

Golden Queen Mining Co. Ltd.
Management Discussion and Analysis
June 30, 2008
Form 51-102F1

The following discussion of the operating results and financial position of Golden Queen Mining Co. Ltd. (the "Company") is dated August 14, 2008 and should be read in conjunction with the consolidated financial statements of the Company for the three month period ended June 30, 2008 and the notes thereto.

The Company's financial statements have been prepared and presented in accordance with U.S. GAAP since January 1, 2004. Previously the Company had reported in Canada in accordance with Canadian GAAP and in the United States in accordance with U.S. GAAP. The change to U.S. GAAP has not resulted in any material differences in the presentation of the financial statements of the Company for the year ended December 31, 2007 and for the three month period ended June 30, 2008.

All amounts herein are in US\$ unless otherwise noted.

The Soledad Mountain Project

The Company is proposing 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. Every element of the Soledad Mountain Project (the "Project") has been rethought and reengineered in the past four years in an effort to find sound technical and cost-effective solutions that will ensure a viable mining operation at foreseeable gold and silver prices. The review has been supported and complimented by a substantial amount of work done by independent engineers and contractors. This phase of the technical work was completed toward the end of 2006.

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. The following is therefore only a note on the supplemental Environmental Impact Report ("EIR") that is currently being prepared.

The Company completed an Application for a revised Surface Mining and Reclamation Plan, which was submitted to the Kern County Planning Department (the "Planning Department") in April 2007. The Planning Department completed its review of the Application and deemed the Application complete as set out in July 2007. The Planning Department noted that changes proposed for the Project constituted new information that required evaluation of potential impacts and mitigation in a supplemental EIR. The Planning Department issued a Request for Proposal to prepare the supplemental EIR to a total of 17 qualified consultants in October 2007. The Chambers Group was awarded the contract to prepare the supplemental EIR. The Company signed an agreement with the Planning Department in February 2008 and made a payment of \$55,000 which is 50 % of the cost of preparing the supplemental EIR. This agreement was approved by the Kern County Board of Supervisors at its regular meeting on March 11, 2008.

The kickoff meeting with the Chambers Group was held on the afternoon of March 12, 2008. The Chambers Group completed the initial review of information provided by the Planning Department and issued a draft Notice of Preparation by mid-June. The Planning Department recently terminated the agreement with the Chambers Group due to a conflict of interest related to another project. The Planning Department is now mailing the Notice of Preparation and the supporting report(s) to the affected agencies on August 18. A consultant will be appointed to continue with the preparation of the supplemental EIR in August. It is now expected that it will take a minimum of six months to complete the approvals process.

The following two items are of note:

- The Company completed a number of studies and did significant work on site between 2005 and 2007 to document that the environmental setting for the Project had not changed since 1997. The studies were submitted to the Kern County Planning Department in August 2007.
- The Bureau of Land Management has confirmed that its Record of Decision approving the Plan of Operations under NEPA in November 1997 remains valid and that no additional reviews or approvals are required before the Company can proceed with the Project.

Results of Operations

Following are the results of operations for the three months ended June 30, 2008 and June 30, 2007.

The Company had no revenue from operations.

General and administrative expenses of \$1,253,781 (2007 – \$834,123) were higher by \$419,233 as work on the Project has been accelerated again in 2008.

The following significant costs were incurred during the quarter:

- \$565,924 for advance minimum royalties owing to landholders plus \$114,233 in prepaid expenses;
- \$31,374 for ongoing maintenance on and data recovery from the meteorological station;
- \$7,163 for quarterly water sampling and analysis;
- \$17,043 for the detailed design of the new access road for the Project;
- \$140,003 for detailed engineering for the Phase 1 heap leach pad and the associated site drainage plan;
- \$71,178 for doing a major study on the occurrence of arsenic and a human health risk assessment;
- \$66,547 for ongoing work on the rights of the Company to extract groundwater from a regional groundwater basin to supply the water required for the heap leach operation;
- \$28,836 for a detailed site survey required to complete the design of a diversion channel;
- \$86,075 to two local contractors for ongoing cleanup work on site;
- \$7,810 to Rio Rico Land Survey for a legal survey of lode mining claims;
- \$7,500 for preparing promotional material and seeking public support for the Project;
- Cdn.\$46,315 for the preparation of financial statements and audit fees;
- Cdn.\$28,293 for legal fees;
- Cdn.\$6,994 for printing the material required for the annual general meeting;
- Cdn.\$39,084 for mine design and engineering support and
- Cdn.\$107,530 for engineering design and cost estimates for the crushing-screening plant.

Interest income of \$32,471 (2007 – \$38,382) was marginally lower as there was less cash on deposit during the quarter. There was no interest expense during the quarter.

