

### QUEENSTON MINING INC.

TSX:QMI / FRANKFURT:QMI / OTCQX: QNMNF

**Price (Intra-Day, March 30):** \$4.43  
**52-Week Range:** \$8.07-\$4.10  
**Shares Outstanding:** 82.83 million  
**Market Cap:** \$366.9 million  
**Average Volume:** 50-Day: 130,000  
200-Day: 133,400

**PROFILE:** Focused on the historic Kirkland Lake Gold Camp in Ontario and the Cadillac Gold Camp in Quebec.



### AGREEMENT TO SELL JV INTERESTS FOR \$60 MILLION

Queenston Mining Inc. has entered into a purchase and sale agreement with Kirkland Lake Gold Inc., whereby Queenston has agreed to sell its 50% interest in the Teck Township, Ontario properties currently held under a joint venture (JV) with Kirkland Lake Gold. The price is \$60 million plus a royalty subject to the terms and completion of conditions set out in the agreement.

#### Terms of the Sale

- \$10 million non-refundable cash payment on signing.
- \$20 million cash on closing (expected to be August 30, 2012).
- \$30 million cash due December 3, 2012.

Queenston will receive a royalty on gold produced from the sold properties after the first 1.3 million oz Au have been produced, equal to \$15 per oz Au for the next 1 million oz produced, and \$20 per oz thereafter.

The book value of the JV assets totals about 3% (\$4 million) of the Company’s exploration properties and the sale represents a realized gain of \$56 million. In Teck Township, Queenston maintains strategic 100%-owned holdings adjoining the JV lands.

The sale provides Queenston with a source of non-dilutive funds to advance the Company’s 100%-owned flagship *Upper Beaver* gold/copper project at Kirkland Lake (see map below).

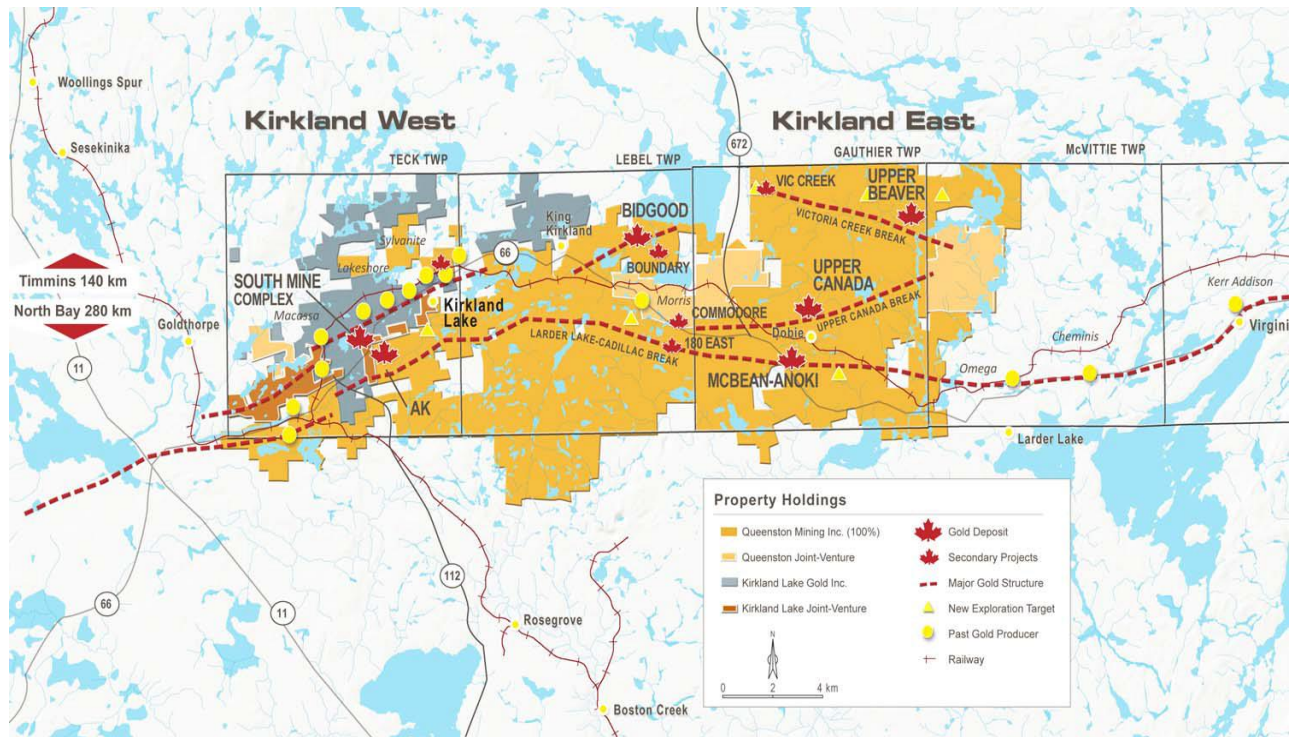
In February 2012, Queenston reported the results of an independent NI 43-101 Preliminary Economic Assessment (PEA) on *Upper Beaver*. The results showed the potential technical and economic viability of establishing a new Au-Cu mine and mill complex on the property, and Queenston will be advancing the project to feasibility.

The Company has approved development of an exploration shaft, which will provide access for bulk sampling and confirm the mineability and continuity of the deposit.

**COMMENT:** *The sale of the non-core JV assets is positive, as it provides needed liquidity and ensures that Queenston is well funded to meet its budgeted exploration expenditures into 2014.*

For further details on the agreement, see Queenston’s March 28, 2012 news release, available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Map: Kirkland Lake Properties**



Source: The Company

**THE COMPANY**

Queenston Mining Inc. is a Canadian mineral exploration and development company focused on the historic Kirkland Lake Gold Camp in Ontario and the Cadillac Gold Camp in Quebec.

Queenston has one of the largest land-holdings in the Kirkland Lake Gold Camp, with 35 contiguous properties having a total area of 220 square kilometres. Collectively, the properties host 11 gold deposits containing current and historic mineral resources of 4.2 million ounces (in all three categories). Queenston's objective is, eventually, to prove up a mineral resource of 6 million oz. Au.

The Company has two formerly-producing gold properties in the Cadillac Gold Camp, strategically located adjacent to two operating gold mines of Agnico-Eagle Mines Limited. The *Wood-Pandora* property is jointly owned with Globex Mining Enterprises Ltd., while the *Pandora* property is 100%-owned by the Company. Collectively, the properties host seven gold deposits containing current and historic mineral resources of 715,000 oz. (527,000 net to Queenston).

For more on Queenston Mining Inc., see eResearch's January 31, 2012 *StockPotentials Report* and subsequent *Perspectives*, available at the following link: <http://www.eresearch.ca/profile.asp?companyID=685>.

**eRESEARCH CORPORATION****eResearch Analysts on this Report:**

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**Analyst Affirmation:** I, Stephen Mussart, and I, Bob Weir, hereby state that, at the time of issuance of this research report, I do not own, directly or indirectly, any shares of Queenston Mining Inc.

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