates with information entered in the database; and
- ✓ checking for gaps, overlaps and out of sequence intervals for both assays and lithology tables.

The assay table contained some minor errors when compared to the original certificates, and these were corrected and confirmed by the client before proceeding with the Mineral Resource estimate. The gaps or missing intervals identified were due to unsampled / unassayed intervals outside of the mineralized zones. WGM found the database to be in good order and accurate and no errors were identified that would have a significant impact on the Mineral Resource estimate.

17.3.3 DATABASE MANAGEMENT

The drillhole data were stored in a Gemcom multi-tabled workspace specifically designed to manage collar and interval data. The line work for the geological interpretations and the resultant 3-D wireframes were also stored within the Gemcom project. The project database stored cross section and level plan definitions and the block models, such that all data pertaining to the project are contained within the same project database.

17.4 GEOLOGICAL MODELLING PROCEDURES

17.4.1 CROSS SECTION DEFINITION

Vertical sections were defined for the Upper Beaver Property to mimic those defined by Queenston staff for its cross sectional interpretation, which was used as the basis for its internal longitudinal polygonal estimates of tonnes and grades. The drilling for zone definition was conducted on cross sections that had a spacing that varied from 25 m to 50 m, but most drilling was conducted on the 25 m spaced sections.

In total, 25 west-looking vertical (cross) sections at 25 m spacing were defined for the mineralized zones for WGM's interpretation. Figure 17 shows the drillhole plan and the cross section locations.

17.4.2 GEOLOGICAL INTERPRETATION AND 3-D WIREFRAME CREATION

WGM used Queenston's original internal interpretations from the cross sections and polygonal longitudinals as the basis to define the boundaries of the mineralized zones.

WGM's zone interpretations of the mineralization were digitized into Gemcom and each polyline was assigned an appropriate rock type and stored with its section definition. The digitized lines were 'snapped' to drillhole intervals to anchor the line which allows for the creation of a true 3-D wireframe that honours the 3-D position of the drillhole interval. Any discrepancies or interpretation differences between Queenston's original interpretation and WGM's final interpretations were discussed with Queenston technical personnel and agreed upon before finalizing the interpretation to be used for the Mineral Resource estimate. The majority of the discussions centred around using alternate mineralized intercepts to define the some of the zones. These discrepancies became more apparent when the drillholes were viewed in 3-D and the wireframing was completed, as Queenston's original interpretation was more 2-D based.

Zone boundaries were digitized from drillhole to drillhole that showed continuity of strike, dip and grade, generally from 50 to 100 m in extent, and 25 to 50 m maximum on the ends of the zones where there was no drillhole information (most extensions were limited to 25 m, unless supported by drillhole information on adjacent cross sections). Internally, the continuity of the zones was very good, and in some cases, with supporting data from adjacent sections, the interpretation was extended beyond 100 m internally, however, this extension was taken into consideration when classifying the Mineral Resources and these areas were given a lower confidence category. In general, extensions of the boundaries were made consistent with the trends defined by joining known boundaries and with information used from adjacent cross sections. A minimum horizontal width of 2 m was used for defining the zones. Figure 18 shows a typical cross section through the Upper Beaver mineralized zones.

The Upper Beaver mineralized zones are for the most part discrete and can be identified relatively easily, however, there can also be multiple intercepts within the same general area

QMI REV \ QMI_08_DH_Plan_Map.cdr
Last revision date: Thursday 30 October 2008

591,400m.E
592,000m.E
5,337,000m.N
5,336,400m.N
5,335,800m.N
5,335,200m.N

GAUTHIER TWP
MCVITTIE TWP

L9546
L9553
L9155
L7055
L7056
L9554
L9555
L6247
LS340
L6246
LS339
L2588
L2587
L2602
L2648
L2589
L2586
L2601
L2649

105+00E
104+00E
103+00E
102+00E
101+00E
100+00E
99+00E
98+00E
10+375E
102+75E
106+00N
104+00N
102+00N
100+00N
98+00N

317
315
287

Legend:

- *Property outline*
- *Claim boundary*
- *Road*
- *Drillhole location*
- *Local grid*

Scale 1 : 5,000

0 50 250

Metres

UTM NAD83, Zone 17

Area of Mineral Resource Estimate

HWY66 (7km.)

Graphics by: Watts, Griffis and McOuat Limited After Queenston Mining

Figure 17.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

2005 - 2008 Drillhole Location Map

Watts, Griffis and McOuat

QMI REV / QMI_01_Sect10275.dwg (Layout:3K)
Last revision date: Monday 27 October 2008

10,000m.N 10,200m.N 10,400m.N

250m.EL 250m.EL

0m.EL

-250m.EL -250m.EL

-500m.EL -500m.EL

-750m.EL

10,000m.N 10,200m.N

Legend:

- High Grade Mineralized Zone
- Low Grade Mineralized Zone
- Diabase Dyke
- Feldspar Porpyiry

Drillhole assay
Cu% Au g/t

Drillhole trace

Drillhole number

UB06_41

0.75	< 1.0 g/t Au
2.45	1 - 3 g/t Au
4.55	3 - 5 g/t Au
7.58	5 - 10 g/t Au
12.07	> 10 g/t Au

UB07_109
UB05_06
UB05_21
North Contact A
West Feldspar Porphyry
UB05_16
UB07_96
UB06_34
UB05_20
UB05_29
UB05_24
UB07_119
UB05_22
UB07_107
North Contact B
UB07_104
UB07_98
UB05_23
UB07_102
UB07_77
UB07_112
West Upper Porphyry
West Lower Porphyry
UB07_110
UB08_128
UB07_100

Scale 1 : 3,000

0 30 150

Metres

Graphics by Watts, Griffis and McOuat Limited

Figure 18.

QUEENSTON MINING INC.

Kirkland Lake Property

Larder Lake Mining Division, Ontario

Cross Section 10275 E
Showing Drillholes, Barren Dykes/Porphyries and Mineralized Zones

Watts, Griffis and McOuat

of a mineralized section of the drillhole. WGM used a nominal 1.0 g Au/t cutoff to determine the zone outlines for continuity purposes, but this general rule was applied on a case by case basis and was a fairly manual effort. Most bounding assay intervals used to define the zones were much higher grade than 1.0 g Au/t, however, some lower grade intercepts were used internally on occasion to ensure zone continuity.

As the building of the 3-D zone models/wireframes progressed, revisions to the interpretation were made until WGM was satisfied within the 3-D spatial integrity of the zones. The final interpretation was discussed with Queenston technical personnel before proceeding to the Mineral Resource estimation stage. WGM also used the 3-D interpretation of the Diabase Dyke and East and West Feldspar Porphyry Units, as supplied by Queenston, to "overprint" the WGM defined zones as the final step in order to subtract this barren material from the Mineral Resources. Queenston also supplied 3-D models of the underground workings for WGM's use. Figure 19 illustrates the 3-D models of the defined zones used for the Mineral Resource estimate and the Upper Beaver underground workings.

17.4.3 TOPOGRAPHIC SURFACE CREATION

A topographic surface or triangulated irregular network ("TIN") was created using collar elevations of the holes drilled from surface for the entire Upper Beaver Property area. This was not seen as being crucial for this stage of the Mineral Resource estimate, as the zones are going to be mined by underground methods.

17.5 STATISTICAL ANALYSIS, COMPOSITING, CAPPING AND SPECIFIC GRAVITY

17.5.1 BACK-CODING OF ROCK CODE FIELD

The 3-D solids that represented the interpreted mineralized zones were used to back-code a rock code field into the drillhole workspace. Each interval in the assay table was assigned a new rock code value based on the rock type solid that the interval midpoint fell within.

