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

Form 10-Q

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

For the quarterly period ended **March 31, 2014**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT
For the transition period from _________ to __________________

000-21777
(Commission File Number)

GOLDEN QUEEN MINING CO. LTD.
(Exact name of registrant as specified in its charter)

British Columbia, Canada	**Not Applicable**
(State or other jurisdiction of incorporation)	(IRS Employer Identification) No.)

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 [**X**] 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 [**X**] 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 [**X**] 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 [**X**]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 12, 2014 the registrant's outstanding common stock consisted of 99,578,683 shares.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion of the operating results and financial condition of Golden Queen Mining Co. Ltd. (the "Company") is as at May 12, 2014 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the quarter ended March 31, 2014 and the notes thereto.

The information in this Management's Discussion and Analysis of Financial Condition and Results of Operations is prepared in accordance with U.S. generally accepted accounting principles and all amounts herein are in U.S. dollars unless otherwise noted.

The Soledad Mountain Project

Overview

The Company is developing a gold-silver, open pit, heap leach operation on its fully-permitted Soledad Mountain property, located just outside the town of Mojave in Kern County in southern California. The Soledad Mountain Project (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.

Please refer to the Company's news release of October 25, 2012 and the Form 10-K dated March 17, 2014 for information on the Project.

The Company started construction of infrastructure-related items during the second quarter of 2013.

Construction of Infrastructure

Phase 1 Construction

Initial site grading was completed in January 2014 and this included an employee parking lot, a sediment pond and drainage channel and a pad where the sub-station will be constructed. Work was also completed on the north-south access road and the overland conveyor route.

Excavation of the workshop-warehouse site and the construction of the interconnecting roads including the main haul road to the East waste rock storage pad were completed with final grading and the construction of safety berms in January 2014.

Permits were secured for the Phase 1 electrical work and this was completed in January.

The Company awarded a contract for the construction of the workshop-warehouse and wash slab to a local contractor in November 2013. A key milestone was reached when the prepared workshop-warehouse pad was formally handed over to the contractor to start construction of the footings in January. This was the first of a number of key turn-key projects for the Project. Construction of the footings has been completed and erection of steelwork is well under way with completion of the project scheduled for late-May 2014.

The access road from Silver Queen Road and the employee parking are expected to be paved in May 2014.

The construction of a guard shack with a sliding gate in scheduled to be completed in May 2014.

The Company entered into a turn-key contract for the construction and commissioning of the basic water supply for the Project.

Phase 2 Construction

Work is proceeding on Phase 2 construction and this will overlap to some extent with a number of Phase 1 construction projects. The following projects are part of Phase 2 construction:

- The Company has awarded a contract for the construction of the workshop-warehouse septic system and leach field;
- The Company has awarded a contract for the procurement and construction of the fuel storage facility;

- The Company and its local civil engineer based in Lancaster have done a detailed design for a site grading plan in the area where the crushing-screening plant and the assay laboratory will be constructed. This project is now under way; and
- Detailed designs and cost estimates are being completed for the assay laboratory.

Guinn Construction Company (Bakersfield) was our general contractor for infrastructure projects in 2013 and also continued with infrastructure projects and managed the site in the first quarter of 2014. This included safety and security and there were no incidents to report in the first quarter.

The Company has recently engaged a Manager – Services, Manager – Plant Operations, Manager - Accounting and the Chief Geologist.

The Company has an active Community Outreach Program with a number of site visits arranged for local community groups.

Key Changes in Costs from the Feasibility Study

One of the Company's priorities in the first quarter of 2014 has been to complete detailed engineering for construction and update cost estimates for the major turn-key projects. The feasibility study capital cost estimates were prepared in 2012 and were therefore out of date by around 18 months by the end of 2013. The detailed designs are either well under way or have essentially been completed, and the Company has now received updated cost estimates for all of the turn-key projects.

The current designs and updated cost estimates have raised the total estimated capital cost to build the Project to $114 million. This includes a contingency of 15% of estimated construction costs, or approximately $15 million. The 2012 feasibility study cost estimate was $79 million with unallocated costs of $12 million for a total of $91 million.

