



On the Road to Production

TSX: GQM | OTCQX International: GQMNF

September 2015

Forward-Looking Statements



The information in this presentation includes certain “forward-looking statements”. All statements, other than statements of historical fact, included herein including, without limitation, plans for and intentions with respect to our properties, statements regarding intentions with respect to obligations due for various projects, quantity of reserves, permitting, construction and production and other milestones, and the Soledad Mountain project’s (the “Project”) future operating or financial performance including production, rates of return, recoveries, cash costs and capital costs are forward-looking statements. Statements concerning Mineral Reserve Estimates and Mineral Resource Estimates are also forward-looking statements in that they reflect an assessment, based on certain assumptions, of the mineralization that would be encountered and mining results if the project were developed and mined in the manner described. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from statements in this presentation regarding our intentions include, without limitation, risks and uncertainties regarding: the development and operation of the Project, including additional capital requirements for the Project, accidents, equipment breakdowns and non-compliance with environmental and permit requirements. Other risks and uncertainties include risks related to fluctuations in gold and silver prices; changes in planned work resulting from logistical, technical or other factors; that results of operations on the Project will not meet projected expectations due to any combination of technical, operational or market factors; uncertainties involved in the interpretation of technical data and the estimation of gold and silver resources and reserves; and other risks and uncertainties disclosed in the section entitled “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on form 10-Q for the period ended June 30, 2015.

Forward looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in our business, including risks inherent in mineral exploration and development. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, should not to put undue reliance on forward-looking statements. Any forward-looking statement made by us in this presentation is based only on information currently available.

Technical information in this presentation was reviewed and approved Sean Ennis, P. Eng. P.E., an independent consultant of the Company and a Qualified Person as defined by National Instrument 43-101.

Golden Queen Snapshot



- Listed on the Toronto Stock Exchange under the symbol GQM and in the United States on the OTCQX International under the symbol GQMNF
- Focused on advancing its 50%-owned Au-Ag Soledad Mountain property in Kern County, California
 - Open-pit, heap leach operation
 - Construction ~70% completed
 - ~60% of remaining capital expenditures are locked in under contracts, which offer cost protection
- Updated feasibility study in February 2015⁽¹⁾
 - After-Tax IRR of 28% assuming gold price of US \$1,250/oz and silver price of US\$17/oz
 - Average annual production of ~75k oz Au and ~781k oz Ag (Yr2 - Yr11)
 - Estimated capital expenditures, including 15% contingency, working capital and mobile mining equipment, of ~US\$144MM
 - Total cash costs + sustaining capex of US\$558/oz (net of silver by-product credits)

Capital Structure (September 2015)

Basic Shares Issued	99,928,683
Options	700,000 @ US\$1.16-US\$1.59 strike
Warrants	10,000,000 @ US\$0.95 strike
Fully Diluted Shares	110,628,683
Market Cap (Basic)	US\$54.0 MM
Cash *	US\$36.7 MM
Debt **	US\$42.2 MM
Enterprise Value	US\$59.5 MM
Insiders Ownership	~35.0%
Institutional Ownership	~10.0%
Public Float	~55.0%

* Cash comprised of \$6.4 mm 100% attributable to Golden Queen Mining Ltd. and 50% of Golden Queen Mining LLC's cash balance of \$60.5 mm (Aug 10, 2015).

** Debt comprised of US\$37.5 mm loan and 50% of Komatsu loan (~\$4.7mm).

Fully funded to production and on track to start commissioning in late 2015

(1) Figures shown on 100% basis.

Investment Highlights



- ✓ Fully funded to production
- ✓ Excellent joint venture partners
- ✓ Located in a mining-friendly jurisdiction with excellent infrastructure
- ✓ Robust project economics
- ✓ Construction ~70% complete and on track to start commissioning in late 2015
- ✓ Over \$75mm spent as of August 2015. Approximately 60% of our remaining capital expenditures are locked in under contracts, which offer cost protection.