Watts, Griffis and McOuat

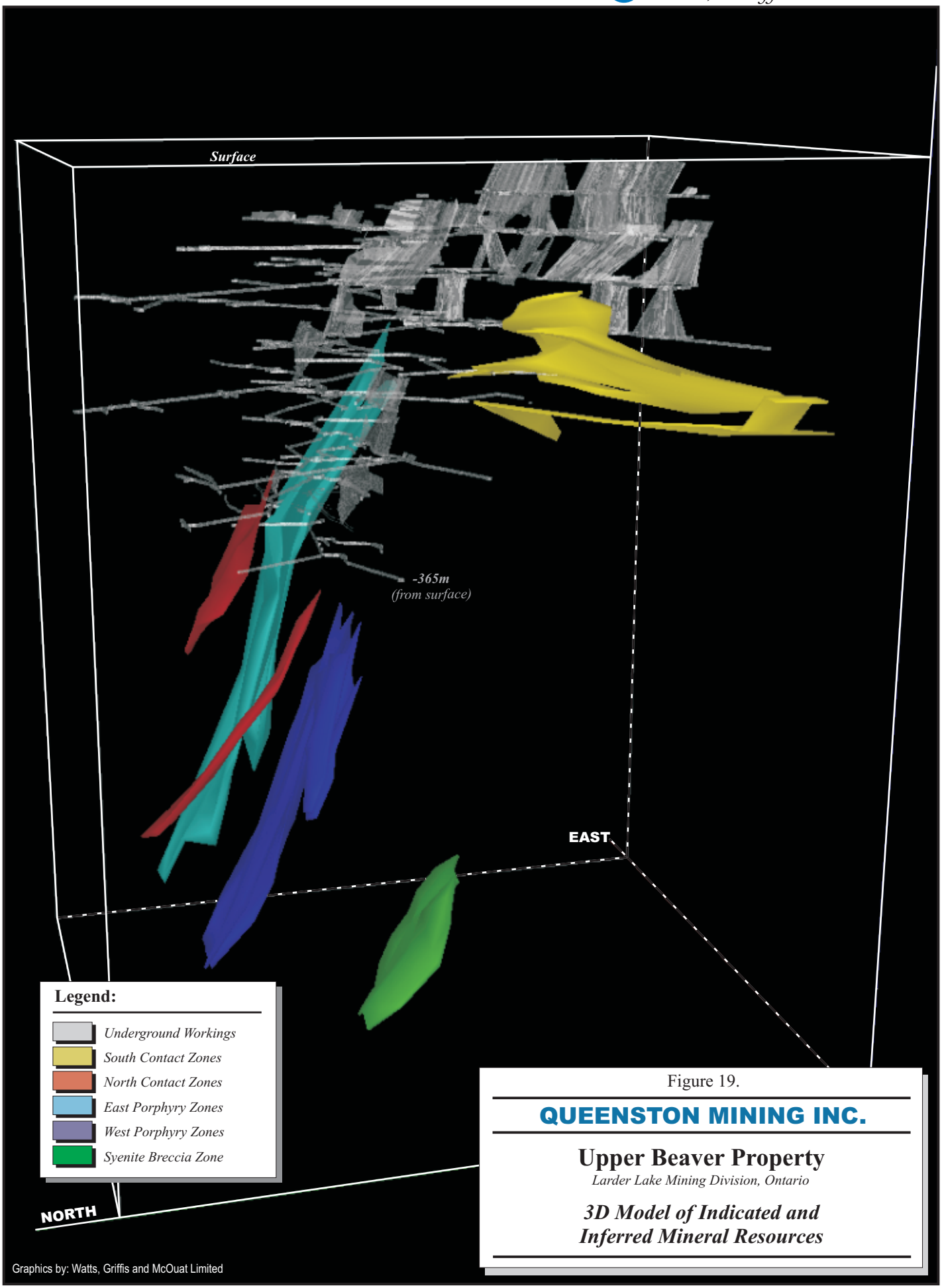

Figure 19.

QUEENSTON MINING INC.

Upper Beaver Property

Larder Lake Mining Division, Ontario

3D Model of Indicated and Inferred Mineral Resources

Graphics by: Watts, Griffis and McOuat Limited

17.5.2 STATISTICAL ANALYSIS AND COMPOSITING

In order to carry out the Mineral Resource grade interpolation, a set of equal length composites of 1.0 m was generated from the raw drillhole intervals, as the original assay intervals were different lengths and required normalization to a consistent length. Table 13 summarizes the statistics of the 1 m composites inside the defined mineralized envelopes for Au and Cu. WGM originally studied the results of the zones separately, however, there is insufficient data within each zone to create any meaningful statistics. For our analysis, WGM combined all the Porphyry Zones together, as they make up the vast majority of samples and tonnage and also combined all the zones together as they are similar in nature, but different grades. The actual zone composites themselves were also reviewed. The results of this study are illustrated in Figures 20 to 25.

TABLE 13.
BASIC STATISTICS OF 1 M COMPOSITES

Zone	Element	Number	Minimum	Maximum	Average	C.O.V.
All Zones	Au g/t	1,039	0.00	1,014.11	7.10	4.88
	Cu%	1,039	0.00	9.77	0.43	2.17
All Zones	Au g/t (Capped)	1,039	0.00	50.00	5.40	1.70
	Cu% (Capped)	1,039	0.00	2.00	0.35	1.56

17.5.3 GRADE CAPPING

The statistical distributions of both Au and Cu show good lognormal distributions and most of the defined zones exhibit similar behaviour of grade distributions. Considering the nature of the mineralization and the continuity of the zones, WGM studied various capping levels for both Au and Cu. Grade capping, also sometimes referred to as top cutting, assay grades is commonly used in the Mineral Resource estimation process to limit the effect (risk) associated with extremely high assay values. Philosophies or approaches to establishing and using a grade cap is variable across the industry and includes, for example, not using grade caps at all, arbitrarily setting all assay grades greater than 1 oz/ton to 1 oz/ton, choosing the grade cap value to correspond to the 95 percentile in a cumulative distribution, evaluation of Mean Grades + multiple levels of Standard Deviations and the evaluation of the shape and values of histograms and/or probability plots to identify an outlier population. Another rule of thumb is to set the capping level to lower the top 10% of the metal content in the deposit.