In addition to the $114 million required to build the Project, the Company anticipates to require $10.5 million for working capital and approximately $17 million for mobile mining equipment. These estimates have not changed from the feasibility study. The Company's new estimate for the total capital required to bring the Project to production is $141 million (from $119 million in the feasibility study), of which approximately $9 million has been spent to date.

Approximately 50% of capital expenditures are comprised of turn-key projects that will be awarded as fixed-price contracts. These contracts will therefore provide price protection during the construction period. The Company has selected and is working with contractors for its turn-key projects with significant experience and excellent reputations.

The time that has passed between the time the feasibility study was released in October 2012 and the first quarter of 2014, has provided the Company with the opportunity to re-evaluate the designs and we have made numerous improvements which we believe will enhance the efficiency and reliability of the processing operations.

Workshop-Warehouse: The Company received a proposal for the construction of the workshop-warehouse and wash slab from a local contractor in November 2013 and the proposed cost for the project was in line with the feasibility study cost estimate.

Crushing-Screening Plant: The contractor has just completed the design for the crushing-screening plant as a turn-key project with numerous improvements to the feasibility-level design, to improve the functionality of the plant, both from an operating and a maintenance point of view. The plant now includes an agglomeration drum and provision has been made for a possible future increase in plant throughput and this has increased the cost estimate for the plant.

The Company has received a proposal for the high-pressure grinding roll and this proposal was in line with the feasibility study cost estimate.

Stacking and Conveying System: The feasibility study employed a stacking and conveying system design completed in 2005. The current design has evolved substantially over the past year to a fully-automated system with a significant increase in the reliability of the overall system. Especially the power distribution along the system has evolved with a separate transformer and motor control package for each unit of the system. Each of the grass hopper conveyors now includes dust control covers over the conveyors and all functions of the stacker are now controlled by radio remote control.

Phase 1 Heap Leach Pad: The Phase 1 heap leach pad has been designed as a permanent, single-use pad with external solution collection and management systems. Crushed and agglomerated ore will be conveyed to the heap and stacked with a radial stacker. The Company has received an updated cost estimate for the construction of the Phase 1, Stage 1 pad and this, after allowance for the construction of the overland conveyor route and peripheral roads in 2013, is lower than the feasibility study cost estimate.

Merrill-Crowe Plant: The current design includes an increase in solution flow rates of 50% and this was decided upon as part of an overall design review for the Project. The increase in solution flow rates has been accommodated in the original Merrill-Crowe plant footprint. Costs have increased due to an increase in the size of the equipment in the plant.

Assay Laboratory: The assay laboratory has been changed from a laboratory assembled from three pre-fabricated modules to a laboratory constructed on site. Costs have increased as a result of these changes.

Water Supply (Supply from two water production wells and distribution on site): Both the design and the cost estimates for the water supply from two production wells were re-done from first principles by a consulting engineering firm based in Bakersfield. The design for the feasibility study was inadequate and this was reflected in a cost estimate that was significantly lower than the current cost estimate.

Project Financing

The Company is evaluating various financing options for the Project, including debt, equity and other alternatives.

The Company is currently conserving cash and is not making new commitments for construction-related projects on site until Project financing has been secured.

The Centre for Biodiversity Petition to List the Mojave Shoulderband Snail as an Endangered Species

The Center for Biological Diversity filed an Emergency Petition (the "Petition") with the United States Fish and Wildlife Service ("USFWS") to list the Mojave Shoulderband snail as threatened or endangered under the Endangered Species Act on January 31, 2014

The Company worked with its environmental and legal advisors to prepare a detailed and complete response to the Petition, which was filed with the USFWS on March 31, 2014. The Company's response is available on the Company's website at www.goldenqueen.com, in the "Notices & Other Filings" section.

In reviewing the Petition, the Company finds that the Center's assumptions, arguments, and conclusions lack scientific support. In the terminology of the USFWS, the Petition does not present substantial scientific information sufficient to convince a reasonable person that action by the USFWS may be warranted. The Petition relies on incorrect and incomplete information with respect both to the science and to the Project. Most of the biological information presented in the Petition is generic or pertains to other snail species. To the extent the Petition discusses the Mojave Shoulderband snail in particular, the discussion relies on a 500 word, 80-year old academic journal note that does not meet modern academic standards, and unpublished data gathered by the Petitioners but withheld from the USFWS and the public.