The Company incurred a net loss of \$1,224,663 (or \$0.01 per share) for the quarter as compared to a net loss of \$798,478 (or \$0.01 per share) for the second quarter of 2007.

Summary of Quarterly Results

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

Results for the quarter ending on:	June 30, 2008	March 31, 2008	Dec. 31, 2007	Sept. 30, 2007
Item	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net (income) loss for the quarter	1,224,663	625,295	1,001,548	-117,884
Net loss per share	0.01	0.01	0.01	0.00

Results for the quarter ending on:	June 30, 2007	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006
Item	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss for the quarter	798,478	324,340	3,081,401	428,719
Net loss per share	0.01	0.00	0.04	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 end-of-year adjustments.

Reclamation Financial Assurance And Asset Retirement Obligation

The Company provided reclamation financial assurance in the form of an Irrevocable Standby Letter Of Credit backed by a Certificate Of Deposit with Union Bank of California in the amount of \$266,692 on August 13, 2007. The current estimate for reclamation of historical disturbances on the property is \$271,808 and this is an increase of \$5,116 from the previous estimate of \$266,692. The amended financial instrument will be provided in the third quarter of 2008.

The asset retirement obligation accrual is estimated at \$152,671 and this is shown as a liability on the consolidated balance sheet. The actual obligation could differ materially from these estimates.

Advance Minimum Royalties

The Company had disclosed in its Form 10-K for the fiscal year ended December 31, 2007 that not all property interests were in good standing. The Company has now contacted each landholder and is bringing the advance minimum royalties owing current. The total amount owing is approximately \$814,000 and it is expected that all remaining payments will be made in the third quarter of 2008. Property interests will be in good standing at that time.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions With Related Parties

Mr. H. Lutz Klingmann, president of the Company, was paid management fees of Cdn.\$33,780 and Mr. C. Shynkaryk, a director of the Company, was paid Cdn.\$4,500 for consulting services during the quarter ended June 30, 2008.

There were no other related party transactions during the quarter ended March 31, 2008.

Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, receivables, accounts payable and accrued expenses 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.

Liquidity and Capital Resources

The Company held \$4,897,275 in cash and cash equivalents on June 30, 2008.

The Company has no debt.

Management plans to control costs and does not expect that additional cash will be required (prior to securing production financing) beyond cash currently on hand for ongoing work on approvals and permits for the Project, for bringing current the advance, advance minimum royalties owing to landholders, for additional property purchases, for ongoing work on site and for general corporate purposes to the end of 2009.

Outstanding Share Data

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

Item	No. of Shares		
Shares issued and outstanding on Dec. 31, 2005	61,190,449		
Shares issued on January 31, 2006	7,200,000		
Shares issued on conversion of two warrants	978,260		
Shares issued on conversion of promissory note	652,174		
Shares issued on conversion of warrants	8,000,000		
Shares issued upon exercise of stock options in 2006	100,000		
Shares issued upon exercise of stock options in 2007	290,000		
Shares issued for acquisition of property	30,000		
Shares issued on conversion of warrants	<u>7,200,000</u>		
Shares issued and outstanding on June 30, 2008	85,640,883	Exercise Price	Expiry Date
Directors and employee stock options	2,300,000	C\$0.35 & C\$0.77	9/02/10 & 20/04/11
Shares to be issued as a finders fee	100,000	Not Applicable	Not Applicable
Bonus shares to be issued to H.L. Klingmann	300,000	None	None
Fully diluted on June 30, 2008	88,340,883		

The Company's authorized share capital is 100,000,000 common shares with no par value.

Outlook

The Company plans to put the Project into production as an open pit heap leach operation and to construct facilities to process ore at a rate of 4.5million t (5.0million ton) per year and these have been reduced from the earlier planned mining rates. Projected mine life has increased from 7 years to 12 years.

The Company is actively working with the Kern County Planning Department to expedite the review process and the supplemental EIR.

Management is evaluating financing options with a view to making a production decision as soon as approvals and permits have been secured.

If 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. Capital costs for mining projects are increasing rapidly and the Company is currently re-estimating these costs. The Company believes that financing for the Project can be secured if gold and silver prices remain at or above \$600.00/oz and \$12.50/oz respectively and these are the prices used for the feasibility study base case cash flow projections. Gold and silver prices averaged \$696.05/oz and \$13.40/oz in 2007 and closing prices on August 14, 2008 were \$818.00/oz and \$14.42/oz respectively.

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. Readers should evaluate our prospects in light of these and other risk factors.

Disclosure and Internal Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Management is also responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. There has been no change in the Company's internal control over financial reporting during the Company's most recent interim period that might have materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.

Qualified Person and Caution With Respect to Forward-looking Statements

Mr. H. Lutz 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 MD&A.

This MD&A 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 regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for projects 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

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. 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.

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.