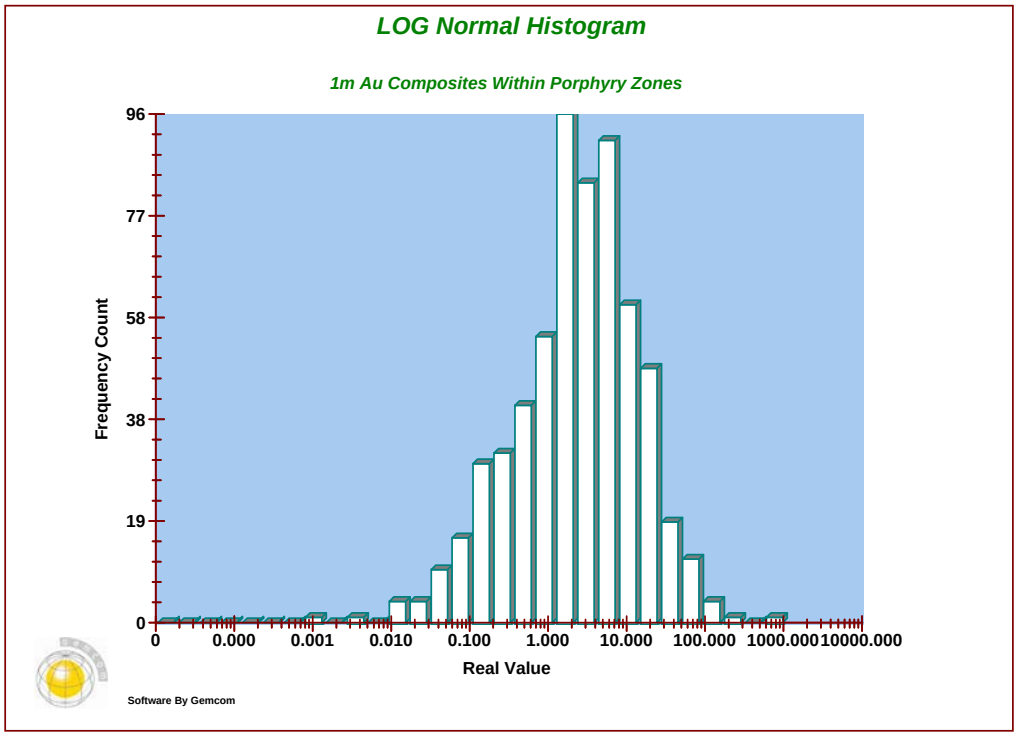

Figure 20. LOG normal histogram, Au composites within porphyry zones

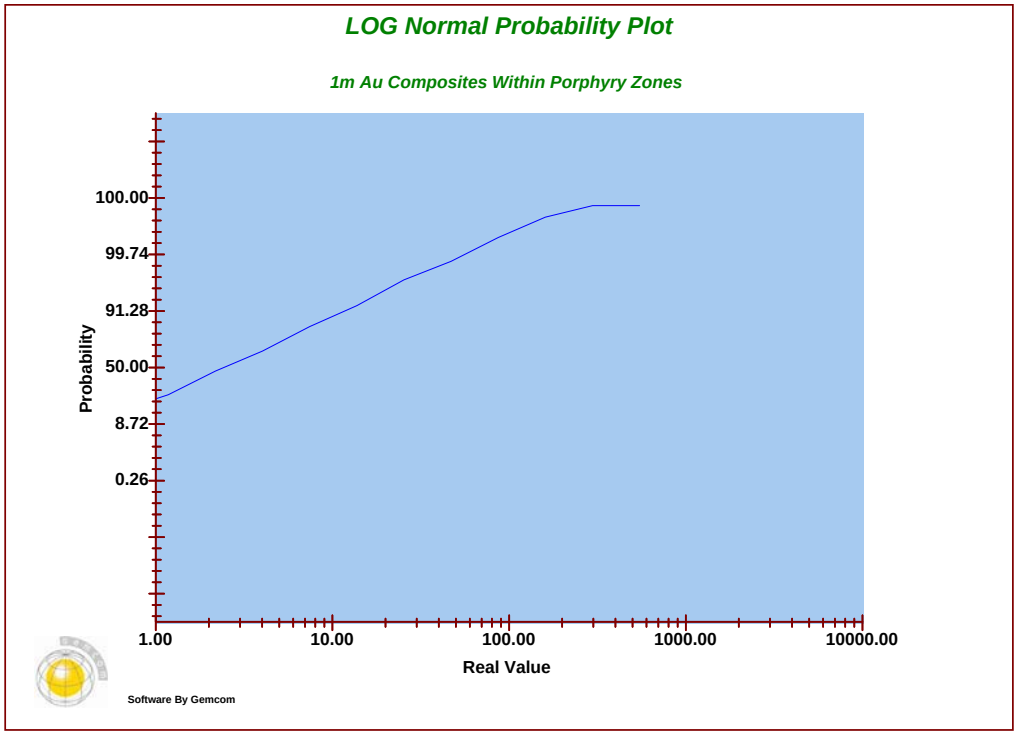

Figure 21. LOG normal probability plot, Au composites within porphyry zones

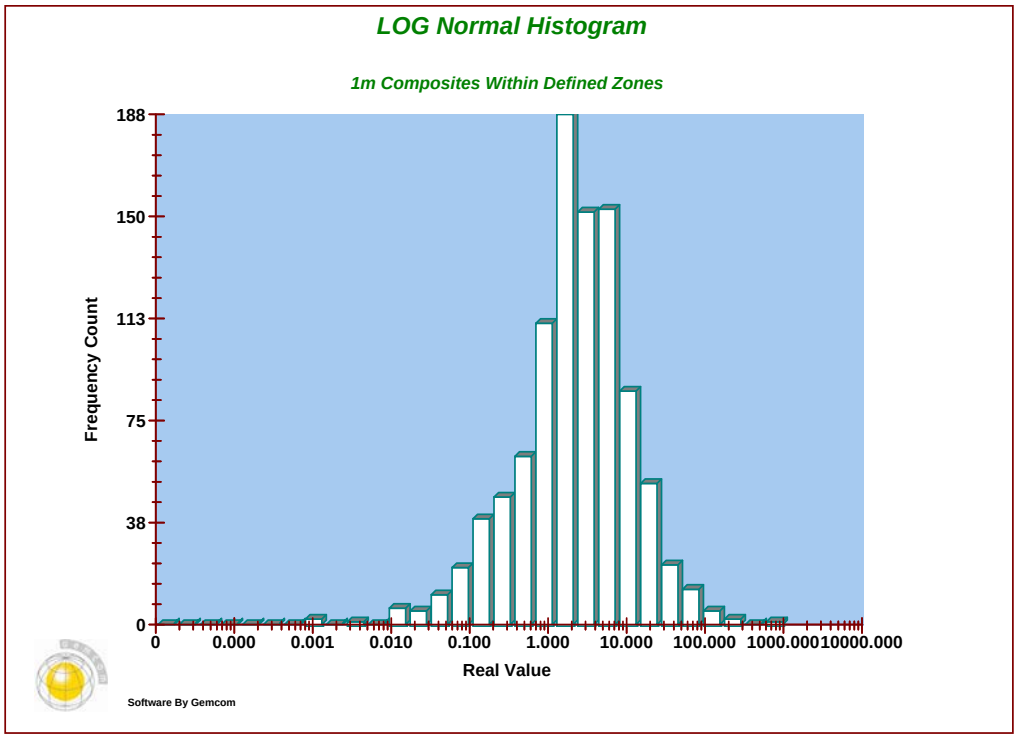

Figure 22. LOG normal histogram, composites within all defined zones

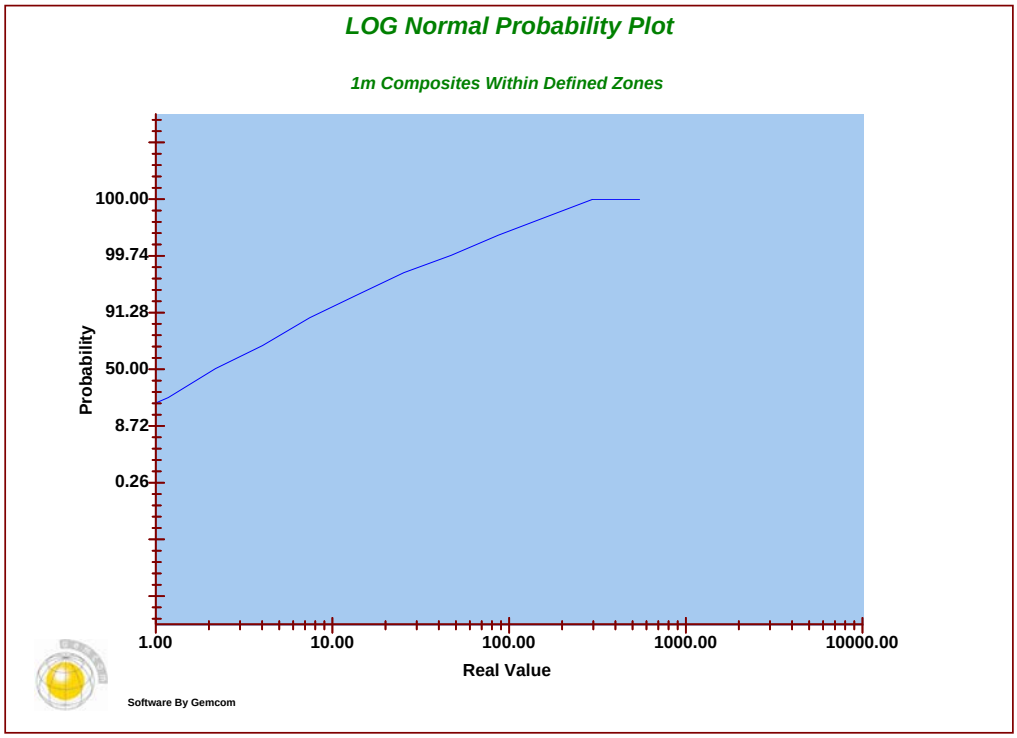

Figure 23. LOG normal probability plot, composites within all defined zones

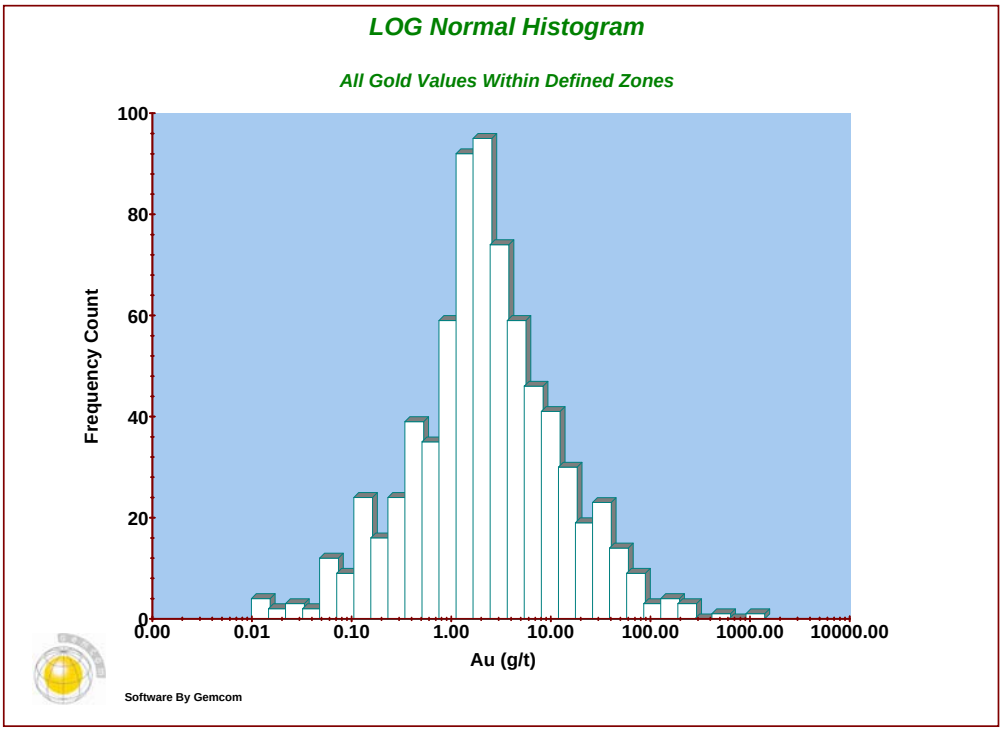

Figure 24. LOG normal histogram, gold values within defined zones

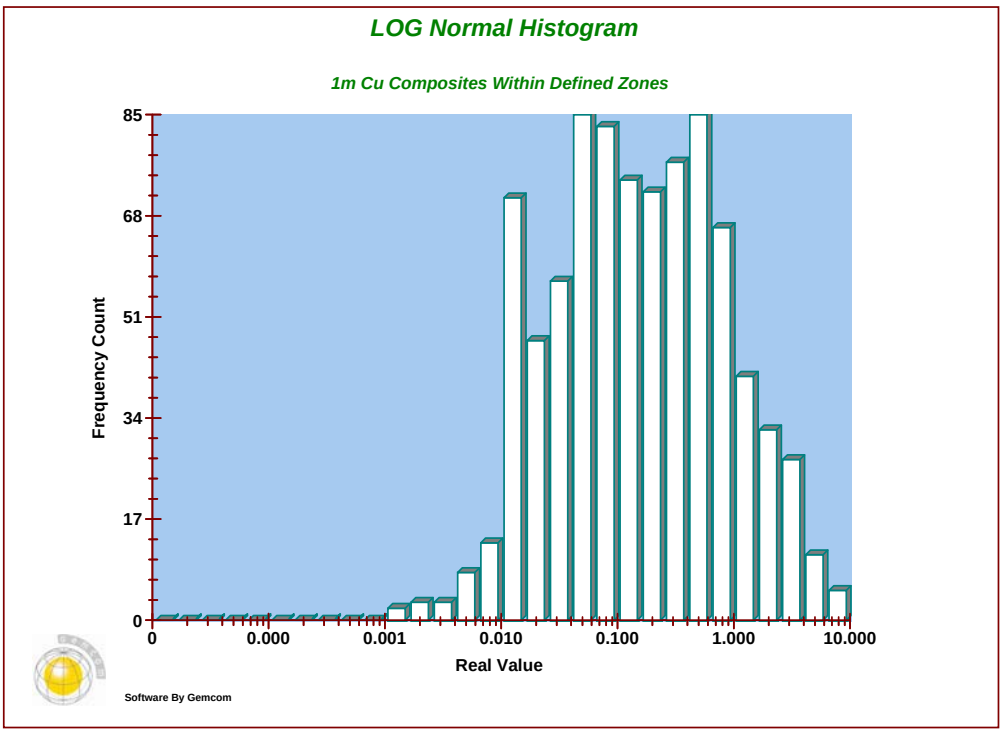

Figure 25. LOG normal histogram, Cu composites within all defined zones

WGM assessed most of these techniques and determined that capping was appropriate for the estimation of grades for the Upper Beaver Property and we set the upper value to 50 g Au/t and 2% Cu for all the defined mineralized zones (as shown previously in Table 13). Some of the smaller zones had very little data to complete a proper statistical assessment, and were not capped at all because they are, in general, zones of lower grade to start with. The net result of WGM's capping for the Mineral Resource estimate at a 3.0 g Au/t cutoff grade was to reduce the Indicated Resource Au grade by 8.8% and the contained metal by 12.4%, and to reduce the Inferred Resource Au grade by 9.4% and the contained metal by 9.8%. The capping on the Cu grades had a similar reducing effect on the contained metal. WGM recommends that future Mineral Resource estimates, after more drilling is conducted, include evaluation of multiple capping strategies for individual zones.

17.5.6 DENSITY/SPECIFIC GRAVITY

Queenston determined specific gravity ("SG") measurements on half core, as well as on rejects of assayed samples. The samples tested were almost entirely from its mineralized zones; no measurements were completed on host rocks (waste), although in a few cases wall rocks to mineralized zones were tested. Half core samples were generally 6 inches long and the sample selected for SG determination represented a segment of core from assay samples 0.3 to 1.4 m long. The measurements on half core segments were completed by JVX Ltd. ("**JVX**") and by Swastika using the weighing in water/weighing in air method. A total of 31 determinations were completed on half core. Queenston classified 19 of these samples as mineralized and 12 as altered-unmineralized on the basis of gold and copper assay grades.