The Company has learned in April 2014 that the USFWS has determined that there is no emergency to justify listing the Mojave Shoulderband snail as threatened or endangered under the Endangered Species Act of 1973, as amended. The USFWS has reviewed the Petition and has concluded that there is no imminent threat to the snail that would cause them to believe an emergency listing is required. The USFWS indicated that it would not be able to address the Petition at this time but may do so in the future, subject to funding.

Results of Operations

The following are the results of operations for the three months ended March 31, 2014, and the corresponding period ended March 31, 2013.

The Company had no revenue from operations.

The Company incurred general and administrative expenses of $1,065,257during the three months ended March 31, 2014 as compared to $449,698 for the same period in 2013. Costs were higher by $615,559 for the three months ended March 31, 2014 when compared with the same period in 2013.

The following significant general and administrative expenses were incurred during the quarter ended March 31, 2014 with a comparison to costs incurred during the same quarter in 2013:

- $389,830 (2013 – $145,875) for legal expenses. The increase is the result of the work required for financing activities, a general increase in overall corporate activity and other corporate matters such as the Company's response to the Petition (refer to ***The Centre for Biodiversity Petition to List the Mojave Shoulderband Snail as an Endangered Species*** above).

- $157,494 (2013 - $83,155) for audit, tax and accounting fees. The current period increase is the result of higher costs associated with the 2013 year-end audit. With the increase in overall corporate activity and a move from the exploration stage to the development stage, the amount of work required to complete the financial statement audit and the SOX audit increased as compared to the prior period.

- $171,584 (2013 – $Nil) for corporate expenses. The increase is due to the costs associated with the Company's financing activities and a general increase in overall corporate activity. The Company opened an administrative office in Mojave in July 2013 and has been hiring new employees, hence increasing overall corporate expenses at the project level.

- $73,514 (2013 - $43,844) for consulting fees. The increase was the result of increased work during the current quarter by the Company's President. The increase was also due to the reallocation of $29,692 in consulting fees originally capitalized in 2013.

- $121,078 (2013 - $Nil) for corporate salary. The increase is the result of the Company having seven full-time staff at the Vancouver and Mojave offices, including a CFO, COO and a Manager - Administration. The staff were hired between the second quarter of 2013 and the first quarter of 2014.

The Company incurred $691,297 (2013 - $Nil) for interest expense. The Company received C$10,000,000 by issuing convertible debentures in July 2013 and received $10,000,000 from a loan in January 2014. This resulted in interest expenses for the period. The interest expense includes an amortization of the discounted convertible debentures of $520,580 (2013 - $Nil), $45,717 (2013 - $Nil) relates to the stated interest on the July 2013 convertible debentures and $125,000 (2013 - $Nil) relates to the January 2014 loan.

The Company recorded a significant increase in the derivative liability including foreign exchange of $5,747,376 as a result of a significant increase in the Company's share price during the quarter compared to a decrease of $611,949 for the same quarter in 2013. This item is a non-cash item and was recorded in accordance with accounting pronouncement ASC 850-40-15. Refer to Note 6 Related Party Transactions of the unaudited condensed consolidated interim financial statements for a detailed analysis of the changes in fair value of the derivative liability.

Interest income of $9,292 (2013 - $5,053) was higher during the three months ended March 31, 2014 as compared with the same period in 2013 due to higher cash balances in 2014. Interest rates remained low during the quarter and are projected to remain low for the remainder of 2014 at least.

The Company recorded a net and comprehensive loss of $7,494,638 (or $0.08 per share) during the quarter as compared to net and comprehensive income of $167,304 (or $0.00 per share) during the same quarter of 2013. The difference is mostly due to an increase in the derivative liability including foreign exchange resulting in a loss on fair value measurement of the derivative liability charged to comprehensive loss of $5,747,376, as discussed above.

Summary of Quarterly Results

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

Results for the quarter ended on:	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013
Item	**$**	**$**	**$**	**$**
Revenue	Nil	Nil	Nil	Nil
Net income (loss) for the quarter	(7,494,638)	1,221,564	(637,634)	1,226,780
Basic net income (loss) per share	(0.08)	0.02	(0.01)	0.01
Diluted net income (loss) per share	(0.01)	(0.01)	(0.01)	0.01

Results for the quarter ended on:	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012
Item	**$**	**$**	**$**	**$**
Revenue	Nil	Nil	Nil	Nil
Net income (loss) for the quarter	167,304	803,716	(1,825,831)	183,733
Basic net income (loss) per share	0.00	0.01	(0.02)	0.00
Diluted net income (loss) per share	(0.00)	0.01	(0.02)	0.00

The results of operations can vary from quarter to quarter depending upon the nature, timing and cost of activities undertaken during the quarter, whether or not the Company incurs gains or losses on foreign exchange or grants stock options, and the movements in its derivative liability.

