

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

0-21777

(Commission File Number)

GOLDEN QUEEN MINING CO. LTD.

(Exact name of registrant as specified in its charter)

Province of British Columbia

(State or other jurisdiction of incorporation
No.)

Not Applicable

(IRS Employer Identification)

6411 Imperial Avenue
West Vancouver, British Columbia
V7W 2J5 Canada

(Address of principal executive offices)

Issuer's telephone number, including area code: (604) 921-7570

Former name, former address and former fiscal year, if changed since last report: N/A

Check whether the registrant (1) filed all reports required to be filed by sections 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Check whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Check whether the registrant is a shell company, as defined in Rule 12b-2 of the Exchange Act. Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of August 12, 2011 the registrant's outstanding common stock consisted of 95,478,383 shares.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Item 2. Management's Discussion and Analysis or Plan of Operations

The following discussion of the operating results and financial position of Golden Queen Mining Co. Ltd. (the "Company") is as at August 12, 2011 and should be read in conjunction with the unaudited interim consolidated financial statements of the Company for the quarter ended June 30, 2011 and the notes thereto.

The information in this Management Discussion and Analysis is prepared in accordance with U.S. generally accepted accounting principles and all amounts herein are in U.S.\$ unless otherwise noted.

The Soledad Mountain Project

Overview

The Company plans to develop a gold-silver, open pit, heap leach operation on its Soledad Mountain property, located just outside the town of Mojave in Kern County in southern California. The Project will use conventional open pit mining methods and the cyanide heap leach and Merrill-Crowe processes to recover gold and silver from crushed, agglomerated ore. The planned, average ore and waste mining rates are 4.9 million tons and 9.1 million tons per year with a waste to ore mining ratio of 1.85:1 for a combined mining rate of ore and waste of 14 million tons per year. Gold and silver production is projected to average 75,000 oz and 950,000 oz respectively per year although this is expected to fluctuate considerably from year to year depending upon the ore head grades. Gold and silver production is projected to be 936,332 oz of gold and 10,426,654 oz of silver over a period of approximately 13 years.

The Company presented the results of the updated feasibility study and economic analysis for its Soledad Mountain Project in a news release on April 6, 2011. The updated feasibility study and economic analysis was prepared by Norwest Corporation with input from independent consulting engineers and management.

Infill Drill Program

The Company announced that it had initiated an infill drill program in a news release on October 21, 2010. The drilling was done in April and completed in early May.

The drill program tested targets within the areas of the planned North-West and East open pits. Nine holes were drilled within the North-West open pit area with a total length of 2,020 feet. The North-West open pit is the planned location of the first phase of mining. Eleven holes were drilled within the East open pit area with a total length of 4,267 feet.

The program consisted primarily of infill drilling with the objective of upgrading inferred resources to a level of assurance which would allow for re-classification as reserves. In addition, the drilling was expected to confirm the design and location of access roads and test continuity of mineralization, which typically has been excellent in most areas previously tested. The impact is expected to be a further lowering of stripping ratios.

An independent consulting engineering firm based in Sparks, Nevada is currently integrating the results from the infill drill program with a lower cutoff grade (the cutoff grade to date has been based upon gold and silver prices and gold and silver recoveries from the late 1990s). The consulting engineers are bringing current the geological model, then the block model, then the mineral resources and finally the mineral reserves. The study is being prepared as a NI 43-101 compliant Technical Report and it is expected that the results of the study will be available in September 2011.

Permitting Update

A detailed review of approvals and permits required for the Project is provided in the Company's latest Form 10-K filing with the SEC, dated March 31, 2011. The following is therefore only a brief update.

Land Use - Conditional Use Permits

The Kern County Planning Commission unanimously approved the Project at its regularly scheduled meeting in Bakersfield 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.

The State of California introduced backfilling requirements for certain types of open pit metal mines in December 2002. Norwest Corporation prepared a life-of-mine waste rock management plan and this plan incorporates sequential backfilling of mined-out phases of the open pit with limited double-handling of waste rock at the end of the mine life. This plan has been incorporated in the Planning Commission approvals for the Project.

