

Queenston Mining Inc.

Review of Resources on South Claims Property

Kirkland Lake, Ontario

August 25, 2008

Technical Report

Prepared by

Glenn R. Clark, P.Eng.

Glenn R. Clark & Associates Limited

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Section 1

SUMMARY

Queenston Mining Inc. ("Queenston") engaged Glenn R. Clark & Associates Limited (GRCA) to report on the mineral resources of the South Claims property at Kirkland Lake, Ontario, Canada. The South Claims are being explored under a joint venture with Kirkland Lake Gold Inc. (KLG). GRCA completed an Independent Resource and Reserve review for KLG that included the South Claims as of April 30, 2008. The review was made by Glenn R. Clark, P.Eng. in compliance with the requirements of National Instrument 43-101 for technical reports. The property was visited June 16-20 and July 7 & 8, 2008.

Property:

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

The South Claims property consists of the mining rights to 4 patented mineral claims. The property was purchased from a local vendor in 2007 who is entitled to a sliding scale 1.5% to 3% NSR royalty based on gold price.

KLG operates the Macassa gold mine and is the operator of the South Claims joint venture (SCJV).

South Claims History:

The property was originally staked in the early 1900's and the first work was reported in 1919. In 1923 Canadian Kirkland Gold Mining Co. Ltd. sunk a vertical shaft to 400 ft and 800 ft of lateral work was completed. From 1923 to 1939 very little is known about work completed on the property. In 1939 the property and adjoining claims were purchased by Amalgamated Kirkland Gold Mines Ltd. At that time 27 surface holes were drilled to test the Amalgamated Break located north of the Canadian Kirkland shaft. In 1968 the property was purchased by Mr. J. Morgan, the current vendor to the Queenston - KLG joint venture. Since 1939 there has been no reported work on the property.

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

Corporate History:

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

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

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

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

In 2004-2007 Queenston and KLG formed 4 joint ventures in Teck Township to explore properties adjacent to the Macassa gold mine. The subject of this report is the South Claims Joint Venture (SCJV) property.

Geology:

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

The Timiskaming Group of rocks is the main feature of the Kirkland Lake area. It is up to 10,500 feet thick and extends for about 40 miles from Kenogami Lake in the west to the Quebec border in the east. In the Kirkland Lake area, the Timiskaming

is predominantly conglomerates and sandstones, trachytic lava flows and pyroclastic tuffs. The Timiskaming trends N65°E and dips steeply south at Kirkland Lake. Immediately east of Kirkland Lake, the formations are warped to an east-southeast direction and then return to an east-northeast direction at Larder Lake and continue this way to the Québec border.

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

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

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

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

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

Mineralization:

The only historic mineralization reported on the SCJV property is at the Canadian Kirkland shaft where in the 1920's a 400 ft. deep shaft was sunk targeting a mineralized zone hosted in greywacke. There are no assays available from the development and no subsequent work was recorded. The shaft is located on the 103 Break a gold structure that hosts the AK gold deposit located 3,300 ft. to the east on Queenston's Amalgamated Kirkland property. At the AK property gold occurs in altered volcanic rocks along the 103 Break associated with fine grained pyrite and quartz-ankerite veining.

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

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

Mineral Resources:

As a result of the encouraging results from the joint venture diamond drilling, in April 2008 the geological staff of KLG, supervised by S. Gray, P.Geo. and S. Carmichael, P.Geo. completed a mineral resource on the South Claims property. These resources meet the requirements of National Instrument 43-101.

The South Claims property hosts an estimated Indicated Resource of 43 thousand tons at a grade of 1.11 oz Au/ton. In addition to the Indicated Resource there exists an Inferred Resource of 73 thousand tons at a grade of 1.24 oz Au/ton.

Queenston's share of the estimated Indicated Resource of the South Mine Complex on the South Claims property at April 30, 2008 is 22 thousand tons at a grade of 1.11 oz Au/ton.

In addition, Queenston's share of the Inferred Resource is estimated at 37 thousand tons at a grade of 1.24 oz Au/ton.

Table 1: South Claims Resources

ESTIMATED MEASURED AND INDICATED RESOURCES, APRIL 30, 2007 (tons X 1000, grade oz Au/ton)						
Location	Measured		Indicated		Total	
	Tons	Grade	Tons	Grade	Tons	Grade
South Zones, Levels						
5600 (1)			19.2	1.29	19.2	1.29
5700 (1)			2.8	1.05	2.8	1.05
5800 (1)			21.2	0.95	21.2	0.95
Total			43.2	1.11	43.2	1.11
Note 1: Mining of the reserves below the 5300 Level is dependent on the current restriction imposed by the Ministry of Labour being removed. There is a reasonable expectation that this will be removed when KLG presents a mining plan for the resources and reserves below the 5300 Level.						

Exploration:

To further advance the potential of the South Claims property the SCJV has approved a \$1,044,000 program using the 5300 ft. level of the Macassa mine as a platform. To maintain its 50% interest in the property Queenston's share of the program is estimated to be \$413,000. Currently in progress, the program will include 1,100 ft. of lateral development and a minimum of 10,000 feet of underground diamond drilling.

Conclusions:

The resources estimates truly reflect the mineralization that is currently known on the South Claims property. The estimates conform to the requirements of NI 43-101. The resources outlined on the property have been estimated using the same methodology as KLG employs at the Macassa mine.

In general the development and exploration program initiated by the SCJV should continue.

Recommendations:

The assay capping or cutting is one parameter in the Resource estimation that needs to be monitored and modified if indicated. The capping of assays is an important part of the Resource estimations. There are a number of ways to establish the cap

method and the method used by Macassa appears to be sufficient at present. However, it is known that all zones are not the same and the cap for one zone may not be proper for another zone. Changing mineralization or even the size and distribution of the gold will affect the necessary capping level.