Reclamation Financial Assurance

The Company has provided reclamation financial assurance to the Bureau of Land Management, the State and Kern County totaling $478,727 (December 31, 2013 - $478,742; March 31, 2013 - $339,076). This deposit earns interest at 0.1% per annum and is not available for working capital purposes. The increase in the deposit was to ensure the amount of the reclamation financial assurance covers the asset retirement obligation from the previous year.

The Company estimates that reclamation financial assurance will increase to $552,250 in 2014 based upon the anticipated work done on site in 2014 and recorded this anticipated obligation as at March 31, 2014. The Company expects that the estimate will be approved by the Kern County Engineering, Surveying & Permit Services Department and submitted to the State Office of Mine Reclamation for approval.

The Company estimated its asset retirement obligations based on its understanding of the requirements to reclaim and clean-up its property based on its activities to date. During the three months ended March 31, 2014, there were no changes to the retirement obligations as compared with the year ended December 31, 2013, where $76,312 was capitalized to mineral property interests as the asset portion of the retirement obligation. The amount was capitalized as the Company is in the development stage and is capitalizing all of its development costs pursuant to our policy. The total asset retirement obligation as of March 31, 2014 is $552,250 (December 31, 2013 - $552,250). Prior to 2013, the asset retirement obligation was expensed.

Property Rent Payments

The Company continues to make property rent payments to landholders and paid $10,000 in cash and $24,480 in common shares of the Company in the first quarter of 2014 as compared to $28,500 during the same period in 2013. The overall payments during the year are expected to increase from approximately $161,000 in 2013 to approximately $177,000 in 2014. The Company is in ongoing discussions with landholders and has made offers to buy back royalty interests where attractive terms can be negotiated.

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 the Company in 2013 and approved by shareholders of the Company in 2013. 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 (the "Board"), but shall not be less than the volume-weighted, average trading price of the Company's shares on the TSX 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) 12 months from the date from the date the option holder ceases to act as a director or officer of the Company, or (iii) 12 months from the date the option holder ceases to be employed, or engaged as a consultant, by the Company. All options granted under the 2013 Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

During the quarter ended June 30, 2013, the Company granted 300,000 options to Mr. Laurence Morris, the Company's new Chief Operating Officer. The options are exercisable at a price of $1.16 for a period of five years from the date of grant and vest over a period of 18 months with 100,000 vesting in 6, 12 and 18 months respectively. The Company also granted 50,000 stock options to a consultant of the Company on June 3, 2013. The options are exercisable at a price of $1.16 for a period of five years from the date of grant and vest immediately.

During the quarter ended September 30, 2013, the Company granted 300,000 options to Ms. Andrée St-Germain, the Company's new Chief Financial Officer. The options are exercisable at a price of $1.26 for a period of five years from the date of grant and vest over a period of 12 months with 100,000 vesting on the date of grant, and 100,000 vesting in 6 and 12 months respectively. The Company also granted 150,000 stock options to the Company's independent directors on September 4, 2013. The options are exercisable at a price of $1.59 for a period of five years from the date of grant and vest immediately.

The Company did not grant options during the quarters ended December 31, 2013 and March 31, 2014.

A total of 1,320,000 (December 31, 2013 – 1,380,000; March 31, 2013 – 1,800,000) common shares were issuable pursuant to such stock options as at March 31, 2014.

Transactions with Related Parties

Consulting Fees

For the three months ended March 31, 2014, the Company paid $45,027 (2013 - $37,200) to Mr. H. L. Klingmann for services as President of the Company of which $15,287 (December 31, 2013 - $47,967; March 31, 2013 - $Nil) is payable as at March 31, 2014; paid $Nil (2013 - $6,700) to Mr. Chester Shynkaryk for his consulting services to the Company, paid $Nil (2013 - $7,400), to Mr. Ross McDonald for his services as the former CFO of the Company.