The Bureau of Land Management confirmed that its Record of Decision approving the Plan of Operations under NEPA in November 1997 remains valid.

There are 114 conditions of approval and mitigation measures in the Conditional Use Permits that were approved for the Project. The Company is currently incorporating the conditions of approval and mitigation measures in its development plan and plan of operations.

Water Quality – Waste Discharge Requirements

The Lahontan Regional Water Quality Control Board (the "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 Board and is now in effect.

Air Quality – Authority to Construct and Permit to Operate

The Air Quality and Health Risk Assessments for the Project were completed and submitted to the Planning Department and the Eastern Kern Air Pollution Control District ("EKAPCD") on July 21, 2009. This report 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 EKAPCD has confirmed that the information required to support the applications is complete. EKAPCD has indicated in recent communications that it expects to issue the Authority to Construct permits by September 1, 2011. The Authority to Construct permits will be converted to a Permit to Operate after construction has been completed and subject to inspection by EKAPCD.

Record of Survey

An accurate land status map with no gaps in coverage on the ground is critical to protect both the Company and landholders from questionable claims of ownership and to ensure that royalty payments from production can be calculated and correctly paid to landholders. The Company therefore engaged James A. LaPuzza, PLS, U.S. Mineral Surveyor in 2007 to perform a survey of mining claims and millsites in Section 6 and part of Section 12 on Soledad Mountain.

A set of fourteen maps prepared by and based upon survey work done by Jim LaPuzza on Soledad Mountain between 2007 and 2010, along with supporting information on the history of staking and recording and ownership of mining claims and millsites researched by Sylvia Good, RPL, Landman and legal counsel and staff of Gresham Savage Nolan & Tilden, A Professional Corporation, San Bernardino, California from the early 1990s onwards, was submitted to the Kern County Department of Engineering, Surveying and Permit Services in August 2010. The maps were checked in meticulous detail by County staff over a period of 10 months. There were also numerous exchanges of information between Jim LaPuzza and staff during this period. County staff gave the maps a “Final Check” in May 2011. The recordable mylars were submitted to County staff in July 2011, formally signed by the County Surveyor and forwarded to the Kern County Assessor – Recorder as a Record of Survey. The Record of Survey was recorded as follows:

- Recorded July 20, 2011;
- Document No. 211092035 and
- Book 0027, Page 66

The basis for the Company’s land status and royalty map is now the Record of Survey and this has superseded all earlier versions of these maps.

Results of Operations

Following are the results of operations for the three months and six months ended June 30, 2011, and the corresponding periods ended June 30, 2010.

The Company had no revenue from operations.

The Company incurred general and administrative expenses of \$1,190,859 and \$1,675,769 (2010 - \$1,578,490 and \$1,941,309) during the three months and six months ended June 30, 2011, and the corresponding periods ended June 30, 2010. Costs were marginally for the three months ended June 30, 2011 when compared with the same period in 2010. The following significant costs were incurred during the quarter ended June 30, 2011 with a comparison to significant costs incurred during the same quarter in 2010:

- \$227,548 (2010 - \$0) for the infill drill program, which was done in April and May and for a NI 43-101 compliant Technical Report which is currently being prepared by an independent consulting engineering firm.
- \$135,023 (2010 - \$109,849) for ongoing engineering and permitting support. Costs were higher by \$25,174 in 2011 as a pump test was done on production water well PW-1 and development was completed and a pump test was done on production water well PW-3.
- \$30,300 (2010 - \$53,957) for ongoing permitting support, for overseeing the quarterly groundwater sampling and analysis program and preparing the quarterly report for the Lahontan Regional Water Quality Control Board. Costs were higher by \$23,657 in 2010 as studies were done on the occurrence of arsenic in groundwater, the use of cyanide in heap leaching and the occurrence of mercury and capture of mercury.
- \$43,621 (2010 - \$42,728) for preparing Authority to Construct permit applications and ongoing monitoring, maintenance and data recovery from the meteorological station on site.
- \$64,790 (2010 - \$176,174) for legal fees incurred in support of ongoing efforts to secure permits for the Project. Legal fees were higher by \$111,384 in 2010 due to work done in preparing for the public hearings held by the Kern County Planning Commission in April 2010 and for the public hearings held by the Lahontan Regional Water Quality Control Board in July 2010.