GQM offers near-term access to cash-flow with significant upside potential

Our Partnership



Our Partnership

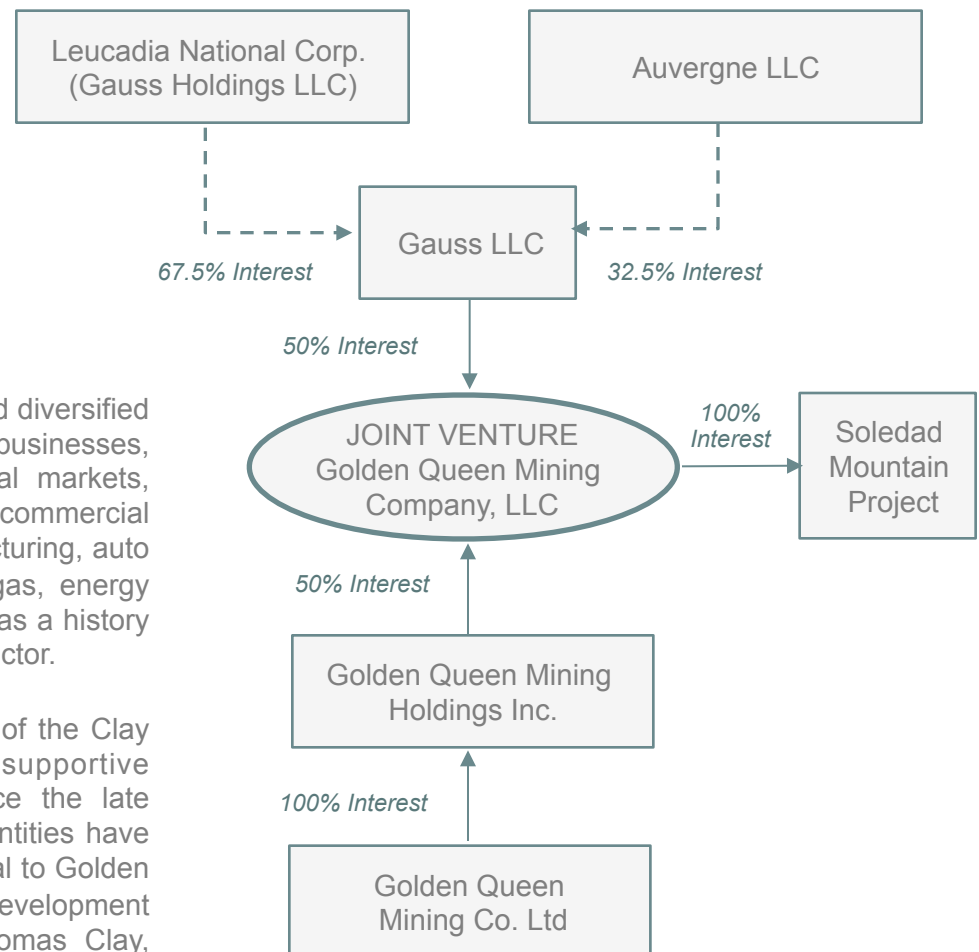
In September 2014, Golden Queen Mining Co. Ltd. entered into a joint venture with Gauss LLC, a joint venture owned 67.5% by Gauss Holdings LLC, an entity controlled by Leucadia National Corporation (NYSE:LUK), and 32.5% by Auvergne LLC, an entity controlled by certain members of the Clay family, whereby Gauss LLC invested US\$110 million in cash in exchange for a 50% joint venture interest in the Soledad Mountain Project.



Leucadia National Corp. is a NYSE-listed diversified holding company engaged in a variety of businesses, including investment banking and capital markets, beef processing, asset management, commercial mortgage banking and servicing, manufacturing, auto dealerships, telecommunications, oil & gas, energy projects and real estate. The company has a history of successful investments in the mining sector.

Auvergne LLC

Auvergne LLC is a wholly-owned entity of the Clay family, who have been long-term, supportive shareholders of Golden Queen. Since the late 1980's, the Clay family and associated entities have provided significant equity and debt capital to Golden Queen to help fund the exploration and development of the Soledad Mountain Project. Thomas Clay, Manager of Auvergne, has served on the Golden Queen board since 2009 and was appointed Chairman in 2013.



Board of Directors & Management



Name / Position	Biography
Thomas M. Clay <i>Chairman, Interim CEO & Director</i>	<ul style="list-style-type: none"> • Vice President of East Hill Management Co., LLC • Director of the Clay Mathematics Institute and of Thrombogenics N.V. • Served on the Golden Queen Mining Co. Ltd. Board since 2009
Bryan A. Coates <i>Director</i>	<ul style="list-style-type: none"> • 30+ years of experience in the international and Canadian mining industry • Currently the President of Osisko Gold Royalties Ltd. • Former Vice President, Finance and Chief Financial Officer of Osisko Mining Corp. • Current Chairman of the Board at Timmins Gold Corp., director at NioGold Mining Corporation and the Quebec Mining Association
Guy Le Bel <i>Director</i>	<ul style="list-style-type: none"> • 30+ years of international mining experience in strategic and financial planning • Currently Vice President Evaluations of Capstone Mining Corp. • Current director of RedQuest Capital
Bernard Guarnera <i>Director</i>	<ul style="list-style-type: none"> • 40+ years of experience in the global mining industry • Employed by Broadlands Mineral Advisory Services Ltd. • President, Mining & Metallurgical Society of America, Current director, Colorado Mining Association • Registered professional engineer and registered professional geologist
Andrée St-Germain <i>VP Finance and CFO</i>	<ul style="list-style-type: none"> • Previously an investment banker with Dundee Capital Markets where she worked exclusively with mining companies on a variety of financings and M&A advisory assignments • She holds a Master of Business Administration degree (Honours) from Schulich School of Business (York University)
Robert C. Walish, Jr. <i>COO</i>	<ul style="list-style-type: none"> • Currently serves as the President & CEO, Golden Queen Mining LLC • Former General Manager of Chile's SCM Franke Operation of KGHM International • 30+ years of international mining experience including work in Guyana, Arizona, Alaska, South Carolina, Montana & Nevada • Received his Bachelor of Arts degree from the University of Colorado and his Master of Science degree from the University of Wisconsin.