During the three months ended March 31, 2014, the Company paid a total of $11,624 (March 31, 2013 - $Nil) to its three independent directors. The two connected directors were not paid directors' fees during the three months ended March 31, 2014 and 2013.

Convertible Debentures

On July 26, 2013, the Company entered into agreements to issue convertible debentures for aggregate proceeds of C$10,000,000 (the "Placement"). The convertible debentures are unsecured and bear interest at 2% per annum, calculated on the outstanding principal balance, payable annually. The principal amounts of the debentures are convertible into shares of the Company at a price of C$1.03 per share for a period of two years. If the debentures have not been converted by the holder prior to the maturity date, then the Company may convert them at the lower of C$1.03 or the market price as at the maturity date. The market price on the maturity date will be determined based on the volume- weighted average price of the shares traded on the Toronto Stock Exchange for the five trading days preceding the maturity date. A total of C$7,500,000 of the offering was subscribed for by an investment vehicle managed by Thomas M. Clay, a Director and insider of the Company.

The conversion feature of the convertible debentures meets the definition of a derivative liability instrument because the conversion feature is denominated in a currency other than the Company's functional currency and therefore does not meet the "fixed-for-fixed" criteria outlined in ASC 815-40-15. As a result, the conversion feature of the notes is required to be recorded as a derivative liability recorded at fair value and marked-to-market each period with the changes in fair value each period being charged or credited to income.

See also Note 6 of the unaudited condensed consolidated interim financial statements for more details on this instrument.

Loan Payable

In January 2014, the Company entered into an agreement to secure a $10,000,000 loan (the "Loan"). The Loan was provided by members of the Clay family including $7,500,000 provided by an investment vehicle managed by Thomas M. Clay, a Director and insider of the Company. The Loan has a twelve-month term and bears an annual interest rate of 5%, payable on the maturity date. If the Loan is repaid on a date that is less than 183 days before the maturity date, the Company will pay the Lenders an amount of 105% of the principal amount plus interest on the principal amount at the rate of 5% per annum accrued to the date the Loan is repaid. The outstanding balance will be immediately due and payable by the Company on the earlier of the maturity date, the first date during the term on which a financing over $15,000,000 is completed and the occurrence of an event of default. As at March 31, 2014, the value of the prepayment option has not met the recognition criteria under contingencies and therefore has not been recorded in these condensed consolidated interim financial statements.

See also Note 6 of the unaudited condensed consolidated interim financial statements for more details on this Loan.

There were no other transactions with related parties during the quarter ended March 31, 2014.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheets for cash and cash equivalents, receivables, accounts payable and accrued liabilities and loans payable approximate fair values because of the immediate or short-term maturity of these financial instruments. The carrying amount of the convertible debt instrument is being recorded at amortized cost using the effective interest rate method. As at March 31, 2014, the estimated fair value of the convertible debt using a discounted cash flow analysis based on an interest rate for a similar type of instrument was $14,184,110. The fair value of the reclamation financial assurance approximates the carrying value because the stated interest rates reflect recent market conditions or because the rates are variable in nature. The value of the embedded derivative is being recorded at its fair value using an acceptable valuation model at each reporting period.

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.

Refer also to the note on fair value of derivative liability under ***Results of Operations*** above.

Liquidity and Capital Resources

The Company held $10,939,301 in cash and cash equivalents on March 31, 2014 as compared to $3,105,875 during the same period in 2013. The increase in the liquidity is the result of the proceeds from the 2013 convertible debentures and 2014 Loan (see ***Transactions with Related Parties*** above), partially off-set by increased corporate activity and activity on site.

Cash used in Operating Activities:

Cash was used to fund the general and administrative work on the Project and for legal, accounting, consulting and regulatory fees.

Cash from Financing Activities:

The Company secured a loan for net proceeds of $10,000,000 in January 2014. See Note 6 of the unaudited condensed consolidated interim financial statements for more details. The proceeds of the loan are used exclusively to advance the Project, including construction of infrastructure-related items that is now underway.

During the quarter ended on March 31, 2014, options were exercised by former directors, insiders and consultants as follows:

- 60,000 options for proceeds of $12,721

Cash used in Investing Activities:

The Company began capitalizing all development expenditures directly related to the Project in July 2012. Prior to July 2012, all Project-related expenditures were written off due to uncertainties around obtaining the necessary approvals for proceeding with the Project.