KLK has been active in the pursuit of the proper capping levels and this work needs to be continued as more information becomes available. A renewed statistical examination of the capping is scheduled for September of 2008 and will be applied to the South Claims Joint Venture.

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

Section 2

INTRODUCTION

General:

Queenston Mining Inc. ("Queenston") engaged Glenn R. Clark & Associates Limited (GRCA) to report on the mineral resources of the South Claims property at Kirkland Lake, Ontario, Canada. The South Claims are being explored under a joint venture with Kirkland Lake Gold Inc. (KLG). GRCA completed an Independent Resource and Reserve review for KLG that included the South Claims as of April 30, 2008. The review was made by Glenn R. Clark, P.Eng. in compliance with the requirements of National Instrument 43-101 for technical reports. The property was visited June 16-20 and July 7 & 8, 2008.

There are a number of previous reports relied upon in preparation of this review. The reports "REVIEW OF RESOURCES AND RESERVES OF MACASSA MINE, KIRKLAND LAKE, ONTARIO" dated July 15, 2008 and "REVIEW OF RESOURCES AND RESERVES OF THE NEW SOUTH MINE COMPLEX, MACASSA MINE, KIRKLAND LAKE, ONTARIO" dated August 25, 2007 were prepared by GRCA. Kirkland Lake Gold has filed these reports on Sedar (www.Sedar.com). In addition a technical report prepared by Dale R. Alexander, P.Geo., for Queenston entitled "TECHNICAL REPORT ON THE MINERAL PROPERTIES OF QUEENSTON MINING INC. IN THE KIRKLAND LAKE GOLD CAMP" and dated November 17, 2007 was used in the preparation of this review. Queenston filed the Alexander report on Sedar. A list of references is available in Appendix B of this report.

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

Terms and Definitions:

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

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

Units of Measure:

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

Section 3

RELIANCE ON OTHERS

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

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

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

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

Section 4

PROPERTY

Location:

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

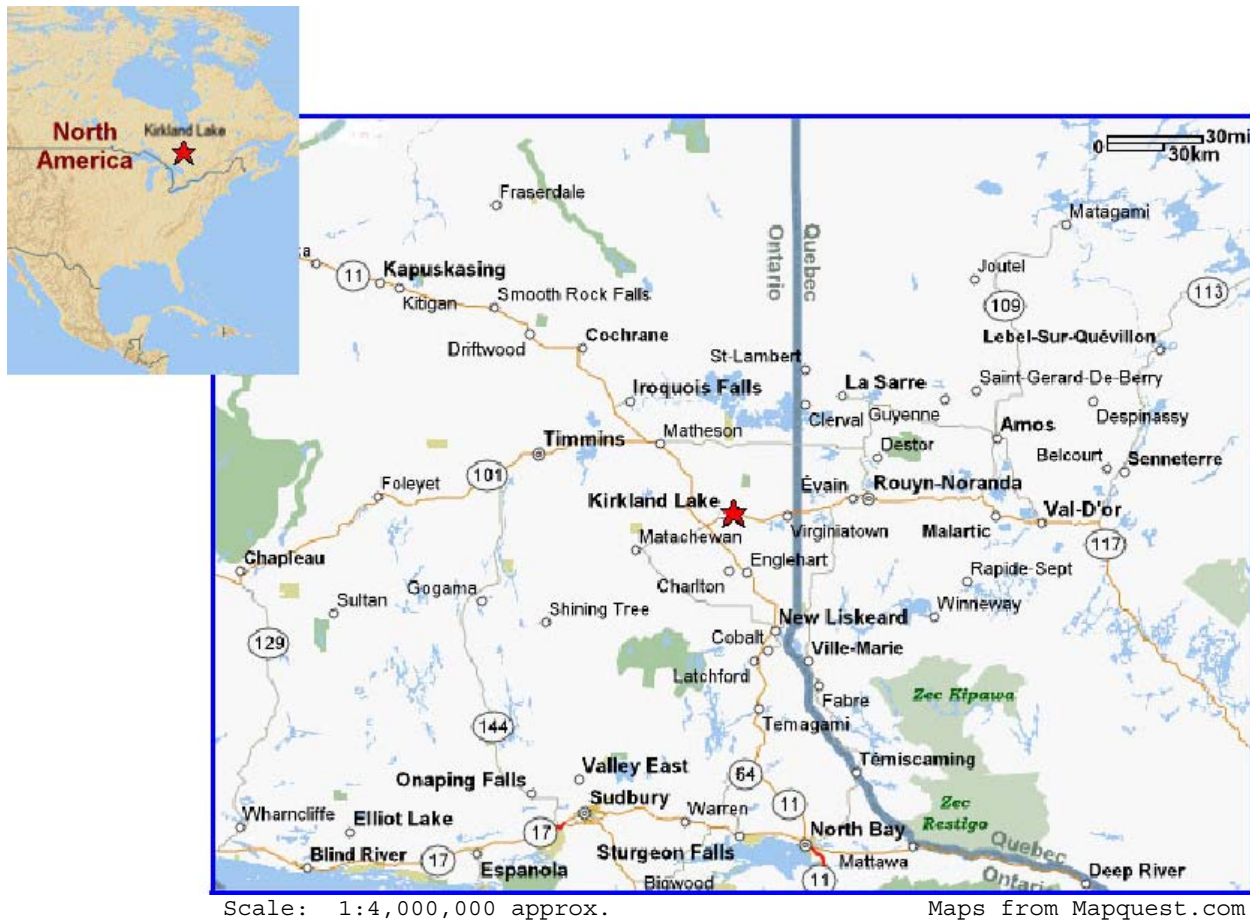


Figure 1: Location of South Claims Property

Access:

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

Infrastructure:

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

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

Power is supplied through the Ontario Hydro grid.