Project Location



- The Project is located in Kern County ~90 miles northeast of the Los Angeles International Airport
- Access to site is from State Route 14 and an existing paved County road, Silver Queen Road
- Power line, water supply and railroad within ~1 mile of the Project
- Project located ~5 miles south of the town of Mojave
 - Railroad hub for the Burlington Northern and Union Pacific railroad lines
 - Municipal services include schools and fire services
 - Skilled labour available locally
- The metropolitan area of Lancaster lies ~20 miles to the south

Excellent infrastructure nearby:
paved road, power, water, railroad



- Kern County's economy strongly depends on natural resources
 - Kern County is the state's top oil-producing county and accounts for ~75%-80% of California's oil production (California is the 3rd largest oil producing state in the U.S., behind Texas and North Dakota)
 - Wind turbines to the west of the Project form collectively one of the largest onshore wind energy projects in the world

Construction Update



- **Workshop & Warehouse** – The workshop-warehouse was equipped in the first quarter of 2015. The building includes the engineering offices and we have received provisional occupancy permits from Kern County. The workshop-warehouse is now fully operational and being utilized.
- **Assay Laboratory** – The construction started in the fourth quarter of 2014 and was completed on time and on budget during the first quarter of 2015. We received approval for early occupancy of the assay laboratory in April. The laboratory was equipped during the second quarter of 2015 and ventilation balancing, mechanical equipment installation and electrical hookups were completed in June. The laboratory was commissioned in July.
- **Water Supply & Storage** – The construction of the basic water supply infrastructure for the Project has been completed. The electrical installations at water well PW-1 were finalized in March and water supply from the well is now completely automated. Five water storage tanks were during the second quarter and the construction of the foundations will be completed during the third quarter. The backup production water well (PW-4) was drilled, equipped and tested in June and the connection to the mine water supply infrastructure is anticipated later this year.
- **Power Supply** – Construction of the site-wide power distribution system has essentially been completed and all power poles have been set. Foundations for the primary sub-station will be constructed in August. Nine transformers were delivered in June. We anticipate connection to the Southern California Edison grid in two phases in the 4th quarter.

The Project is advancing on budget

Construction Update



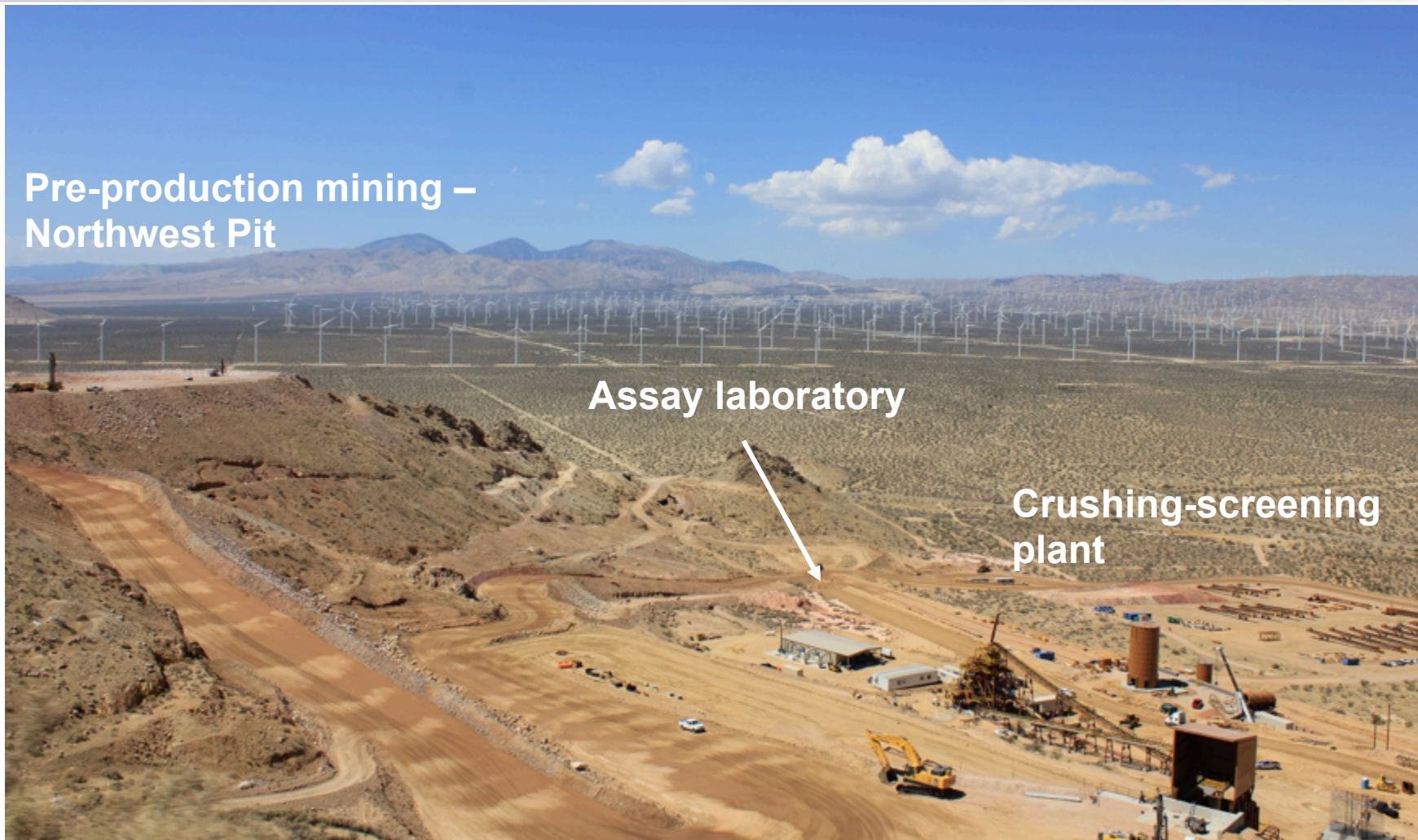
- **Crushing-Screening Plant** – The Hilfiker wall was completed on time and slightly below budget in February 2015. The HPGR has been delivered to site. Construction of a second Hilfiker wall in the HPGR area was completed in mid-July and the construction of the footings to support the HPGR has been finalized.
- **Phase 1, Stage 1, Heap Leach Pad** – The earthmoving phase, which includes the heap leach pad, the events pond, and the solution conveying channel, was completed in the first quarter of 2015. The synthetic upper liner was placed in the events pond and solution collection ditch in May and the upper synthetic liner was placed on the heap leach pad in May and June. A sub-contractor mobilized a portable crushing-screening plant to site and over-liner material is being crushed and placed on the heap leach pad. This turn-key project is expected to be completed in August.
- **Merrill-Crowe Plant** – Kern County issued building permits required for the Merrill-Crowe plant in May. Orders have been placed for all the equipment and the supporting steel is currently being fabricated in Mexico. Basic construction of the pump box was completed in March. Construction of the footings is under way and will be completed in August. The building has been delivered and erection of the building has started. This turn-key project is expected to be completed in November.
- **Conveying & Stacking System** – The equipment for the overland conveyor has been delivered and the erection is under way. The bulk of the structural steel for the portable and ramp conveyors is also on site and assembly is proceeding on schedule and expected to be completed in September.