Cash used in investing activities totaled $3,087,257 during the quarter ended March 31, 2014 (2013 - $546,393).

The Company continued its work on the Project with the main work being completed in the first quarter of 2014 as follows:

Workshop-Warehouse: The Company awarded a contract for the construction of the workshop-warehouse and wash slab to a local contractor in November 2013. Foundation preparation and construction of the footings was completed in the first quarter of 2014.

Site Preparation: Work on the Phase 1 earthmoving projects was essentially completed in December 2013 with some final touch-up completed in January 2014.

EPCM: Detailed engineering work and construction management continued during the first quarter of 2014.

Crushing-Screening Plant: The first task required to begin construction in the crushing-screening plant area was to clear and grub the land in preparation for the eventual commencement of site grading. This task was completed in February 2014. The Company then proceeded with the site preparation of the area where the crushing-screening plant will be constructed. The lower portion of the area was mostly completed in March 2014. The fill material required for this project was taken from the events pond, which is located just downstream of the Merrill-Crowe plant.

Working Capital:

As at March 31, 2014, the Company had current assets of $11,010,573 (December 31, 2013 - $5,107,259; March 31, 2013 - $3,193,510) and current liabilities of $12,150,352 (December 31, 2013 - $1,521,954; March 31, 2013 - $401,045) or working capital deficiency of $1,139,779 (December 31, 2013 – working capital surplus of $3,585,305; March 31, 2013 – working capital surplus of $2,792,465). The decrease in working capital to a deficiency is the result of a significant increase in our current liabilities as a result of the $10 million 2014 January Loan (refer to ***Liquidity and Capital Resources*** above). Current assets are mainly comprised of cash and cash equivalents. The increase in cash and cash equivalents can be explained as described above.

The Company will use its cash on hand for ongoing work on site (refer to ***Construction of Infrastructure*** above), for detailed engineering of facilities for the Project, for buying back royalty interests, for additional land purchases, and for legal, accounting and regulatory fees.

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 December 31, 2013	**99,233,383**		
Shares issued for mineral properties	15,300		
Shares issued pursuant to the exercise of stock options	60,000		
Shares issued and outstanding on March 31, 2014	**99,308,683**	**Exercise Price**	**Expiry Date**
Director and consultants stock options*	1,320,000	US$0.21 to US$1.59	From 05/30/14 to 09/18/18
Shares to be issued as a finder's fee	100,000	Not Applicable	Not Applicable
Bonus shares to H.L. Klingmann	600,000	Not Applicable	Not Applicable
Fully diluted on March 31, 2014	**101,328,683**		
Shares to be issued on conversion of convertible debenture**s****	9,708,737	Lower of C$1.03 or market price on maturity date**	07/25/15
Fully diluted on May 12, 2014	**111,037,420**		
The company has an unlimited authorized share capital			

* Includes 270,000 options exercised in April and May 2014 by two former directors (refer to ***Subsequent Events*** below)
**The principal amounts of the convertible debentures, being an aggregate of C$10,000,000, are convertible into shares of the Company at a price of C$1.03 per share for a period of two years. If the convertible debentures have not been converted by the holder prior to the maturity date, then either the Company or the holder may convert them at the lower of C$1.03 or the market price as at the maturity date. The market price on the maturity date will be determined based on the volume weighted average price of the shares as traded on the TSX for the five trading days preceding the maturity date.

Outlook

The Project is now fully permitted.

Once a production decision is made, the Company will need significant additional financing to develop the Project into an operating mine. The revised estimated capital costs, including working capital and assuming purchase of the mining equipment, of $141 million.

The Company is evaluating various financing options for the Project, including debt, equity and other alternatives.

The Company is currently conserving cash and is not making new commitments for construction-related projects on site until Project financing has been secured.

The Company estimates that construction can be completed in approximately 15 to 18 months once Project financing has been secured.

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

The ability of the Company to develop a mine on the property is subject to numerous risks, certain of which are disclosed in the Company's latest Form 10-K filing with the SEC, dated March 17, 2014. Readers should evaluate the Company's prospects in light of these and other risk factors.