- \$4,308 (2010 - \$38,289) to the Kern County Planning Department. Costs were higher by \$33,981 in 2010 as work was done by the Planning Department to prepare for the public hearing held in April 2010.
- \$247,600 (2010 - \$243,396) for the purchase of four properties (fee land). Land purchases are ongoing as suitable land is identified and purchase agreements concluded.
- \$58,092 (2010 – \$30,180) for work on the updated feasibility study and administrative and drafting support. Costs increased by \$27,912 in 2011 primarily due to work on the updated feasibility study for the Project and preparing documentation for the virtual data room.
- \$41,897 (2010 – 19,385) for accounting and audit fees.
- \$41,636 (2010 – \$48,875) for corporate legal fees. Costs were higher by \$7,239 in 2010 as additional costs were incurred to conclude the private placement negotiations and documentation in 2010.

Interest income of \$13,014 (2010 - \$342) was higher by \$12,672 as there was more cash on deposit. Interest rates remained low during the quarter. There was no interest expense during the quarter.

The Company incurred a net loss of \$1,758,400 (or \$0.02 per share) during the quarter as compared to a net loss of \$2,406,367 (or \$0.03 per share) during the same quarter of 2010.

Summary of Quarterly Results

Results for the eight most recent quarters are set out in the table below.

Results for the quarter ended on:	June 30, 2011	March 31, 2011	Dec. 31, 2010	Sept. 30, 2010
Item	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss for the quarter	-1,758,400	-720,868	-4,126,127	-3,125,127
Net loss per share	-0.02	-0.01	-0.04	-0.03

Results for the quarter ended on:	June 30, 2010	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009
Item	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss for the quarter	-2,406,367	-326,305	-1,239,360	-1,057,149
Net loss per share	-0.03	0	-0.02	-0.01

The results of operations can vary from quarter to quarter depending upon the nature, timing and cost of activities undertaken during the quarter and whether or not the Company incurs gains or losses on foreign exchange, grants stock options or makes adjustments on quarterly or annual financial statements.

Reclamation Financial Assurance and Asset Retirement Obligation

The Company provided reclamation financial assurance in the form of an Irrevocable Payment Bond Certificate with Union Bank of California in the amount of \$286,653 on October 21, 2009 for 2010. The reclamation financial assurance is reassessed annually and the estimate for reclamation of historical disturbances on the property was \$283,809 for 2011 and is \$296,180 for 2012.

The asset retirement obligation accrual is estimated at \$202,255 and this is shown as a liability on the unaudited Interim Consolidated Balance Sheet. The actual obligation could differ materially from these estimates.

Advance Minimum Royalties

Advance minimum royalties of \$66,060 were paid to landholders in the second quarter of 2011.

A mining lease agreement with one group of landholders expired in 2004. The group of landholders accepted an extension agreement in March 2011 and it is expected that the Company will receive the signed agreements in the third quarter of 2011. The Company will pay advance minimum royalties of \$67,500 to this group of landholders to bring advance minimum royalties current to March 14, 2012.

Mining lease agreements with groups of landholders expired in June and July of 2010 and in January 2011 and discussions are under way with these groups of landholders for an extension of the agreements.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Stock Option Plan

The Company's current stock option plan (the "Plan") was adopted by management of the Company in 2008 and approved by shareholders of the Company in 2009. The Plan provides a fixed number of 7,200,000 common shares of the Company that may be issued pursuant to the grant of stock options. The exercise price of stock options granted under the Plan shall be determined by the Company's Board of Directors, but shall not be less than the volume weighted average trading price of the Company's shares on the Toronto Stock Exchange for the five trading days immediately prior to the date of the grant. The expiry date of a stock option shall be the date so fixed by the Board subject to a maximum term of five years. The Plan provides that stock options will terminate on the earlier of the expiry of the term and (i) 12 months from the date an option holder dies, (ii) 90 days from the date from the date the option holder ceases to act as a director or officer of the Company, or (iii) 60 days from the date the option holder ceases to be employed, or engaged as a consultant, by the Company.