Construction is approximately 70% complete and we are on track to commission the processing facilities in late 2015

Construction Update



Pre-production mining –
Northwest Pit



Site overview looking to the North West

Construction Update



Mining the Northwest Pit (wind turbines in the background)

Construction Update



Primary crusher structure

Construction Update



Assay laboratory and secondary crusher structure

Construction Update



Tertiary crusher structure

Construction Update



Tertiary crusher structure - HPGR and agglomeration drum

Construction Update



Conveyor & stacking system and power distribution

Construction Update



Installation of the heap leach pad overliner

Construction Update



Erection of Merrill-Crowe plant building

Construction Update



Workshop-warehouse

Golden Queen Mining Co. Ltd.

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Additional Project-Related Information

Soledad Mountain History & Geology



Gold mining on Soledad Mountain dates back to the late 19th century. The largest producer in the area was Gold Fields American Development Co., a subsidiary of Consolidated Gold Fields of South Africa. This syndicate operated an underground mine and mill on the property from 1935 to 1942, when the mine was forced to close by War Production Board Order L-208. Production after the war was minimal, as costs had increased while the price of gold remained fixed at \$35 per ounce until 1973.

The Soledad Mountain deposit is a large, epithermal, multi-episodic, fault/fissure vein system. Gold and silver mineralization occurs in low sulfidation, quartz adularia veins and stockworks that strike northwest. At least 14 separate veins and related vein splits have been identified. Core veins range from less than 1 metre to 6 metres wide with gold grades typically greater than 3.5 grams per ton, surrounded by lower grade mineralization with widths ranging from 1 metre to greater than 50 metres. The level of oxidation extends to depth and the deposit is well-suited for heap leaching.



Karma Headframe and Mill (Circa 1912)

Geological Setting



Soledad Mountain is located within the Mojave structural block, a triangular-shaped area bounded to the south by the northwest-trending San Andreas Fault and to the north by the northeast-trending, Garlock Fault. The Mojave block is broken into an orthogonal pattern of N50E to N60E and N40W to N50W fracture systems. These fracture zones likely developed as the result of Late Cretaceous compressional stresses that were present prior to formation of the Garlock and San Andreas Faults.

Gold and silver mineralization at Soledad Mountain is hosted by northwest-trending, en-echelon faults and fracture systems. Cretaceous quartz monzonite forms the basement of stratigraphic sequences in the Mojave block. The quartz monzonite is overlain by Miocene-age, quartz latite and rhyolitic volcanic rocks. Volcanic centers appear to have formed at intersections of the northeast and northwest-trending fracture systems. Major volcanic centers are present at Soledad Mountain, Willow Springs and Middle Buttes. These volcanic centers consist generally of initial, widespread sheet flows and pyroclastics of quartz latite, followed by restricted centers of rhyolitic flows and rhyolite porphyry intrusives. Rhyolitic flows and intrusives are elongated somewhat along northwest-trending vents and feeder zones.

Gold deposits in the Mojave block include Soledad Mountain, Standard Hill, Cactus and Tropic. At Soledad Mountain gold mineralization occurs in low-sulfidation style, quartz-adularia veins and stockworks that strike northwest. Gold mineralization at Standard Hill, located 1 mile northeast of Soledad, consists of north to northwest-striking quartz veins in Cretaceous quartz monzonite and Tertiary, quartz latite volcanic rocks. At the Cactus Gold Mine, 5 miles west of Soledad, gold occurs in northwest and northeast-striking quartz veins, breccias and irregular zones of silicification in quartz latite, rhyolitic flows and rhyolitic intrusive breccias.

At least 14 separate veins and related vein splits occur at Soledad Mountain. Veins generally strike N40W and dip at high angles either to the northeast or to the southwest. Mineralization consists of fine-grained pyrite, covellite, chalcocite, tetrahedrite, acanthite, native silver, pyrargyrite, polybasite, native gold and electrum within discrete quartz veins, veinlets, stockworks and irregular zones of silicification. Electrum is about 25% silver.