Mineral Properties

The Company received notice that it had met all remaining major conditions of the conditional use permits for the Project in July 2012. As a result, management of the Company made the decision to begin capitalizing all expenditures related to Project. Refer also to Note 2 Mineral Properties of the unaudited condensed consolidated interim financial statements for a more detailed discussion.

Subsequent Events

In April of 2014, 170,000 stock options were exercised into 170,000 common shares by two former directors for total proceeds of $35,700.

In May of 2014, 100,000 stock options were exercised into 100,000 common shares by one former director for total proceeds of $21,000.

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. Significant estimates have been made by Management in several areas including the recoverability of mineral properties, reclamation reserves and valuation of stock options, convertible debenture and derivative liabilities. Actual results could differ from those estimates.

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

Costs related to the development of our mineral reserves are capitalized when it has been determined an ore body can be economically developed. The development stage begins when an ore body is determined to be economically recoverable based on proven and probable reserves and appropriate permits are in place, and ends when the production stage or exploitation of reserves begins. Major mine development expenditures are capitalized, including primary development costs such as costs of building access ways, heap leach pads, ramps and infrastructure developments.

Costs for exploration, pre-development, if and when applicable, and maintenance and repairs on capitalized property, plant and equipment are charged to operations as incurred. Exploration costs include those relating to activities carried out: (a) in search of previously unidentified mineral deposits, or (b) at undeveloped concessions. Pre-development activities involve costs incurred in the exploration stage that may ultimately benefit production that are expensed due to the lack of evidence of economic development, which is necessary to demonstrate future recoverability of these expenses. Secondary development costs are incurred for preparation of an ore body for production in a specific ore block, stope or work area, providing a relatively short-lived benefit only to the mine area they relate to, and not to the ore body as a whole.

Drilling and related costs are either classified as exploration or secondary development, as defined above, and charged to operations as incurred, or capitalized, based on the following criteria:

- Whether or not the costs are incurred to further define mineralization at and adjacent to existing reserve areas or intended to assist with mine planning within a reserve area;
- Whether or not the drilling costs relate to an ore body that has been determined to be commercially mineable, and a decision has been made to put the ore body into commercial production; and
- Whether or not, at the time that the cost is incurred, the expenditure: (a) embodies a probable future benefit that involves a capacity, singly or in combination, with other assets to contribute directly or indirectly to future net cash inflows, (b) we can obtain the benefit and control others' access to it, and (c) the transaction or event giving rise to our right to or control of the benefit has already occurred.

If all of these criteria are met, drilling and related costs are capitalized. Drilling and related costs not meeting all of these criteria are expensed as incurred. The following factors are considered in determining whether or not the criteria listed above have been met, and capitalization of drilling costs is appropriate:

- Completion of a favorable economic study and mine plan for the ore body targeted;
- Authorization of development of the ore body by management and/or the Board of Directors; and
- All permitting and/or contractual requirements necessary for us to have the right to or control of the future benefit from the targeted ore body have been met.

Once production has commenced, capitalized costs will be depleted using the units-of-production method over the estimated life of the proven and probable reserves. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to the Consolidated Statements of Loss and Comprehensive Loss for that period.

We assess the carrying cost of our mineral properties for impairment whenever information or circumstances indicate the potential for impairment. Such evaluations compare estimated future net cash flows with our carrying costs and future obligations on an undiscounted basis. If it is determined that the future undiscounted cash flows are less than the carrying value of the property, a write down to the estimated fair value is charged to the Consolidated Statements of Loss and Comprehensive Loss for the period. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered.

Proceeds received under option agreements and/or earn-in agreements are recorded as a cost recovery against the carrying value of the underlying project until the carrying value is reduced to zero. Any proceeds received in excess of the carrying value of the project are recorded as a realized gain in the Consolidated Statements of Income and Comprehensive Income.

Asset Retirement Obligations

The Company's provision for reclamation of the property is estimated each year by an independent consulting engineer. This estimate, once approved by state and county authorities, forms the basis for a cash deposit to support the reclamation financial assurance mechanism. The Company estimated its asset retirement obligations based on its understanding of the requirements to reclaim and clean-up its property based on its activities to date. As a result, the Company has recorded an asset retirement obligation of $552,250.