Climate:

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

Topography:

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

The area is generally around 1000 feet above sea level.

Local Resources:

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

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

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

Queenston Holdings in Area:

In the Kirkland Lake area Queenston maintains 19 separate properties containing 887 patented, leased and unpatented mineral claims (approximately 34,600 acres). The properties occur primarily in three townships, Teck, Lebel and Gauthier (Figure 2).

The Company is active on two fronts. In the eastern portion of the Kirkland Lake Mining camp, in Gauthier Twp., the goal is to advance four 100% owned gold deposits (Upper Beaver, McBean, Anoki and Upper Canada) towards NI 43-101 mineral resource status. In 2008 exploration work is focused on the Upper Beaver property where drilling in 2006-07 has outlined a large gold-copper system that is being prepared for a NI 43-101 mineral resource. Also, in the same township, the Company is advancing the past producing McBean gold deposit towards NI 43-101 resource status and is completing geological modelling at Upper Canada.

The Queenston properties in the Kirkland Lake Area contain both current and historic mineral resources in 6 gold deposits (Anoki, Anoki South, McBean, Upper Canada, AK, 180 East).

The resources on the Queenston holdings can be examined in the recent review of Queenston's Kirkland Lake properties as outlined in a Technical Report prepared by Dale R. Alexander, P. Geo., entitled "Technical Report on the Mineral Properties of Queenston Mining Inc. in the Kirkland Lake Gold Camp" dated November 17, 2007 and filed on SEDAR.

In addition the Anoki and Anoki South deposits contain current mineral resources and have been calculated in accordance with NI 43-101 and Companion Policy 43-101CP by independent Qualified Person Hrayr Agnerian, P. Geo., Consulting Geologist with Roscoe Postle and Associates Inc. (RPA) in a report dated April 30, 2004 (RPA, 2004). This report is also filed on SEDAR.

In the western portion of the camp, the SCJV is carrying-out underground, advanced exploration on the South Claims property targeting the new South Mine Complex. Queenston also maintains joint ventures with KLG on the Gracie West, Kirkland Lake West and East Claim properties.

This report deals with the resources in the South Claims Joint Venture.

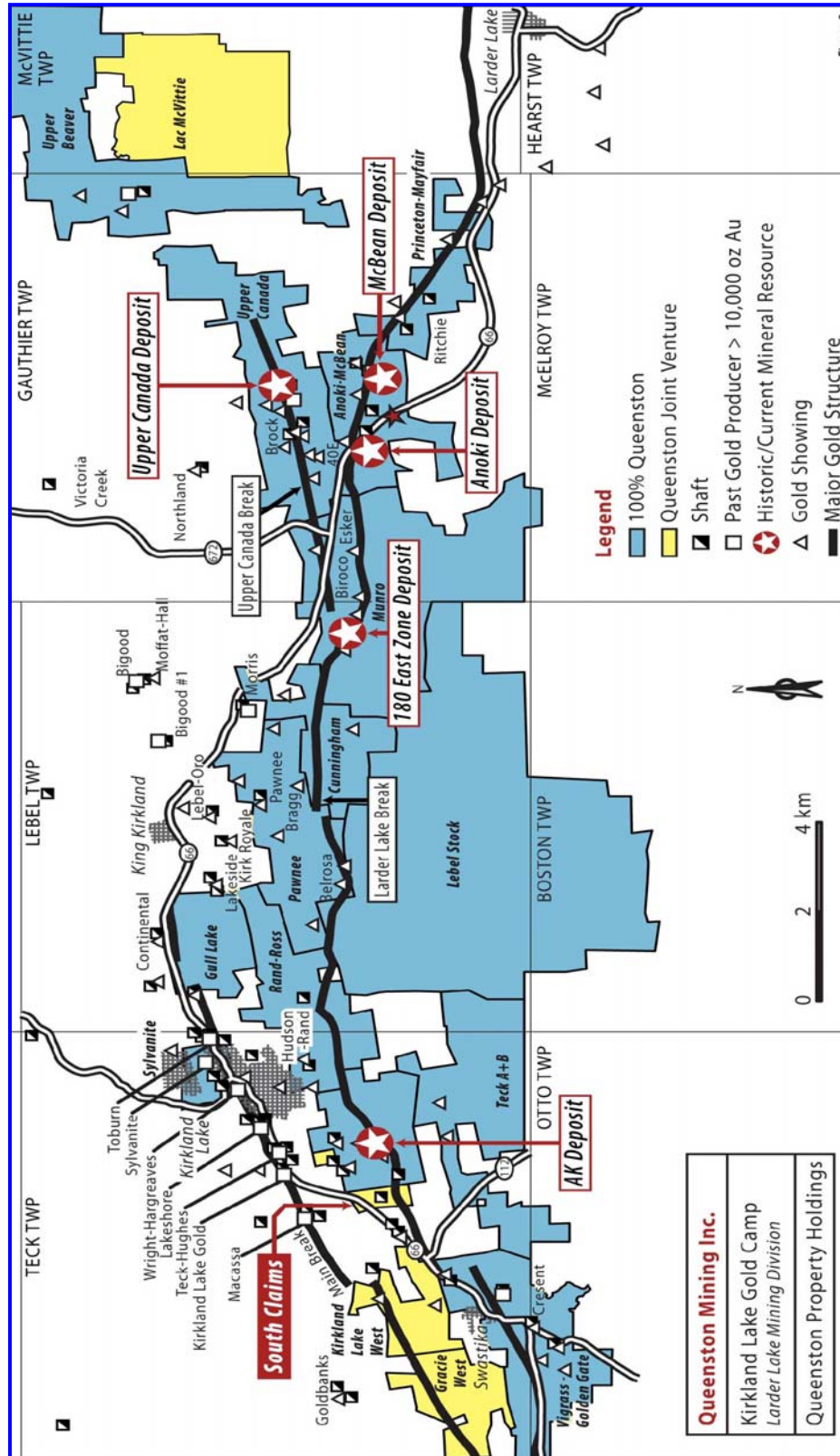


Figure 2: Queenston Holdings

Kirkland Lake Gold Holdings in the Area:

KLG holds title to 241 mineral claims and Crown Leases in the Kirkland Lake area covering a total of 13,004 acres of Teck and Lebel Townships. In Teck Township, KLG's holdings include the properties of the Macassa Mine and the past producing Kirkland Lake Gold, Teck-Hughes, Lake Shore and Wright Hargreaves mines. KLG also maintains a 50% interest in four properties in joint venture with Queenston on the Gracie West, Kirkland Lake West, South Claims and East Claim properties. (Figure 3)

South Claims Property:

In April 2007, Queenston and KLG entered into a 50-50 joint venture to purchase 4 patented mineral claims comprising the South Claims property located in Teck Township (Figure 3). A list of the patented claims is provided in Table 3.

To maintain the South Claims property in good standing taxes must be paid annually to the Ministry of Northern Development and Mines. In 2008 these taxes amounted to \$209.

Table 2: List of Mineral Claims

Claim #	Type	Rights	Township	Acres
L5686	Patented	Mining	Teck	47.2
L5687	Patented	Mining	Teck	1.8
L6687	Patented	Mining	Teck	39.9
L6768	Patented	Mining	Teck	40.4

South Claims Royalty:

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

Beginning April 17, 2011 an annual minimum royalty of \$50,000 is payable. This minimum royalty is not in addition to the NSR royalty payable and all or part of it will only be paid if the NSR royalty is less than \$50,000. The minimum royalty shall not be deducted or recouped out of NSR returns in subsequent years.

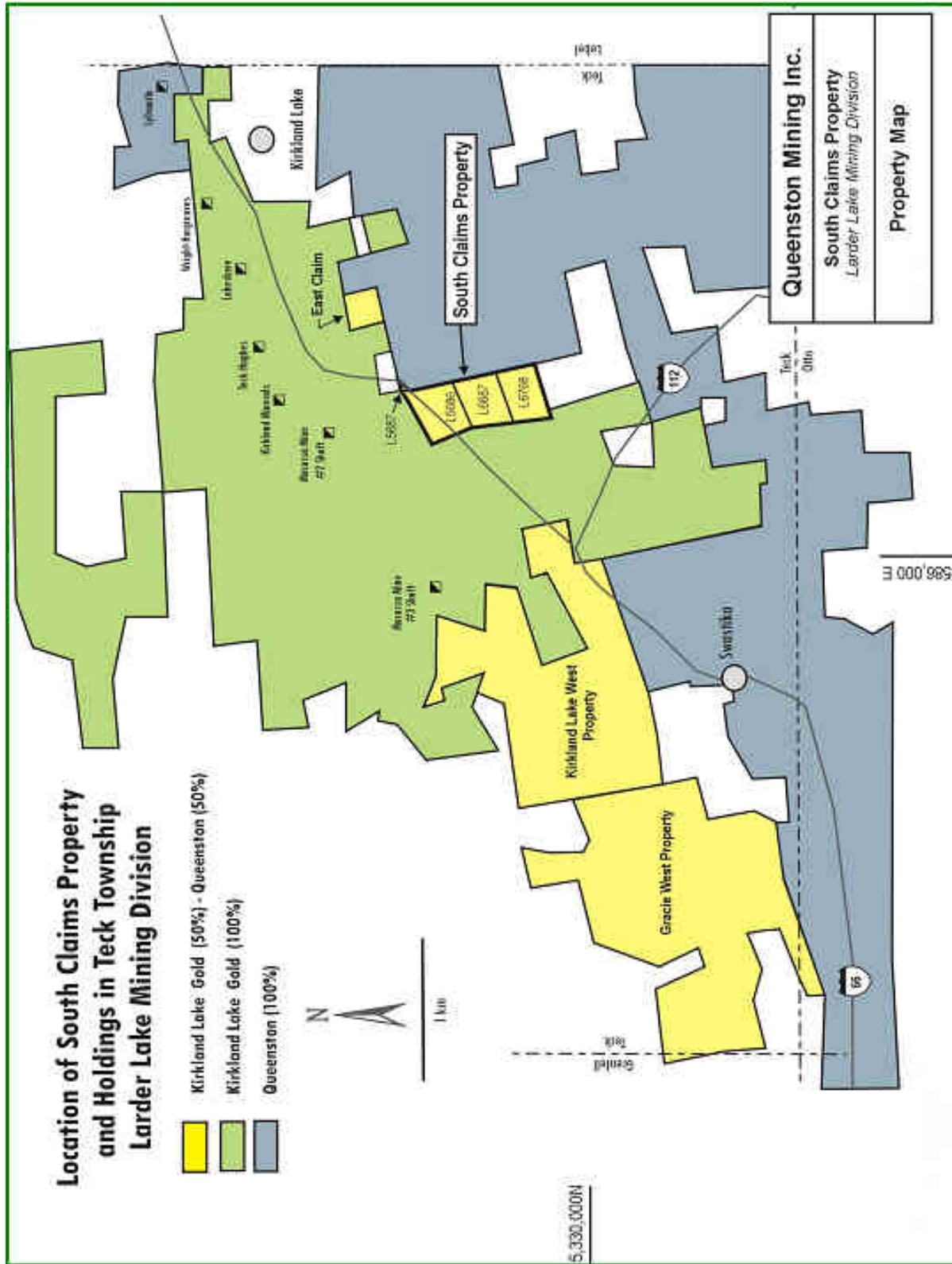


Figure 3: South Claims Location

Section 5

HISTORY

South Claims History:

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

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

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

Queenston Corporate History:

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

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

the McBean open pit mine and underground development of the Anoki deposit.