2015 Resource & Reserve Estimates (100% Basis)



Reserve Estimates

Classification	Tonnes	Ton	In-Situ Grade				Contained Metal	
			Gold		Silver		Gold	Silver
			g/t	oz/ton	g/t	oz/ton	oz	oz
Proven	3,357,000	3,701,000	0.948	0.028	14.056	0.410	102,300	1,517,100
Probable	42,957,000	47,352,000	0.638	0.019	10.860	0.317	881,300	14,999,100
Total & Average	46,314,000	51,053,000	0.661	0.019	11.092	0.324	983,600	16,516,200

- The qualified person for the mineral reserve is Sean Ennis, Vice President, Mining, P.Eng., APEGBC Registered Member who is employed by Norwest Corporation.
- A gold equivalent cut-off grade of 0.005 oz/ton was used for quartz latite and a cut-off grade of 0.006 oz/ton was used for all other rock types. Cut-off grade was varied to reflect differences in estimated metal recoveries for the different rock types mined.
- Gold equivalent grades were calculated as follows: $AuEq(oz/ton) = Au(oz/ton) + (Ag(oz/ton)/88)$, which reflects a long-term Au:Ag price ratio of 55 and a Au:Ag recovery ratio of 1.6.
- Tonnage and grade measurements are in imperial and metric units. Grades are reported in troy ounces per short ton and in grams per tonne.
- The Effective Date of the mineral reserve estimate is February 1, 2015.

Resource Estimates

Classification	Tonnes	Ton	In-Situ Grade				Contained Metal	
			Gold		Silver		Gold	Silver
			g/t	oz/ton	g/t	oz/ton	oz	oz
Measured	4,298,243	4,738,000	0.960	0.028	13.37	0.39	130,000	1,865,000
Indicated	79,237,167	87,344,000	0.549	0.016	9.26	0.27	1,415,000	23,733,000
Measured & Indicated	83,535,409	92,082,000	0.575	0.017	9.53	0.28	1,545,000	25,598,000
Inferred	21,392,329	23,581,000	0.343	0.010	7.20	0.21	245,000	4,965,000

- The qualified person for the mineral resource is Michael Gustin, C.P.G. employed as Senior Geologist by Mine Development Associates, Inc.,
- Mineral Resources are inclusive of Mineral Reserves.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources are reported at a 0.004 oz/ton (0.137 g/t) AuEq cut-off in consideration of potential open-pit mining and heap-leach processing.
- Gold equivalent grades were calculated as follows: $AuEq(oz/ton) = Au(oz/ton) + (Ag(oz/ton)/88)$, which reflect a long-term Au:Ag price ratio of 55 and a Au:Ag recovery ratio of 1.6.
- Mineral Resources are reported as partially diluted.
- Rounding as required by reporting guidelines may result in apparent discrepancies between tons, grade and contained metal content.
- Tonnage and grade measurements are in U.S. and metric units. Grades are reported in troy ounces per short ton and in grams per tonne.
- The Effective Date of the mineral resource estimate is December 31, 2014.

Cautionary note to U.S. investors concerning proven or probable mineral reserve estimates: This slide uses the terms “proven reserves” and “probable reserves” in accordance with NI 43-101. We advise U.S. investors that the requirements of NI 43-101 for identification of “reserves” are not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as “reserves” under SEC Guide 7 standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information presented by companies using only U.S. standards in their public disclosure.

Cautionary note to U.S. investors concerning measured, indicated or inferred resources: We advise U.S. investors that while the terms “measured resources”, “indicated resources” and “inferred resources” are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize these terms and these terms do not comply with SEC Guide 7 requirements. Investors are cautioned not to assume that any part or all of the material in these categories will be converted into reserves. It should not be assumed that any part of an inferred mineral resource will ever be upgraded to a higher category.

Further Upside Potential



MDA modeled a total of 1.9 million tons as high-grade vein ore mined by earlier underground operators including Gold Fields American Development Company (“Gold Fields”) prior to 1942. These volumes are therefore not included in the reported resources. Total historical production at Soledad Mountain has been estimated at 1.3 million tons, although detailed production records are not available. This difference is significant as it is possible that the model underestimates the amount of high-grade vein material that remains in place.

Channel samples included in the Project database consist entirely of cross-cut samples; none of the samples taken along the strike of the mineralized structures were transcribed from original Gold Fields maps into the Project database. The inclusion of the drift-sample data would increase the accuracy of the modeling of the high-grade portions of the mineralized structures, which could further enhance the grade of the resources.

Additional high grade material could meaningfully impact the project economics

2015 Updated Feasibility Study



- The 2015 feasibility study incorporates the revised reserves.
- Detailed mine scheduling has been completed on a quarterly basis for the life of the mine.
- Only ~65% of the resource estimate has been included in the mine plan. Successful infill drilling and expanding the Approved Project Boundary may allow us to significantly increase the mine life.