SG determinations on 151 rejects were completed by pycnometer using water. These samples included rejects from all of the main mineralized zones. Queenston classified 120 of these samples as mineralized and 31 as unmineralized based on assay grades. An unmineralized label does not mean the zone from which the sample was taken is not mineralized, only that the assay on the sample was low or nil grade for both gold and copper.

Queenston cautioned that because the rejects were soft and fine they tended to retain air and resultant SGs were a little lower than expected.

Figures 26 and 27 show SG results for all samples in terms of copper and gold assays.

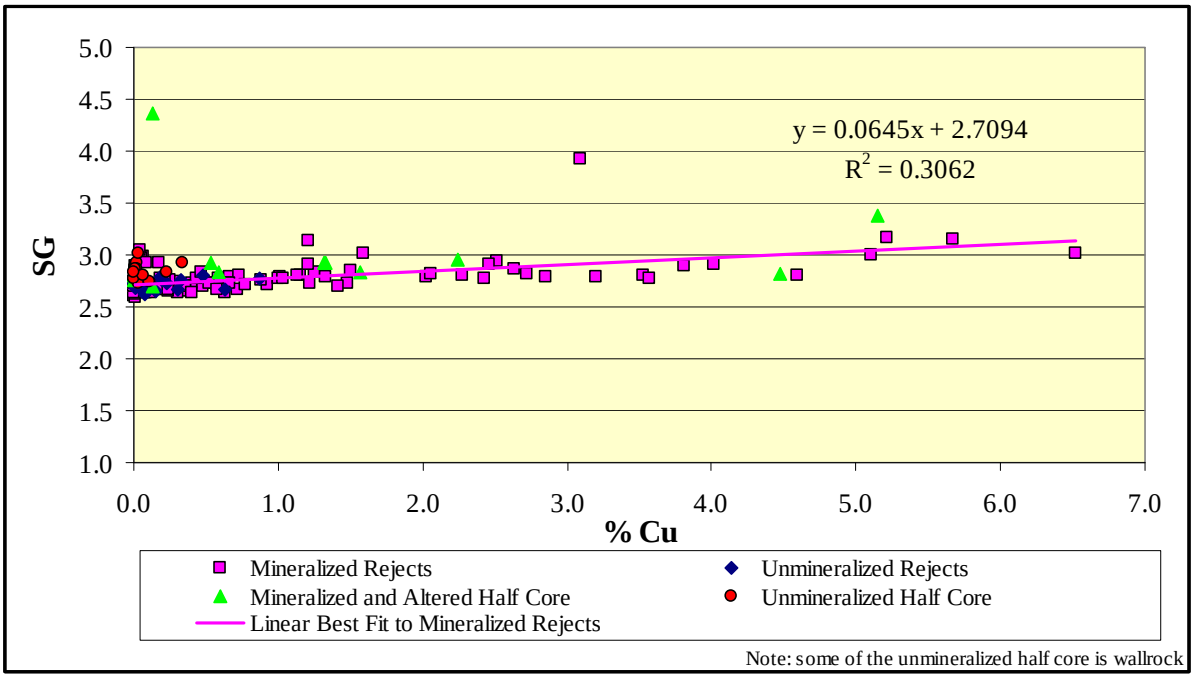

Figure 26. SG vs. copper grade

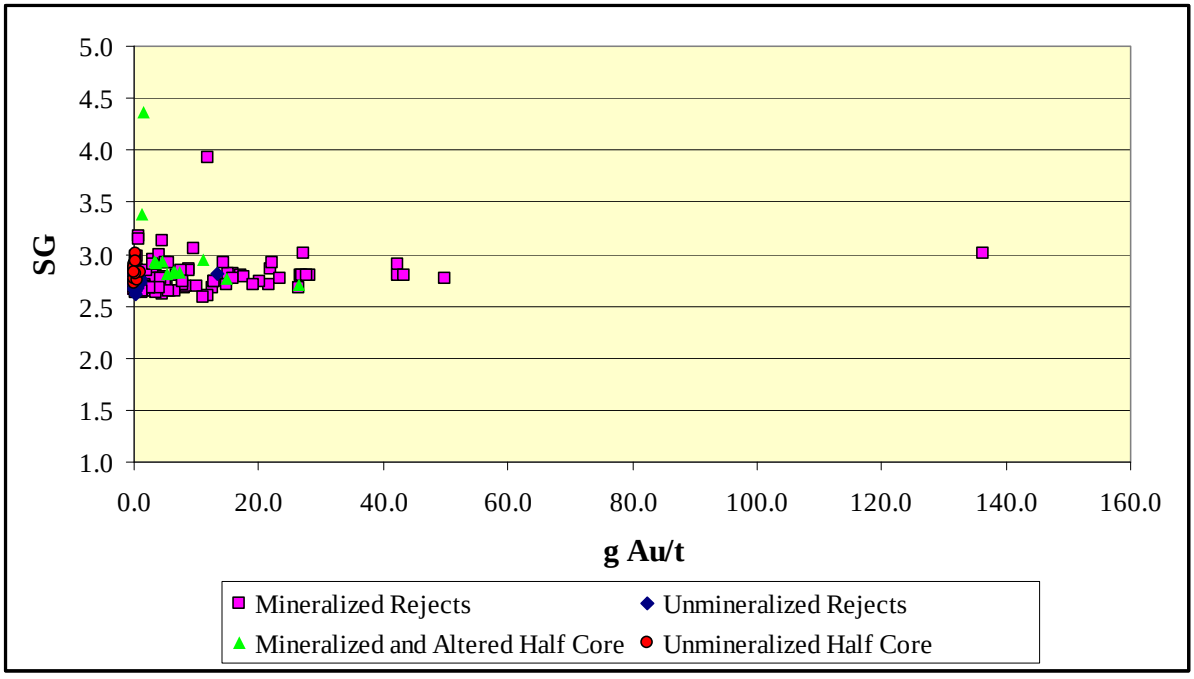

Figure 27. SG vs. gold grade

The above figures show that SG increases with both copper and gold grade, but the rate of increase is small. Queenston's caution regarding the rejects retaining air and thus giving lighter that true SG is not clearly apparent, and to WGM, mineralized rejects and mineralized and altered half core results appear to be much the same.

Queenston suggested that WGM use a constant SG of 2.9 for the Mineral Resource estimate. WGM agrees a value of 2.9 appears to be reasonable for this level of estimate and stage of the project. An alternative approach might be to compute SG for the Mineral Resource block model on the basis of copper grades, or by regressing SG against a combination both copper and gold grades. Using SG in the function for averaging grades most likely would result in slightly higher average grades for both gold and copper in the Mineral Resource estimate. Excluding SG is likely slightly conservative.

Doing SG determinations on rejects has an advantage compared to determinations on 6 inch core lengths in terms of defining SG variations with copper and gold grades, because 6 inch core pieces are not representative of the grade of the assay samples. The retention of air in the reject samples is, however, a real concern. WGM recommends that future pycnometer work should be done using organic solvents in place of water, or using the gas comparison pycnometer method. Another improvement in approach would be to use an apparatus for weighing in water and air that can accommodate an entire sample of half core (i.e., a bulk measurement) in order to better compare the SG to the resultant assay for exactly the same interval.

WGM recommends that the SG results, like all assays, should also be stored in an assay database table for ease of use and comparison purposes.