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

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

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

In 2004-2007 Queenston and KLG formed 4 joint ventures in Teck Township to explore properties adjacent to the Macassa gold mine.

Section 6

GEOLOGY

The geology of the area has been described in previous reports. The most recent reports were by Clark (2008), Alexander (2007), and Carmichael (2007). The following brief geology descriptions are based on these and other reports and information gathered during the site visit.

Regional Geology:

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

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

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

Local Area Geology:

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

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

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

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

Property Geology:

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

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

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

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

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

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

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

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

Mineralization:

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

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

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

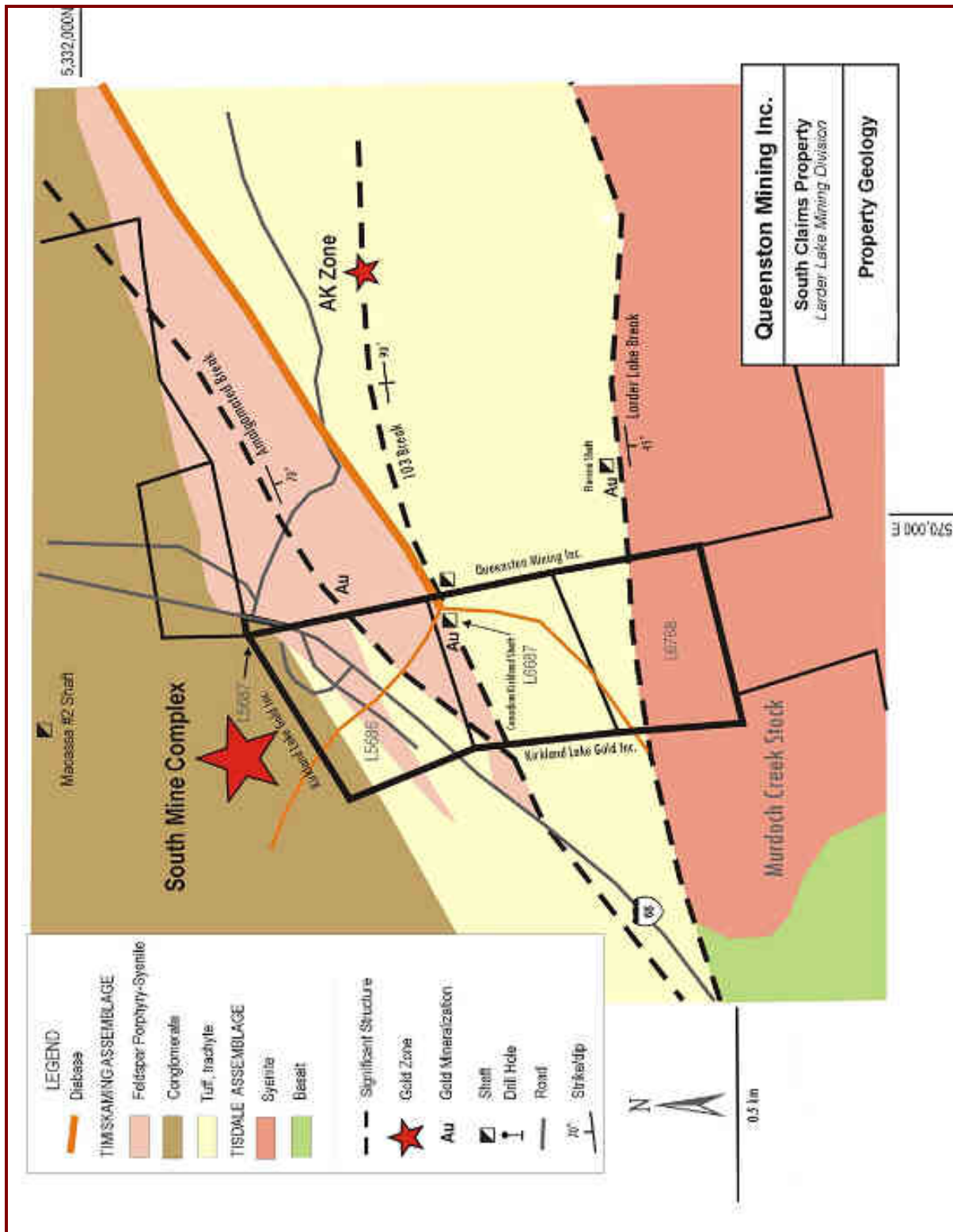


Figure 4: South Claims Surface Geology

The Canadian Kirkland shaft is located near the 103 Break, an important gold structure that hosts the AK deposit approximately 1 km east on Queenston's Amalgamated Kirkland property. At AK previous exploration by Battle Mountain Canada Ltd., Cyprus Canada Ltd. and Queenston outlined a gold deposit that contains an historic inferred mineral resource of 2,639,338 tonnes grading 4.5 g/t Au with a core interval of 1,716,025 tonnes grading 5.6 g/t Au. The deposit begins at surface and has been drilled down to a depth of 600 m where it remains open. This mineral resource is considered historic as it was calculated prior to February 1, 2001 and should not be relied upon as it has not been verified by a Qualified Person under NI 43-101.