Key Parameters	2015 Feasibility Study
Estimated Mine Life (Years)	11.3
Average Throughput (k short tons per year)	4,594
Stripping Ratio (waste tons:ore tons)	3.41:1
Au Recovery (%)	82.1%
Ag Recovery (%)	50.0%
Total Au Production (k oz)	807.4
Total Ag Production (mm oz)	8.3
Average Annual Au Production (k oz) (Year 2 – Year 11)	74
Average Annual Ag Production (k oz) (Year 2 – Year 11)	781

2015 Updated Feasibility Study



- Robust revised economics
- All key operating costs (including the following items: cyanide, cement, power, labour, fuel) have been brought current
- All figures shown in US\$

Base Case Economics ⁽¹⁾	2015 Feasibility Study
Pre-Tax NPV 5%	\$289.5 mm
Pre-Tax IRR	32.7%
After-Tax NPV 5%	\$213.9 mm
After-Tax IRR	28.3%

Operating Costs	2015 Feasibility Study
Mining Costs per Tonne Mined	\$1.17/t
Mining Costs per Tonne of Ore Processed	\$5.18/t
Processing Costs per Tonne of Ore Processed	\$4.10/t
Site G&A per Tonne of Ore Processed	\$0.72/t
Operating Costs per Tonne of Ore Processed	\$9.99/t
Total Cash Costs, Net of Silver By-Product ^{(1) (2)}	\$518/oz
Total Cash Costs, Net of Silver By-Product + Susex ^{(1) (2) (3)}	\$558/oz

2015 feasibility study demonstrates robust economics and first quartile cash costs

- (1) Base case done with a gold price of \$1,250/oz and a silver price of \$17/oz. \$25.4mm spent prior to December 31, 2014 has been excluded from economics.
 (2) Includes royalties, property taxes, California fees, off-site refining charges, reclamation financial assurance.
 (3) Sustaining capex includes additional mobile mining equipment acquired between Year 2 and Year 10.

2015 Updated Feasibility Study



- Pre-production capital costs in line with the capital costs update provided in March 2014.
- The Company made a contribution of \$12.5mm to the joint venture in June 2015 to maintain its 50% interest in the Project.

Life of Mine Capital Costs	2015 Feasibility Study (US\$)
Pre-production Capital Costs	\$99.3 mm
Contingency	\$15.0 mm
Working Capital	\$10.0 mm
Financial Assurance Estimate	\$0.5 mm
Mobile Mining Equipment	\$19.2 mm
Total Pre-Production	\$144.0 mm
Sustaining Capital Costs	\$25.5 mm
Additional Mobile Mining Equipment (Years 2-10)	\$10.9 mm
Total Life of Mine Capital Costs	\$180.5 mm

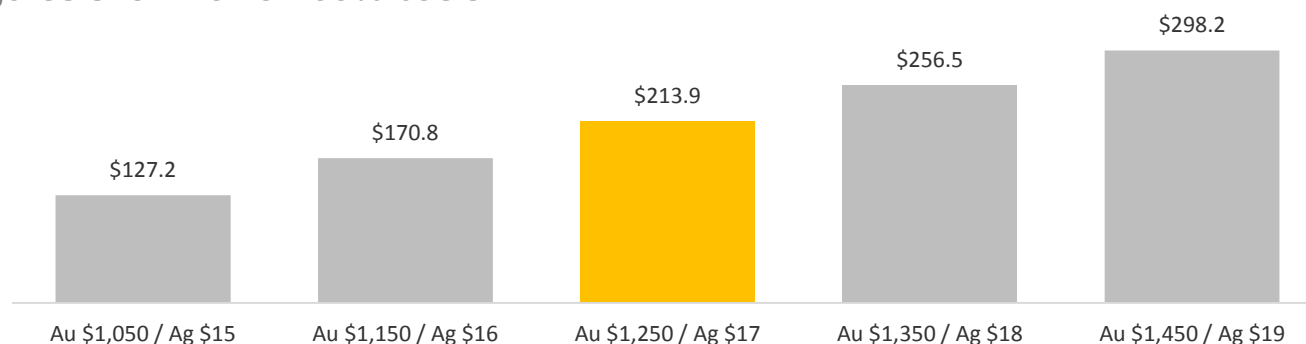
~ 60% of the remaining capital expenditures are locked in under contracts