The Company granted 1,950,000 stock options to directors, officers and consultants of the Company pursuant to the Plan on January 28, 2009. The options are exercisable at a price of C\$0.26 per share for a period of 5 years from the date of grant. The Company also granted 50,000 stock options to a consultant of the Company pursuant to the Plan on April 19, 2010. The options are exercisable at a price of C\$1.24 per share for a period of 5 years from the date of grant.

Transactions with Related Parties

For the three months and six months ended June 30, 2011, \$37,360 and \$73,460 (2010 – 35,717 and \$70,196) was paid to Mr. H.L. Klingmann for services as president of the Company of which \$19,234 was payable as at June 30, 2011; \$9,301 and \$13,901 (2010 - \$4,381 and \$8,706) was paid to Mr. C. Shynkaryk for consulting services to the Company, and \$5,167 (2010 - \$Nil) was paid to Mr. G.R. McDonald for consulting services to the Company of which \$2,894 was payable as at June 30, 2011.

The Company amended a consulting services agreement originally entered into in 2004 with Mr. H.L. Klingmann, the President of the Company, in May of 2010. Under the original agreement, upon receipt by the Company of a bankable feasibility study and the decision to place the Property into commercial production, a bonus of 150,000 common shares would be issued and upon commencement of commercial production on the Property, a bonus of 150,000 common shares would be issued. Pursuant to the amended agreement, an alternative 300,000 bonus shares would be issuable upon a change of control

transaction or upon a sale of all or substantially all of the Company's assets, having a value at or above C\$1.00 per share of the Company, with a further 300,000 bonus shares being issuable in the event the change of control transaction or asset sale occurred at a value at or above C\$1.50 per share. As at March 31, 2011, the milestones had not been reached and no accrual was made in connection with these arrangements.

Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, receivables, accounts payable and accrued liabilities approximates fair value because of the immediate or short-term maturity of these financial instruments. The company does not hold any bank or non-bank asset-backed commercial paper. The fair value of the reclamation financial assurance approximates carrying value because the stated interest rate reflects recent market conditions. It is the opinion of management that the Company is not exposed to significant interest, currency or credit risk arising from the use of these financial instruments.

Private Placement

The Company completed a non-brokered private placement with AuRico Gold Inc. (formerly Gammon Gold Inc.) on June 1, 2010, whereby AuRico Gold Inc. purchased 5,000,000 units of the Company at a price of C\$1.60 per unit for total proceeds of \$7,634,316 (C\$8,000,000). Each unit consists of one common share, one quarter of one Class A Warrant, and one quarter of one Class B Warrant. Each Class A Warrant entitles AuRico Gold Inc. to purchase a common share at a price of C\$1.75 for a period of 18 months from the closing date. Each Class B Warrant entitles AuRico Gold Inc. to purchase one common share at a price of C\$2.00 for a period of 18 months from the closing date. The aggregate fair value of the Class A and B purchase warrants was \$1,726,518 and the amount has been recorded as derivative liability and the Company allocated the remaining proceeds of \$5,907,798 to the common shares.

Subject to certain conditions, AuRico Gold Inc. was granted the right to participate in future financings to maintain its equity position in the Company.

Liquidity and Capital Resources

The Company held \$6,197,207 in cash and cash equivalents on June 30, 2011.

Cash used in Operating Activities:

Cash was used mainly for the ongoing development of the Project with major expenditures in three areas:

- Consulting engineering fees remained high due to the significant amount of detailed engineering completed for Project facilities;
- Legal fees were incurred in support of ongoing efforts to secure permits for the Project and in negotiations with landholders and
- The infill drill program was completed in April and May and a NI 43-101 compliant Technical Report is currently being prepared by an independent consulting engineering firm.

Cash from Financing Activities:

Cash was received from financing activities during the three months ended June 30, 2011 as follows:

- Four directors exercised a total of 1,050,000 options on shares for proceeds of C\$808,500 (\$842,463) during the quarter.

Cash used in Investing Activities:

The Company purchased four properties (fee land) for approximately \$247,600 during the quarter. Further increases in our land position are required to provide room for the future expansion of heap leach pads and for construction of facilities for the aggregate production component of the Project after the start of the open pit heap leach operation.