Stevenson (1994) describes the AK deposit as:

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

Mineralization is characterized by blue-grey, brecciated and 'wormy', quartz-ankerite veins which contain up to 10% fine-grained pyrite and lesser amounts of galena, chalcopyrite, sphalerite, molybdenite and visible gold. The sulphides and gold commonly occur along fractures and wallrock inclusions in the veins. Native gold occurs as fine pinpoints distributed in one to five mm sized clusters of up to ten or more grains. Auriferous veins are found within a quartz-ankerite-sericite-pyrite alteration assemblage that is enveloped by a broader zone of ankerite-sericite-pyrite +/- hematite and quartz alteration up to 60 m wide. The regional alteration assemblage is greenschist facies, typified by chlorite-calcite alteration."

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

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

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

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

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

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

Section 7

SOUTH CLAIMS UNDERGROUND EXPLORATION

During the fall of 2007, the SCJV commenced an underground exploration program on the South Claims property targeting the SMC. This work on the 5300' level of the Macassa mine consisted of driving a crosscut to the northern portion of the South Claims where a series of diamond drilling stations were established to complete a minimum of 5,000' of underground diamond drilling. To the end of March 2008, 1,231.5 ft of underground development were completed by the joint venture to provide access for exploration on the property.

Early in 2008, three diamond drill holes (53-907, 53-908 and 53-909) were completed from the end of the 5300 level cross cut, on the Macassa property, towards and onto the western portion of the property (Figure 5). All three holes encountered the New South Zone of the SMC with the most encouraging assays from hole 53-909 reporting 2.57 oz/ton gold over a core length of 21.5 ft (10.7 ft true width) in the New South Hanging Wall Zone and 2.54 oz/ton gold over 16.8 ft (5.9 ft true width) in the New South Zone (Table 4).

Table 3 : Assay Results of Diamond Drilling Program

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

Drill hole (50-901) was collared from the Macassa 5000' foot level, testing the strike potential of the SMC approximately 1,000 east of the previous three holes (Figure 5). This hole

was successful in intersecting the New South Zone assaying 0.75 oz/ton gold over 49.2 ft (17.6 ft true width). Wedge hole (50-901W) drilled from hole 50-901 also intersected the New South Zone assaying 1.04 oz/ton gold over 21.6 ft (10.5 true width).

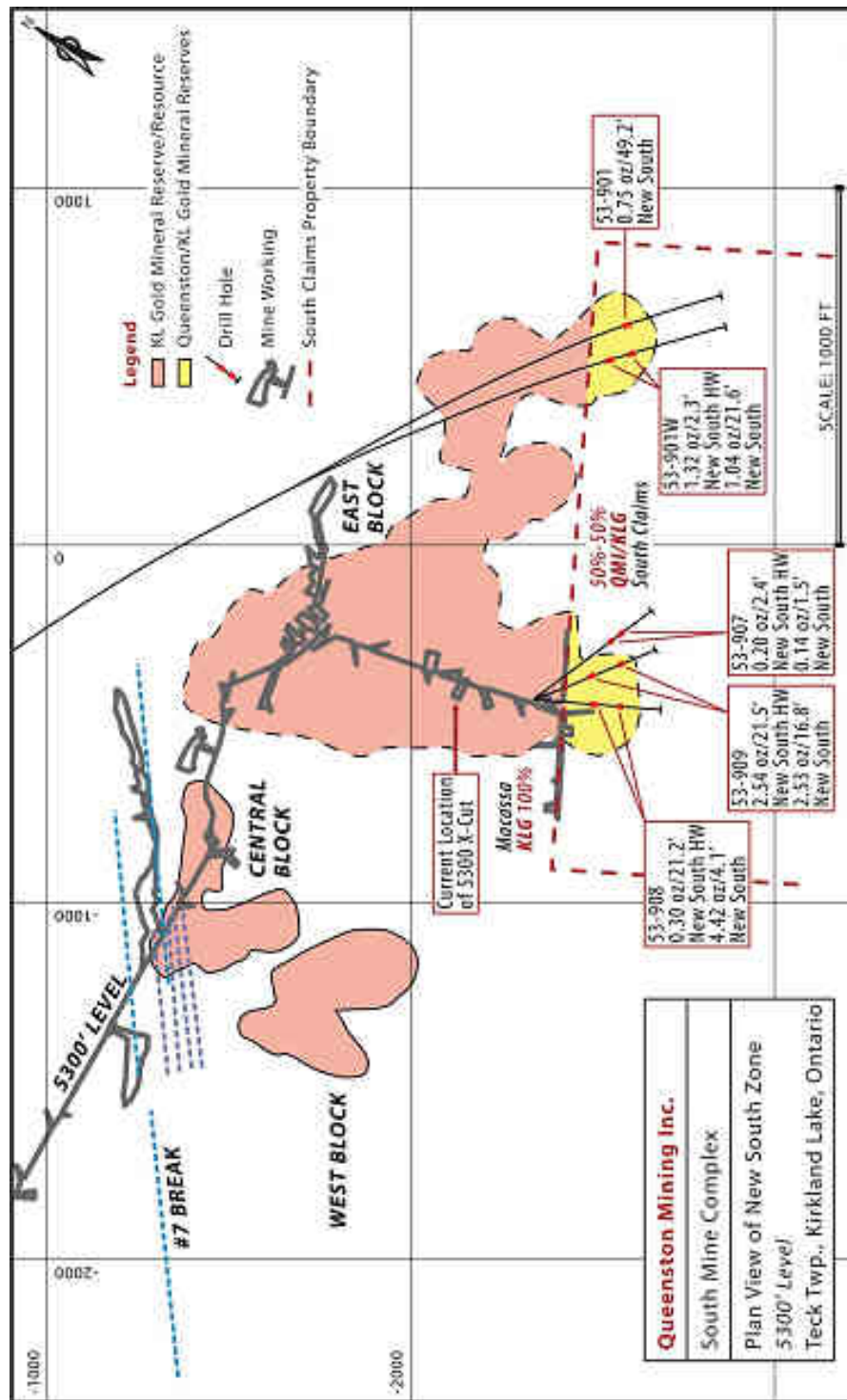


Figure 5: Plan View New South Zone

Section 8

SAMPLING AND ASSAYING

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

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

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

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

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

Assaying:

Swastika

The Swastika Lab used the following procedure with the samples.