2015 Feasibility Study After-Tax NPV & IRR



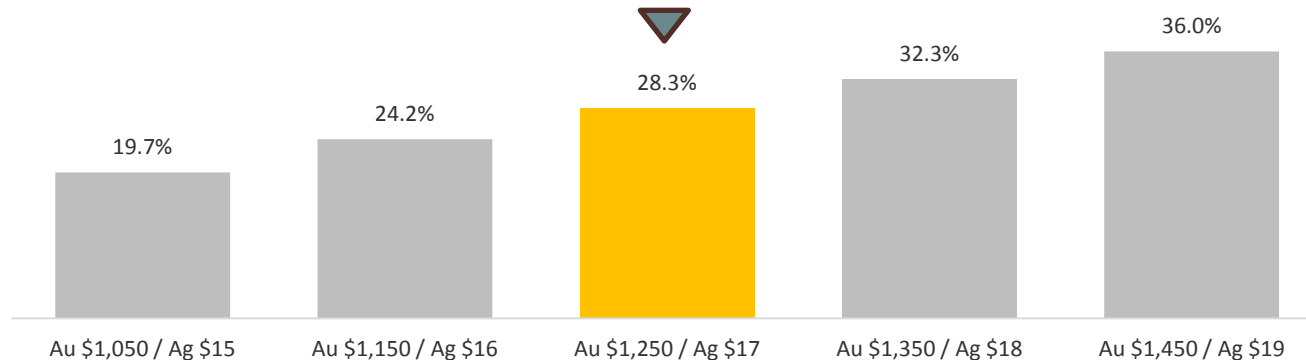
Figures shown on a 100% basis

After-tax
NPV
(5%)⁽¹⁾
US\$ MM



Feasibility Study
Base Case

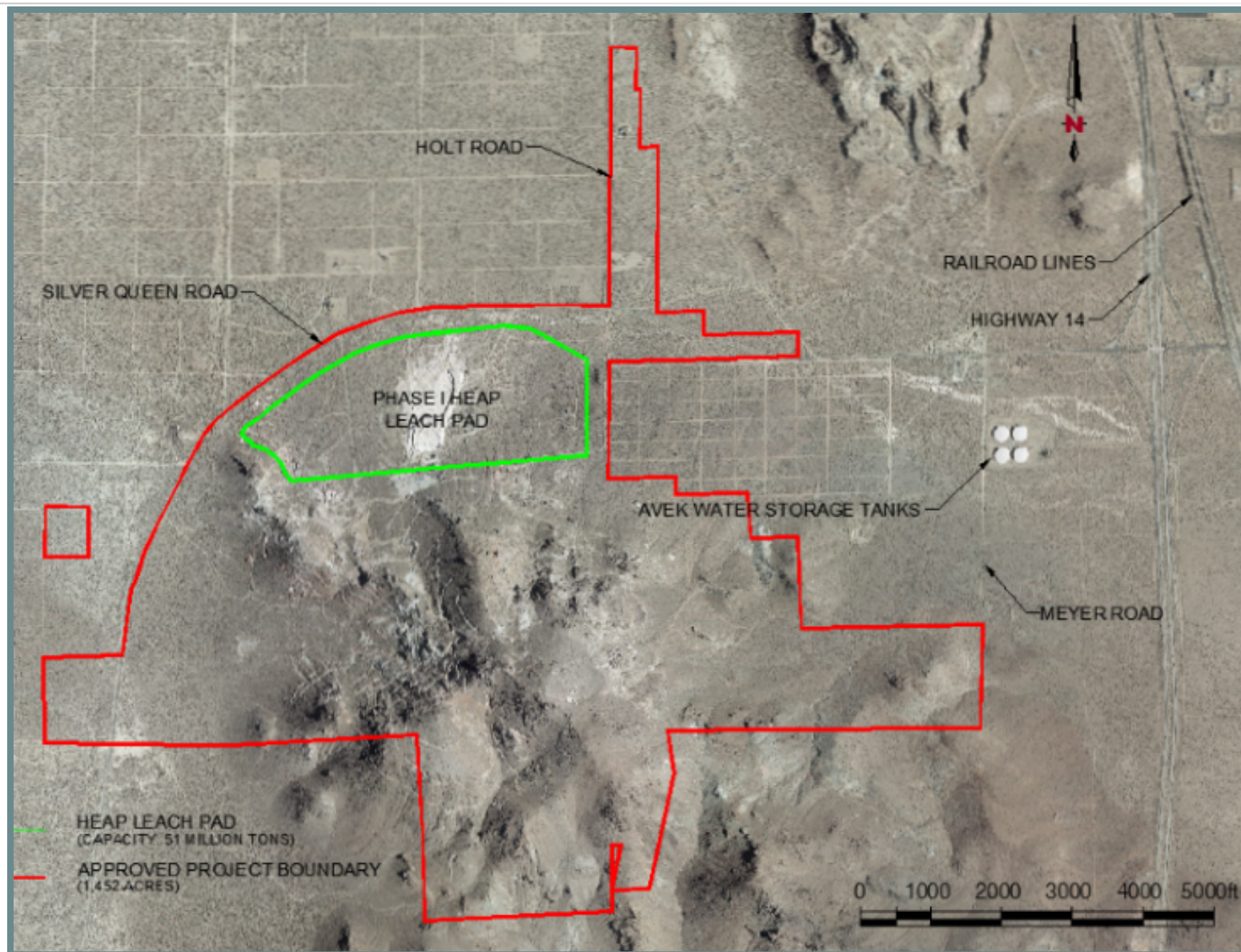
After-tax
IRR⁽¹⁾



Robust economics with significant near-term upside potential

(1) \$25.4mm in capital expenditures spent prior to December 31, 2014 has been excluded from economics.

Approved Project Boundary



High-Pressure Grinding Roll (HPGR)