Working Capital

As at June 30, 2011, the Company held \$6,197,207 in cash and cash equivalents, and had current liabilities of \$909,484. An amount of \$594,832 will be remitted to Canada Revenue Agency in the third quarter of 2011 and this will reduce the current liabilities to the more normal level. The amount of \$594,832 to be remitted to Canada Revenue Agency is an amount collected by the Company and an estimate of the amount owing by four directors that exercised stock options during the quarter for taxes.

Management does not expect that additional cash will be required beyond cash currently on hand for ongoing work on permits for the Project, for paying advance minimum royalties, for additional property purchases, for detailed engineering of facilities for the Project, for ongoing work on site, and for general corporate purposes for the next twelve months. Refer also to **Outlook** below.

Outstanding Share Data

The number of shares issued and outstanding and the fully diluted share position are set out in the table below.

Golden Queen Mining Co. Ltd.

Item	No. of Shares		
Shares issued and outstanding on March 31, 2011	94,378,383		
Shares issued pursuant to the exercise of stock options	<u>1,050,000</u>		
Shares issued and outstanding on June 30, 2011	95,428,383	Exercise Price	Expiry Date
AuRico Gold Inc. warrants	2,500,000	C1.75 & C2.00	1/12/2011
Director and employee stock options	1,850,000	C\$0.26 & C1.24	28/01/14 & 19/04/15
Shares to be issued as a finders fee	100,000	Not Applicable	Not Applicable
Bonus shares to H.L. Klingmann	600,000	Not Applicable	Not Applicable
Fully diluted on June 30, 2011	100,478,383		

The company's authorized share capital is 150,000,000 common shares with no par value.

Outlook

If all approvals and permits are secured for the Project and a production decision is made, the Company will need significant additional financing to develop the Project into an operating mine. The Company believes that financing for the Project can be secured if gold and silver prices remain at or near \$1,457.00/oz and \$39.63/oz, London a.m. fix for precious metals on April 6, 2001 and the prices used for the updated cash flow analyses referred to above. Gold and silver prices averaged \$1,224.53/oz and \$20.19/oz in 2010 and the London pm fix for precious metals was \$1,736.00/oz and \$39.09 respectively on August 12, 2011.

The Company is evaluating various financing options for the Project and these may be combined:

- a. An equity financing;
- b. A combination of equity and debt and

- c. A merger with an established mining company.

It is not expected that the Company will hedge any of its gold or silver production.

The ability of the Company to put the Project into production is subject to numerous risks, certain of which are disclosed in the Company's latest Form 10-K filing with the SEC, dated March 31, 2011. Readers should evaluate the Company's prospects in light of these and other risk factors.

Subsequent Event

A person that provides services to the Company exercised options on 50,000 shares at C\$0.26 per share for gross proceeds of C\$13,000 or \$13,197.

Application of Critical Accounting Estimates

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Mineral Property and Exploration Costs

Exploration costs are expensed as incurred. Development costs are expensed until it has been established that a mineral deposit is commercially mineable and a production decision has been made by the Company to implement a mining plan and develop a mine, at which point the costs subsequently incurred to develop the mine on the property prior to the start of mining operations are capitalized.

The Company capitalizes the cost of acquiring mineral property interests, including undeveloped mineral property interests, until the viability of the mineral interest is determined. Capitalized acquisition costs are expensed if it is determined that the mineral property has no future economic value. Exploration stage mineral interests represent interests in properties that are believed to potentially contain (i) other mineralized material such as measured, indicated or inferred resources with insufficient drill hole spacing to qualify as proven and probable mineral reserves and (ii) other mine-related or green field exploration potential that are not an immediate part of measured or indicated resources. The Company's mineral rights are generally enforceable regardless of whether or not proven and probable reserves have been established. The Company has the ability and intent to renew mineral rights where the existing term is not sufficient to recover undeveloped mineral interests.