SAMPLE PREPARATION

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

GENERAL DESCRIPTION

Both gold assay and geochemical gold analysis begin with a fusion using a flux mixture of litharge (PbO₂), sodium carbonate, borax, silica, fluorspar with further oxidants (nitre) or reductants (flour) added as required. The relative concentrations of the fluxing materials are adjusted to suit the type of sample being analyzed. An aliquot of silver is added as a final collection agent. The resultant lead button containing the precious metals is reduced to PbO₂ and absorbed into a cupel in a cupellation furnace.

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

Quality control consists of using inhouse or Canmet standards, blanks and by reassaying at least 10% of all samples.

Check Assaying:

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

The commercial assay labs are very busy and the turnaround time from submission to receiving the results is much longer than in the past. Some labs have been taking as much as four months before the exploration sample results are known. KLG does not have that problem but Swastika Lab was taking too long and KLG has switched to Polymet as the primary outside lab.

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

It is not good enough to just average all of the samples and compare them as often there is an abundance of low grade samples that has a smoothing effect on the average of all the samples. The values in the zones that are going to be mined are of great importance and the average results of the check assaying in the range from the cut-off up should be close, if the sample size is sufficient.

The following are the averages for 2008 check samples. The comparisons between the laboratories are shown below in Table 5.

Table 4: Check Assaying, Polymet and Swastika

	Polymet		Swastika
	162 samples		
Oz Au/ton	Assay	Check	Assay
All Samples	2.18	2.13	2.15
	162		
Samples +3.5	9.44	8.94	8.60
	21		
Samples +3.5-7.2	4.83	4.95	4.74
	11		
Samples 0.20-3.5	1.10	1.12	1.19
	141		

The grouping is based on the original Polymet assay.

In Table 6, the results of assaying by Swastika and assaying of the ¼ core of the same sample by Polymet. Quarter core especially in gold bearing veins can give some erratic results especially in the high grade samples. This is obvious in the above 3.5 oz samples. These results are very good.

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

Table 5: Check Assaying, Swastika and Polymet ¼ Core

	Swastika		Polymet
	158 samples		
Oz Au/ton	Assay	Check	¼ Core
All Samples	2.25	2.32	1.97
	158		
Samples +3.5	10.72	11.07	8.54
	21		
Samples +3.5-7.2	4.95	5.01	5.78
	11		
Samples 0.20-3.5	1.11	1.13	1.11
	116		
Samples to 0.19	0.12	0.13	0.15
	21		

The grouping is based on the original Polymet assay.

Section 9

MINERAL RESOURCE

Mining has been carried out at the Macassa Mine since 1933. The grade of the ore mined during that period is similar to the grade of the resources and reserves that are currently identified at Macassa. Most of the resources and reserves are associated with the "04" Break that has been the most productive at Macassa. KLG has located new zones, the 'D' Zone and the other south zones of the SMC have been added to the resources and reserves and the continuing exploration of these zones shows great promise, especially due to the higher grades that are being encountered. In the Table 7 below you will see that the production grades have been maintained over the years.

Table 6: Historical Production at Macassa

DECADE OF PRODUCTION	TONS X 1000	GRADE, oz Au/ton
1930's	564	0.48
1940's	1,087	0.45
1950's	1,440	0.40
1960's	1,290	0.48
1970's	943	0.56
1980's	1,314	0.49
1990's	1,294	0.47
2000's	530	0.37
1933 to 2006	8,462	0.46

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

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

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

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

Resource and Reserve Calculations:

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

The resources and reserves have been classified to meet the requirements of NI 43-101.

National Instrument 43-101 Definitions of Resources and Reserves

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

Mineral Resource

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

Inferred Mineral Resource

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

Indicated Mineral Resource

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

Measured Mineral Resource

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

Mineral Reserve

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

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

Kirkland Lake Gold Calculation Method:

Basic Information

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

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

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

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

Minimum Width

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

The minimum mining height for flat structures is 6.5 ft.

Minimum Strike Length

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

Areas of Influence

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

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

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

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

greater than 100 feet but less than 200 feet are included as Inferred Resource.

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

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

Density of Ore

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

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

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

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

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

Gold Price

The gold price used to establish the cut-off grades has been set at \$656 Canadian. This is based on the average price for gold and the exchange rate in the calendar years 2005, 2006 and 2007. (\$US582) and \$US1.00= \$C1.13).

Cut-Off Grade

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

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

Capping of Assays

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

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

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

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

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

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

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

SCJV Property Resources:

Using the above method and criteria the Macassa geology staff has estimated the resources on the South Claims property as shown in Table 8. The classifications are in keeping with the guidelines in the NI 43-101.

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

In the past year exploration of the South Claims commenced by drilling holes from the Macassa 5000 and 5300 ft. levels. These 4 holes were very successful in locating the New South Zone on the Joint Venture claims.

This recent exploration has located an estimated Indicated Resource of 43 thousand tons at a grade of 1.11 oz Au/ton and an estimated Inferred resource of 73 thousand tons at a grade of 1.24 oz Au/ton. Details are provided in the Table 7.

Queenston's share of the estimated Indicated Resources of the South Mine Complex on the South Claims property at April 30, 2008 is 22 thousand tons at a grade of 1.11 oz Au/ton.

In addition, Queenston's share of the Inferred Resource is estimated at 37 thousand tons at a grade of 1.24 oz Au/ton.