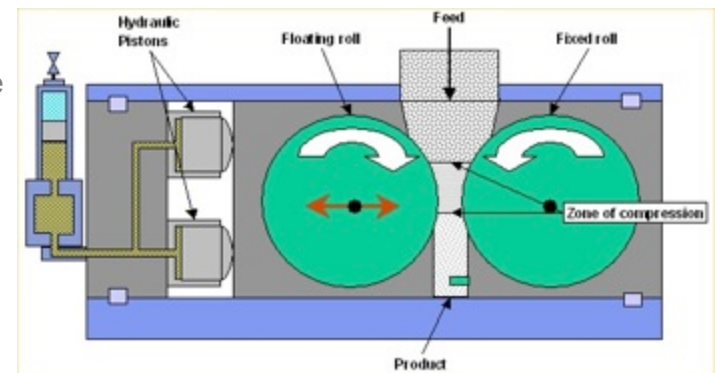
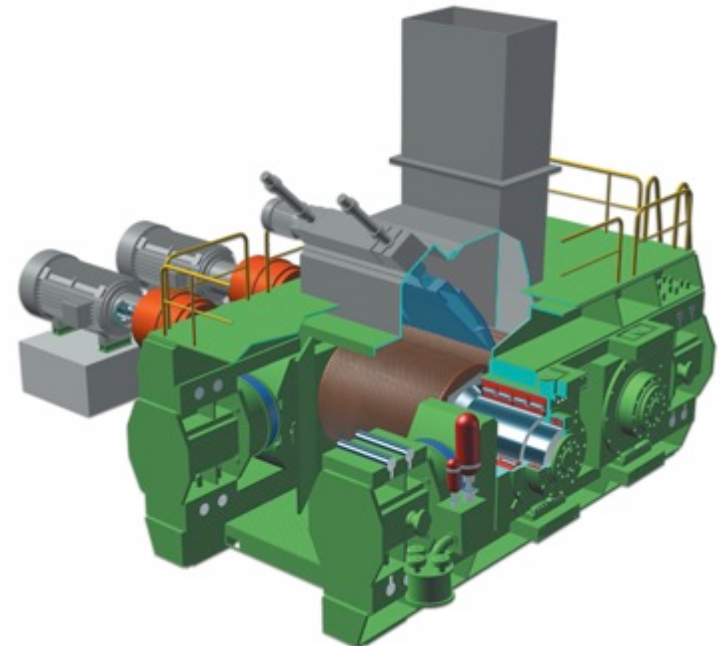


The HPGR in industry

- Proven and simple technology currently in use in hundreds of projects world-wide
- Consists of two counter-rotating rolls: one a fixed roll and the other a “floating” roll. The “floating” roll is mounted on and can move freely on two slides and grinding forces are applied by four hydraulic rams
- Ore is choke-fed to the gap between the rolls and comminution takes place by inter-particle crushing in the bed of particles
- The gap between the rolls is determined by the nip-in characteristics of the feed and the total grinding force applied, which in turn depends upon the pressure in the hydraulic system

Extensive HPGR test work was completed between 2003 and 2007 and analyses done by independent consulting engineers show that indicated benefits of using the HPGR will include:

- Higher gold and silver recoveries due to the formation of micro-cracks in ore particles
- Faster gold and silver extraction rates
- Stronger agglomerates due to a more favorable overall particle size distribution. This will also impact the flow rate of solutions through the heap
- Lower capital costs than a conventional crushing-screening plant that uses cone crushers and screens to size ore for leaching in a heap leach operation
- Manageable dust control with fewer transfer points in the crushing-screening plant
- Lower energy consumption and thus lower operating costs than a conventional crushing-screening plant
- Circuit flexibility that will readily permit future upgrades such as a finer HPGR feed size or the recycle of edge product



POLYCOM® High-Pressure Grinding Roll



- Golden Queen purchased the HPGR in Q3'14
- 60% of the HPGRs installed in the minerals industry are from ThyssenKrupp/Polysius
- ThyssenKrupp/Polysius has been manufacturing HPGRs for over 25 years



Aggregate Sales



- The Company is actively pursuing a by-product aggregate business once the heap leach operation is in full production, based on the location of the Project in Southern California (proximity to major highways and railway lines).
- The source of raw materials will be suitable quality waste rock specifically stockpiled for this purpose. The waste rock can be classified into a range of products such as riprap, crushed stone and sand with little further processing.
- Test work done in the 1990's confirmed the suitability of waste rock as aggregate. Testing of current mine rock is underway.
- Research suggests that up to 1 million tons of waste rock could be sold into the southern California aggregates markets annually.
- No contributions from the sale of aggregate will be included in the cash flow projections until long term contracts for the sale of products have been secured.

It is expected that aggregate could be sold over an extended life of 30 years.
The sale of aggregates has been included in the Approved Plan.

Approvals & Permits



A detailed review of approvals and permits required for the Project is provided in the Company's latest Form 10-K filing with the U.S. Securities and Exchange Commission, dated March 17, 2014. The following is therefore only a brief summary.

Conditional Use Permits

- The Kern County Planning Commission unanimously approved the Project on April 8, 2010. All appeals that were subsequently filed against the Commission's decision have been withdrawn and the decision made by the Planning Commission is now final. The Planning Commission approved minor wording changes to the Conditions of Approval on October 28, 2010
- There are 114 conditions of approval and mitigation measures in the Conditional Use Permits that were approved for the Project. The Company recently addressed the conditions precedent to the start of construction as required by the Conditional Use Permits

Waste Discharge Requirements

- The Lahontan Regional Water Quality Control Board unanimously approved Waste Discharge Requirements and a Monitoring and Reporting Program for the Project at a public hearing held in South Lake Tahoe on July 14, 2010
- The board order was subsequently signed by the Executive Officer of the Regional Board and is now in effect

Authority to Construct and Permit to Operate

- The Air Quality and Health Risk Assessment for the Project was completed and submitted to the Kern County Planning Department and the Eastern Kern Air Pollution Control District ("EKAPCD") on July 21, 2009. This study was approved by Kern County Planning Commission on April 8, 2010, as part of the certification of the Supplemental Environmental Impact Report
- Ten applications for Authority to Construct permits were submitted to the EKAPCD in February 2011. The Authority to Construct permits were issued by EKAPCD on February 8, 2012.
- The Authority to Construct permits will be converted to a Permit to Operate after construction has been completed and subject to inspection by EKAPCD