17.6 BLOCK MODEL PARAMETERS, GRADE INTERPOLATION AND CATEGORIZATION OF MINERAL RESOURCES

17.6.1 GENERAL

The Mineral Resources have been estimated using the Inverse Distance Cubed ("ID^3") estimation technique for Au and ID^2 for Cu. ID belongs to a distance-weighted interpolation class of methods, similar to Kriging, where the grade of a block is interpolated from several composites within a defined distance range of that block. ID uses the inverse of the distance (to the selected power) between a composite and the block as the weighting factor.

For comparison and cross checking purposes, the ID^2 (for Au) and ID^{10} method has also been used which closely resembles a Nearest Neighbour ("NN") technique. In this method, the grade of a block is estimated by assigning only the grade of the nearest composite to the block. All interpolation methods gave similar results, as the grades were very well constrained within the wireframes, and the results of the interpolation approximated the average grade of the all the composites used for the estimate.

17.6.2 BLOCK MODEL SETUP / PARAMETERS

The block model was created using the Gemcom software package to create a grid of regular blocks to estimate tonnes and grades. The deposit specific parameters used for the block modelling are summarized below.

The block sizes used were:

Width of columns = 5.0 m
Width of rows = 2.0 m
Height of blocks = 5.0 m

The specific parameters for each block model are as follows:

Easting coordinate of model bottom left hand corner:	9850.00
Northing coordinate of model bottom left hand corner:	9700.00
Datum elevation of top of model:	210.00 m
Model rotation:	0.00
Number of columns in model:	150
Number of rows in model:	350
Number of levels:	170

17.6.3 GRADE INTERPOLATION

Variograms were generated in an attempt to characterize the spatial continuity of the mineralization in the defined zones, however, due to the lack of data for most of the zones, meaningful variograms could not be computed. The geology and geometry is fairly well understood, so the search ellipse sizes and orientation were based on this geological knowledge, as opposed to variograms. The following lists the Au grade interpolation parameters:

ID^3 Search Ellipsoid:
- 100 m in the East-West direction
- 100 m in the North-South direction
- 25 m in the Vertical direction

Minimum / Maximum number of composites used to estimate a block: 2 / 10
Maximum number of composites coming from a single hole: 5
Ellipsoidal search strategy was used with rotation about Z,X,Z: -10°, -70°, 0°.

The Cu grades were interpolated using the same parameters, except for using an ID^2 method.

Gemcom does not use the sub-blocking method for determining the proportion and spatial location of a block that falls partially within a wireframed object. Instead, the system makes use of a percent model (if it is important to track the different rock type's proportions in the block – usually if there is more than one important type) or uses a "needling technology" that is similar in concept, but offers greater flexibility and granularity for accurate volumetric calculations. In this technique, all the blocks that are inside the wireframe (the user specifies the % threshold) are coded and thus are assigned the appropriate rock code and the interpolated grade. During the volumetric calculation, Gemcom's needling process reports only the volume / tonnage of the block actually within the wireframe itself, but applies the interpolated grade to that portion of the block within the wireframe / solid.

17.6.4 MINERAL RESOURCE CATEGORIZATION

To categorize the Mineral Resources, WGM generated a distance model (distance from actual data point to the block centroid) and reported the estimated resources by distances which represented the category or classification. WGM chose to use the blocks that had a distance of 25 m or less to be Indicated category and +25 m to be Inferred category. The average

distances and categories for the most of the zones were similar (especially for the Indicated) and are shown in Table 14.

TABLE 14.
AVERAGE INTERPOLATION DISTANCE FOR RESOURCE CATEGORIZATION

Zones	Average Distance for Indicated	Average Distance for Inferred
East Upper Porphyry	16 m	40 m
East Lower Porphyry	16 m	50 m
West Upper Porphyry	15 m	36 m
West Lower Porphyry	16 m	35 m
South Contact	16 m	38 m
North Contact	14 m	31 m
Breccia	15 m	30 m

Figures 28 and 29 show the interpolated capped gold grade blocks and categorization on Cross Section 10375E.

For the Mineral Resource estimate, the minimum horizontal width of 2 m and a 3.0 g Au/t cutoff was determined to be appropriate at this stage of the project (Table 15). These parameters were chosen based on a preliminary review of the parameters that would likely determine the economic viability of an underground mining operation and comparison to similar projects in the area that are currently being mined or are at an advanced stage of study / development.

TABLE 15.
CATEGORIZED MINERAL RESOURCE ESTIMATE FOR
MAIN UPPER BEAVER ZONES (Cutoff of 3.0 g Au/t)

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 1.0 g Au/t outline 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 and a specific gravity of 2.9 t/m³
3. Grade capping was done on 1 m composite/individual assays at 50 g Au/t and 2% Cu.
4. Assumed gold price was US$650/ounce.

QMI REV / QMI_05_Block_Model.dwg (Layout: 3k)
Last revision date: Thursday 30 October 2008

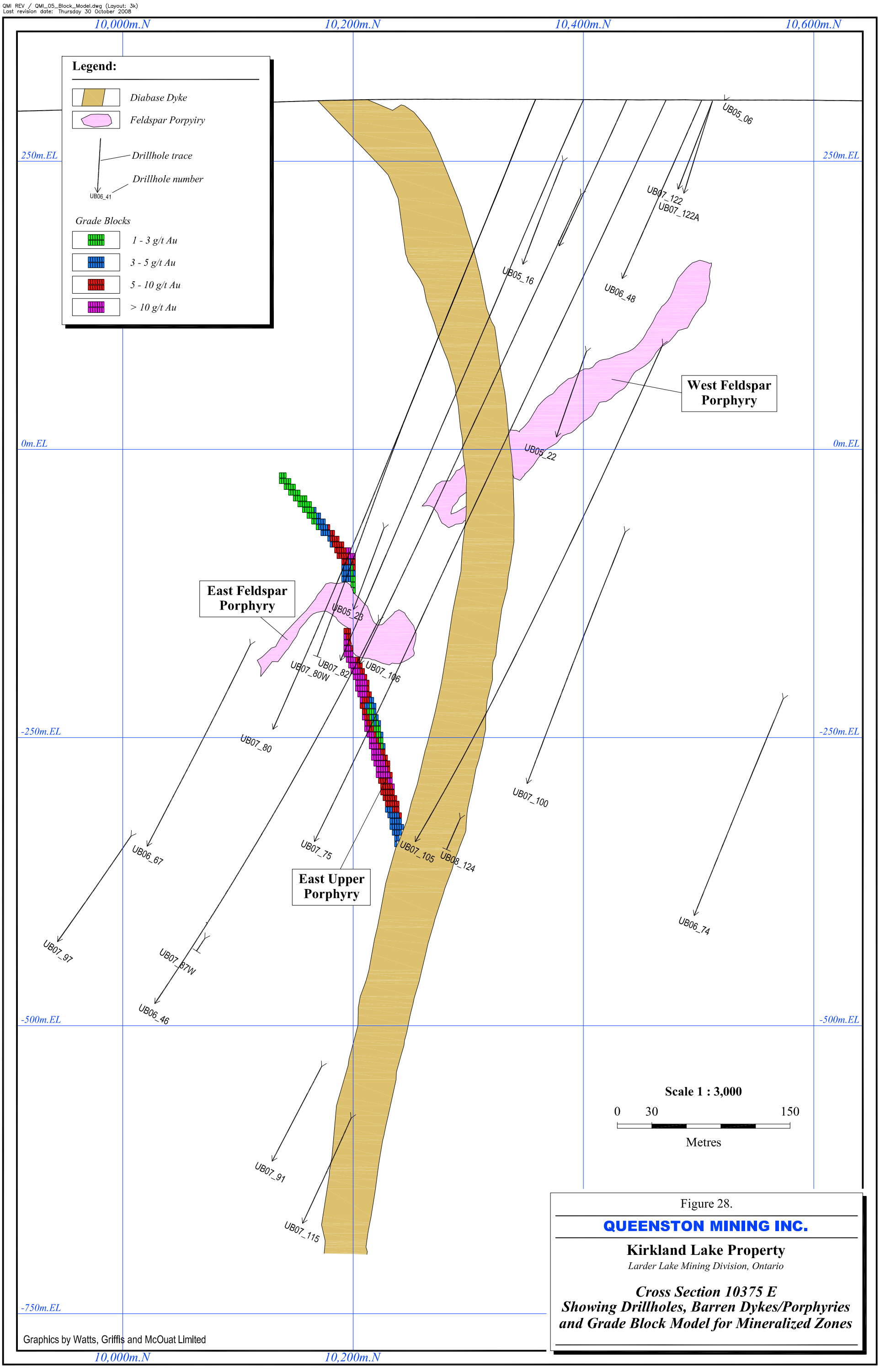

Figure 28.