Table 7: Measured and Indicated Resources on SCJV Property

ESTIMATED MEASURED AND INDICATED RESOURCES, APRIL 30, 2007 (tons X 1000, grade oz Au/ton)						
Location	Measured		Indicated		Total	
	Tons	Grade	Tons	Grade	Tons	Grade
South Zones, Levels						
5600 (1)			19.2	1.29	19.2	1.29
5700 (1)			2.8	1.05	2.8	1.05
5800 (1)			21.2	0.95	21.2	0.95
Total			43.2	1.11	43.2	1.11
Note 1: Mining of the reserves below the 5300 Level is dependent on the current restriction imposed by the Ministry of Labour being removed. There is a reasonable expectation that this will be removed when KLG presents a mining plan for the resources and reserves below the 5300 Level.						

Discussion of Resources:

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

The estimation procedures and the application of the procedures were reviewed by Glenn R. Clark, P.Eng. This involved reviewing the interpretation of many of the stopes and spot checking the calculations and the summaries. The classifications meet the requirement of NI 43-101 classification of Resources and Reserves.

As was noted in Table 7, some of the resources are under a restriction imposed by the Ministry of Labour. The restriction relates to the April 12, 1997 seismic episode when the shaft was damaged below the 5700 level. It is anticipated that the restrictions will be lifted when KLG presents a plan for mining. Mining of the South Mine Complex does not depend on the shaft being repaired. Mining of the deeper "04" break ore will involve a plan to repair the shaft.

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

The reserve and resource grades for the traditional mining areas at Macassa are similar to the grades that have been mined over the years. The average reserve grade has traditionally been close to the average head grade mined from 1933-2006 of 0.46 oz

Au/ton. The grade mined when long hole stoping was being employed was considerably below this average. It is highly likely that with careful mining and proper grade control the production will match the reserves.

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

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

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

M and I Resources, 340 thousand tons @ 0.63 oz Au/ton
Inferred Resources, 630 thousand tons @ 0.74 oz Au/ton

P & P Reserves, 700 thousand tons @ 0.78 oz Au/ton

Section 10

EXPLORATION

To further advance the potential of the South Claims property the joint venture has approved a \$1,044,000 program using the 5300 ft level of the Macassa mine as a platform. To maintain its 50% interest in the property Queenston's share of the program is estimated to be \$413,000. Currently in progress, the program will include 1,100 ft of lateral development and a minimum of 10,000 ft of underground diamond drilling.

Section 11

CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

The resources estimates truly reflect the mineralization that is currently known on the South Claims property. The estimates conform to the requirements of NI 43-101. The resources outlined on the property have been estimated using the same methodology as KLG employs at the Macassa mine.

In general the development and exploration program initiated by the SCJV should continue.

Recommendations:

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

KLG has been active in the pursuit of the proper capping levels and this work needs to be continued as more information becomes available. A renewed statistical examination of the capping is scheduled for September of 2008 and will be applied to the South Claims Joint Venture.

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

"Glenn R Clark"
and sealed

Cobourg, Ontario
August 25, 2008

Glenn R. Clark, P.Eng.

Section 12

CERTIFICATE OF QUALIFICATIONS

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

This certificate applies to the report prepared for Queenston Mining Inc., "Review of Resources on the South Claims Property, Kirkland Lake, Ontario", August 25, 2008

1. I am a Professional Engineer, registered as a Consulting Engineer with the Association of Professional Engineers of the Province of Ontario, Canada. Registration number 8506016. I graduated from the University of Toronto in 1958 with the degree of Bachelor of Applied Science in Geology. I have been engaged in mineral exploration and mine development for more than 50 years.
2. As a result of my experience and education, I am a "Qualified Person" as defined in National Policy 43-101.
3. This report is based on the examination of the available data including previous reports. A site visit to the Macassa Mine Property was made from June 16-20 and July 7 & 8, 2008 for the purpose of this report.
4. The sources of all information are noted in the report. The information provided by the various parties to the best of my knowledge and experience is correct.
5. I am independent from Queenston Mining Inc. in accordance with the application of Section 1.4 of National Instrument 43-101
6. I reported on the Resources and Reserves of the Macassa Mine for Kirkland Lake Gold Inc. on July 15, 2008, October 31, 2007, July 18, 2006 and September 9, 2005. I had previously visited the property while it was under the ownership of Kirkland Lake Gold Inc. I reported on the Resources and Reserves at Macassa Mine for Lac Minerals annually from 1980 to 1990.
7. I have read National Instrument 43-101 and Forms 43-101F1. This report has been prepared in compliance with these documents.
8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9. I consent to the filing of this report with any stock exchange or other regulatory authority and any publication by them, including electronic publication of this report, in the public company files on their websites accessible to the public.

"Glenn R Clark"
and sealed

Cobourg, Ontario
August 25, 2008

Glenn R. Clark, P.Eng.

Appendix A

TERMS AND DEFINITIONS

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

GRCA refers to Glenn R. Clark & Associates Limited.

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

KLG refers to Kirkland Lake Gold Inc.

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

NI 43-101 refers to National Instrument 43-101

NSR refers to Net Smelter Return

P.Geo. refers to Professional Geologist

P.Eng. refers to Professional Engineer

Property refers to the joint venture South Claims property

Queenston refers to Queenston Mining Inc.

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

SMC refers to South Mine Complex

UNITS

All units are Imperial unless otherwise noted.

Ton refers to an Imperial ton of 2000 pounds

oz/ton refers to ounces per dry imperial ton

ac refers to acres

1 mile = 1.609 km

1 acre = 0.405 hectares (ha)

1 ton = 0.907 t (metric tonne)

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

MONETARY

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

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

Appendix B

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