Capitalized amounts (including capitalized development costs) are also written down if future cash flows, including potential sales proceeds, related to the mineral property are estimated to be less than the property's total carrying value. Management reviews the carrying value of each mineral property periodically, and, whenever events or changes in circumstances indicate that the carrying value may not be recoverable, makes the necessary adjustments. Reductions in the carrying value of a property would be recorded to the extent that the total carrying value of the mineral property exceeds its estimated fair value. There was a \$247,600 write-off in mineral property interests recorded for the three months period ended June 30, 2011 (2010 - \$Nil).

Asset Retirement Obligations

In accordance with the Accounting for Asset Retirement Obligations, the fair value of an asset retirement cost, and corresponding liability, should be recorded as part of the cost of the related long-lived asset and

subsequently allocated to expense using a systematic and rational method. The Company has recorded an asset retirement obligation to reflect its legal obligations related to future abandonment of its mineral property using estimated expected cash flow associated with the obligation and discounting the amount using a credit-adjusted, risk-free interest rate. At least annually, the Company reassesses the obligation to determine whether or not a change in any estimated obligation is necessary. The asset retirement obligation recorded as a liability on the Interim Consolidated Balance Sheet is \$202,255 as at June 30, 2011 (December 31, 2010 - \$193,545).

Derivative Liabilities

Our stock options and warrants are denominated in a currency other than our functional currency and the instruments were required to be accounted for as separate derivative liabilities. These liabilities were required to be measured at fair value. These instruments were adjusted to reflect fair value at each period end. Any increase or decrease in the fair value was recorded in results of operations as change in fair value of derivative liabilities. In determining the appropriate fair value, we used the Black-Scholes pricing model.

Recently Issued Accounting Standards

A summary of Recently Issued Accounting Standards is provided in Item 7 of the Company's latest Form 10-K filing with the SEC, dated March 31, 2011 and in Item 2 of the Notes to unaudited Interim Consolidated Financial Statements for the six months ended June 30, 2011.

Qualified Person and Caution With Respect to Forward-looking Statements

Mr. H.L. Klingmann, P.Eng., the President of the Company, is a qualified person for the purposes of National Instrument 43-101 and has reviewed and approved the technical information in this report.

This report contains certain forward-looking statements, which relate to the intent, belief and current expectations of the Company's management. These forward-looking statements are based upon numerous assumptions that involve risks and uncertainties and other factors that may cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include among other things the receipt of required approvals and permits, the costs of and availability of sufficient capital to fund the projects to be undertaken by the Company, commodity prices and other factors. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date the statements were made.

Caution to U.S. Investors

Management advises 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. U.S. investors are cautioned not to assume that any part or all of the material in the mineral resource categories will be converted into mineral reserves. References to such terms are contained in the Company's Form 10-K and other publicly available filings. We further advise U.S. investors that the mineral reserve estimates disclosed in this report have been prepared in accordance with Canadian regulations and may not qualify as "reserves under the U.S. Securities and Exchange Commission Industry Guide 7. 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.

Additional Information

Further information on Golden Queen Mining Co. Ltd. is available on the SEDAR web site at www.sedar.com and on the Company's web site at www.goldenqueen.com.

Item 4. Controls and Procedures

Disclosure of Controls and Procedures

Disclosure controls and procedures and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of disclosure controls and procedures and remediation

Management, including the principal executive officer and the principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, management concluded that as of the end of the period covered by this report, our disclosure controls and procedures were not effective. This includes those controls and procedures necessary to ensure that information required to be disclosed in reports filed or submitted with the SEC (i) is recorded, processed, and reported within the time periods specified by the SEC, and (ii) is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow for timely decisions regarding required disclosure. The conclusion that our disclosure controls and procedures for financial reporting were not effective for the interim period ended June 30, 2011, was a result of our recognition that certain detailed reviews of our financial disclosure were not performed in a timely manner, that there is inadequate internal technical expertise required to address certain accounting and tax issues, there were non-material inconsistencies on classification and presentation of some financial information, and that there existed an inherent limitation due to the lack of segregation of duties of management.

There have been no changes in our internal controls over financial reporting that occurred during this period that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting, with the exception that a new chief financial officer was appointed in May of 2011.

Limitations on the effectiveness of disclosure controls and procedures

A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments, in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of internal control is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