QUEENSTON MINING INC.

Kirkland Lake Property

Larder Lake Mining Division, Ontario

Cross Section 10375 E
Showing Drillholes, Barren Dykes/Porphyries and Grade Block Model for Mineralized Zones

Watts, Griffis and McOuat

QMI REV / QMI_04_Sect10375.dwg (Layout: 3k)
Last revision date: Wednesday 29 October 2008

10,000m.N 10,200m.N 10,400m.N 10,600m.N

250m.EL 0m.EL -250m.EL -500m.EL -750m.EL

Legend:

- Diabase Dyke
- Feldspar Porpyiry
- Drillhole assay (Cu% Au g/t)
- Drillhole trace
- Drillhole number (e.g. UB06_41)

0.75	< 1.0 g/t Au
2.45	1 - 3 g/t Au
4.55	3 - 5 g/t Au
7.58	5 - 10 g/t Au
12.07	> 10 g/t Au

Resource Blocks

- Inferred Mineral Resources
- Indicated Mineral Resources

UB05_06, UB07_122, UB07_122A, UB05_16, UB06_48, UB05_22, UB05_23, UB07_80W, UB07_80, UB07_106, UB07_100, UB07_97, UB06_67, UB07_75, UB07_105, UB08_124, UB06_74, UB07_87W, UB06_46, UB07_91, UB07_115

West Feldspar Porphyry

East Feldspar Porphyry

East Upper Porphyry

Scale 1 : 3,000

0 30 150

Metres

Graphics by Watts, Griffis and McOuat Limited

Figure 29.

QUEENSTON MINING INC.

Kirkland Lake Property

Larder Lake Mining Division, Ontario

Cross Section 10375 E
Showing Drillholes, Barren Dykes/Porphyries and Block Model Categories for Mineralized Zones

Watts, Griffis and McOuat

18. OTHER RELEVANT DATA

To WGM's knowledge, there is no other relevant information pertaining to the Property that is not already disclosed in this report.

19. INTERPRETATION AND CONCLUSIONS

Based on our review of the available information for the Upper Beaver Property and the results of our Mineral Resource estimate, WGM concludes the following:

- The Upper Beaver deposit is an Archean gold lode deposit with structurally controlled mineralized zones consisting of brittle to ductile discontinuous, anatomising structures. Such deposit types are common along the CLLDZ in the Kirkland Lake area, however, the Cu-Au association at Upper Beaver is not typical in this camp. The Upper Beaver deposits are consistent with an alkali porphyry copper-gold model and the mineralization occurs both in flat and steeply dipping zones; is of replacement-type with rare vein-type mineralization; is associated with minor to pervasive alteration which includes feldspathic, epidote, carbonate, sericite, silica and magnetite with trace hematite; and has an element association of Cu, Au, or Au-Cu with associated molybdenum;

- The Upper Beaver Property has three main types of mineralization, or groups of zones; the South Contact Zones, Beaver North Zones, and North Basalt Zones. The North Basalt Zones currently do not have Mineral Resources estimated. The Indicated and Inferred Mineral Resources are summarized in Table 16:

TABLE 16.
SUMMARY OF UPPER BEAVER PROPERTY MINERAL RESOURCE ESTIMATE
(Cutoff of 3.0 g Au/t)

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	291,000	7.7	262,500

Note: Au is capped at 50 g/t; cu is capped at 2%.

- Plans and cross sections through the current block model display a reasonable distribution of gold grades based on drillhole intersections;

- Queenston's current sampling, assaying and QA/QC protocols represent good industry practice and are appropriate for this type of deposit. Analytical results for prepared Standards inserted by Queenston and Check assaying completed at Secondary labs indicates Primary assay laboratory results are, in general, accurate and precise;

- The follow-up phases of Queenston's drilling programs had a favourable impact on zone interpretations and Mineral Resources, indicating that the main zones of mineralization are fairly continuous and predictable along both strike and dip; and

- The Upper Beaver Property shows excellent potential for additional Mineral Resources being defined, either as extensions of known zones, or as further delineation of known gold mineralization with more drilling. Some of these areas may be better drilled from underground due to the length of the holes from surface or old workings making drilling from surface less than optimal or even impossible.

20. RECOMMENDATIONS

WGM offers the following recommendations for the Upper Beaver Project:

- WGM believes Queenston's general QA/QC procedures are to industry standards, but we also note that none of the quality control materials submitted to the lab were "blind", except for the Blanks. These Blanks were also used to check for carry-over gold in the crushers, as they were also submitted after high grade samples and WGM believes this is good practice. A program of some second half core assaying can also be useful for quality assurance because such samples are blind to the lab;

- WGM notes that Swastika's lab protocols call only for blowing out the crushers and pulverizers between samples, not using a wash sample between high grade samples. If Queenston is providing notice to the lab that particular samples are high grade, it is WGM's opinion that the lab should be using a wash after high grade samples;

- WGM recommends that Queenston strives to improve its sampling and assaying database for future drilling programs and should compile all of its pre-2006 assay records. The databases should include all assays, not just the Finals computed from component assays. The database also should include results for all QA/QC materials both for Queenston inserted materials and also laboratory inserted materials;

- Queenston maintains an archive containing digital text versions of its assay certificates from both Swastika and the Secondary assay labs, but should also acquire and store the PDFs of the final signed certificates from the labs. Queenston should also strive to avoid repeating sample numbers, as sample number repeats complicate tracing assays to certificates and archived core;

- Considering that iron-rich tholeiitic basalts are common host rocks to the mineralized zones and certain intrusives also have magnetic aureoles, the traces for the drillholes that only have EZ-SHOT surveys are not optimally reliable. WGM recommends that a non-magnetic downhole drillhole survey system be used for all future drilling and Queenston try to complete collar surveys on all collars not already surveyed. WGM understands that all drillholes are currently being gyro surveyed. Also the surveying of collars not already

surveyed, especially the holes used in the Mineral Resource estimate, is in progress and should be completed shortly;

- Doing SG determinations on rejects has an advantage compared to determinations on 6 inch core lengths in terms of defining SG variations with copper and gold grades. However, WGM recommends that future pycnometer work should be done using organic solvents in place of water, or using the gas comparison pycnometer method. Another improvement in approach would be to use an apparatus for weighing in water and air that can accommodate an entire sample of half core (i.e., a bulk measurement) in order to better compare the SG to the resultant assay for exactly the same interval. WGM also recommends that the SG results, like all assays, should also be stored in an assay database table for ease of use and comparison purposes;

- WGM believes that an alternative approach to estimate SGs for the Mineral Resource block model would be on the basis of copper grades, or by regressing SG against a combination both copper and gold grades. Using SG in the function for averaging grades most likely would result in slightly higher average grades for both gold and copper in the Mineral Resource estimate and excluding SG is likely slightly conservative;

- WGM recommends that future Mineral Resource estimates, after more drilling is conducted, include evaluation of multiple capping strategies for individual zones; and

- Further metallurgical and engineering studies need to be completed in order to determine if the addition of a cyanidation step to improve the overall gold recovery by 2-3% to the 96% level would be economic. The flowsheet and permitting requirements would be simplified if no cyanidation was used, while reducing capital expenditures and operating costs. As part of this future testing program for cyanidation of the flotation tailings, low copper samples will be evaluated using the gravity–flotation–cyanidation approach and preliminary environmental testwork on tailing samples will also be undertaken. This phase of the Upper Beaver Property testing program is scheduled to be completed by the end of 2008.

Upper Beaver Proposed Work Program and Budget

In general, the work in progress and planned for the Upper Beaver Property includes further exploration and Mineral Resource definition drilling, metallurgical testwork and a

Preliminary Assessment.("PA") to evaluate the economics of the project. This work is estimated to cost approximately $2.56 million and upon completion, Queenston will make a decision on whether to advance the project to the pre-feasibility stage.

Diamond Drilling

As a result of the deep exploration/Titan 24 anomaly testing program, diamond drill hole UB08-135 was successful in intersecting the Porphyry Zone at a vertical depth of 1,150 m or approximately 400 m down dip of the current NI 43-101 Mineral Resources. This hole intersected a 4.8 m thick interval in the West Porphyry Zone assaying 2.7 g Au/t with 0.75% Cu. Due to the open nature of the mineralized system that hosts the Upper Beaver deposit, Queenston has embarked on a program of further definition diamond drilling, both below and east-west of the current Mineral Resources. A total of 24 drillholes is planned, including both pilot holes and wedge holes, representing a total of approximately 20,000 m of drilling. Assuming all inclusive costs of $120.00 per metre, the total program is estimated at $2.4 million.

Metallurgical Test Work

A program of metallurgical testwork is currently in progress to determine the recovery of gold and copper from a variety of mineralization types from Upper Beaver. This program is being supervised by Queenston's consultant, Mr. Peter Godbehere, B.Sc., A.R.S.M. and the testwork is being performed by SGS-Lakefield employing gravity and floatation methods. Queenston has budgeted $60,000 to complete this metallurgical testwork.

Preliminary Assessment

Queenston anticipates initializing Environmental Baseline Studies and commissioning an independent engineering firm to complete a PA on the Upper Beaver deposit to determine the economic viability of considering a mining operation and has estimated the cost of this study to be $100,000.

The above description of the work program and estimated cost breakdown for the next phases for the Upper Beaver Property is summarized in Table 17.

TABLE 17.
UPPER BEAVER WORK PROGRAM AND BUDGET
2008-2009

Main Task	Units	Unit Cost (C$)	Cost (C$)
Delineation and exploration diamond drilling, all inclusive price	20,000	$120	C$2,400,000
Metallurgical Testwork			60,000
Preliminary Assessment and initialize Baseline Study			100,000
TOTAL			**C$2,560,000**

CERTIFICATE

To Accompany the Report Entitled
"Technical Report and Mineral Resource Estimate for
the Upper Beaver Property, Ontario for
Queenston Mining Inc." November 6, 2008

I, Richard W. Risto, do hereby certify that:

1. I reside at 22 Northridge Ave, Toronto, Ontario, Canada, M4J 4P2.

2. I am a graduate from the Brock University, St. Catherines, Ontario with an Honours B.Sc. Degree in Geology (1977), Queens University, Kingston, Ontario with a M.Sc. Degree in Mineral Exploration (1983), and I have practised my profession for over 26 years.

3. I am a member of the Association of Professional Geoscientists of Ontario (Membership Number 276).

4. I am a Senior Associate Geologist with Watts, Griffis and McOuat Limited, a firm of consulting engineers and geologists, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

5. I am an independent Qualified Person for the purposes of NI 43-101 and have extensive experience with gold deposits and the preparation of technical reports.

6. I did not visit the Upper Beaver Property.

7. I have no personal knowledge as of the date of this certificate of any material fact or change, which is not reflected in this report.

8. I am jointly responsible for Sections 4 to 13 of the report with co-author Michael W. Kociumbas.

9. Neither I, nor any affiliated entity of mine, is at present, under an agreement, arrangement or understanding or expects to become, an insider, associate, affiliated entity or employee of Queenston Mining Inc., or any associated or affiliated entities.

10. Neither I, nor any affiliated entity of mine own, directly or indirectly, nor expect to receive, any interest in the properties or securities of Queenston Mining Inc., or any associated or affiliated companies.

11. Neither I, nor any affiliated entity of mine, have earned the majority of our income during the preceding three years from Queenston Mining Inc., or any associated or affiliated companies.

12. I have read NI 43-101 and Form 43-101F1 and have prepared the technical report in compliance with NI 43-101 and Form 43-101F1; and have prepared the report in conformity with generally accepted Canadian mining industry practice, and as of the date of the 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.

signed by

" *Richard W. Risto*"

Richard W. Risto, B.Sc., M.Sc.,
November 6, 2008

CERTIFICATE

To Accompany the Report Entitled "Technical Report and Mineral Resource Estimate for the Upper Beaver Property, Ontario for Queenston Mining Inc." November 6, 2008

I, Michael W. Kociumbas, do hereby certify that:

1. I reside at 420 Searles Court, Mississauga, Ontario, Canada, L5R 2C6.

2. I am a graduate from the University of Waterloo, Waterloo, Ontario with an Honours B.Sc. Degree in Applied Earth Sciences, Geology Option (1985), and I have practised my profession continuously since that time.

3. I am a member of the Association of Professional Geoscientists of Ontario (Membership Number 0417).

4. I am a Senior Geologist and Vice-President with Watts, Griffis and McOuat Limited, a firm of consulting geologists and engineers, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

5. I am an independent Qualified Person for the purposes of NI 43-101 and have extensive experience with iron deposits, a variety of other deposit types, Mineral Resource estimation techniques and the preparation of technical reports.

6. I am responsible for Sections 1 to 3 and 14 to 20 and jointly responsible with co-author Richard W. Risto for Sections 4 to 13 of the report.

7. I visited the Upper Beaver Property in July 2007 and completed a second site visit June 18 and 19, 2008.

8. I have no personal knowledge as of the date of this certificate of any material fact or change, which is not reflected in this report.

9. Neither I, nor any affiliated entity of mine, is at present, under an agreement, arrangement or understanding or expects to become, an insider, associate, affiliated entity or employee of Queenston Mining Inc., or any associated or affiliated entities.

10. Neither I, nor any affiliated entity of mine own, directly or indirectly, nor expect to receive, any interest in the properties or securities of Queenston Mining Inc., or any associated or affiliated companies.

11. Neither I, nor any affiliated entity of mine, have earned the majority of our income during the preceding three years from Queenston Mining Inc., or any associated or affiliated companies.

12. I have read NI 43-101 and Form 43-101F1 and have prepared the technical report in compliance with NI 43-101 and Form 43-101F1; and have prepared the report in conformity with generally accepted Canadian mining industry practice, and as of the date of the 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.

signed by

" *Michael W. Kociumbas"*

Michael W. Kociumbas, P.Geo.
November 6, 2008

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Queenston Mining Inc.

2005-2008 Various internal and confidential documents and digital data by Queenston or supplied by Queenston, including drill logs and assay certificates.