The Company has provided reclamation financial assurance to the Bureau of Land Management, the State of California and Kern County totaling $478,727.

Derivative Liabilities

If the Company's convertible debentures have not been converted by the holder prior to the maturity date, then either the Company or the holder may convert them at the lower of C$1.03 or the market price as at the maturity date. The convertible debentures were required to be accounted for as separate derivative liabilities due to this possible variability in conversion price. 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 Binomial pricing model.

Recently Issued Accounting Standards

There are no recently issued accounting standards that affected the Company and its financial reporting or any of its accounting policies**.**

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 NI 43-101 and has reviewed and approved the technical information in this Form 10-Q.

This Form 10-Q contains certain forward-looking statements, which relate to the intent, belief and current expectations of the Company's management, as well as assumptions and parameters used in the feasibility study referenced in this report. 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 and compliance with the terms of required approvals and permits, the costs of and availability of sufficient capital to fund the projects to be undertaken by the Company and commodity prices. In addition, projected mining results, including quantity of ore, grade, production rates, and recovery rates, are subject to numerous risks normally associated with mining activity of the nature described in this report and in the feasibility study, and as a result actual results may differ substantially from projected results. 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 SEC 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 SEC Industry Guide 7. Accordingly, information concerning mineral resources and reserves 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 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We hold 85% of our cash in bank deposit accounts with a single major financial institution. The interest rates received on these balances may fluctuate with changes in economic conditions. The interest rates received on these balances may fluctuate with changes in economic conditions. Based on the average cash balances during the quarter ended March 31, 2014, a 1% decrease in interest rates would have reduced the interest income for the quarter ended March 31, 2014 to a trivial amount.

Foreign Currency Exchange Risk

Foreign currency exchange rates can fluctuate widely due to numerous factors, such as supply and demand for foreign and U.S. currencies and U.S. and foreign country economic conditions. Currency exchange fluctuations may impact the costs of our operations and may affect our profitability and cash flows. Specifically, the appreciation of the U.S. dollar against the Canadian dollar may result in an increase in our operating costs in Canadian dollar terms. The Company now holds approximately 95% of its funds in U.S. dollar deposit accounts with a Canadian financial institution and a U.S. financial institution to eliminate currency exchange risks.

We currently do not engage in any currency hedging activities.

Commodity Price Risk

Our primary business activity is the development of a gold-silver, open pit, heap leach operation on the Soledad Mountain property. Decreases in the price of either gold or silver from current levels has the potential to negatively impact our ability to secure the significant additional financing required to develop the Project into an operating mine**.** Gold and silver prices may fluctuate widely from time to time and are affected by numerous factors, including expectations with respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic circumstances and government policies. Additionally, hedging activities by producers, consumers, financial institutions and individuals can affect gold and silver supply and demand.

We do not currently engage in hedging transactions and we have no hedged mineral resources.

Item 4. Controls and Procedures.

Timely Disclosure

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the "Exchange Act." These rules refer to the controls and other procedures of a company that are designed to ensure that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our Exchange Act reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. It is management's responsibility to establish and maintain adequate internal control over financial reporting for the Company.

As of March 31, 2014, our Chief Executive Officer and Chief Financial Officer, and our external Sarbanes-Oxley consultants carried out an evaluation of the effectiveness of our disclosure controls and procedures. Based upon this evaluation our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Under the supervision of our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of March 31, 2014 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) issued in 1992.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of March 31, 2014, the Company determined that there were no deficiencies that constituted material weaknesses.

As a result, management has concluded that the Company did maintain effective internal control over financial reporting as of March 31, 2014 based on criteria established in Internal Control—Integrated Framework issued by COSO as issued in 1992.

Changes in Internal Control

There were changes in our internal control over financial reporting (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) during the quarter ended March 31, 2014. The Company implemented a process for initiating, reviewing, and approving property development expenditures at the beginning of the quarter to ensure no unauthorized expenditures are incurred.

The Company also adopted during the first quarter of 2014 a new accounting system. As a result, user controls and new process controls have been implemented.

Fraud Analysis

The Company is committed to preventing fraud and corruption and is developing an anti-fraud culture. To achieve this goal, the Company has committed to the following:

1. Developing and maintaining effective controls to prevent fraud;
2. Ensuring that if fraud occurs a vigorous and prompt investigation takes place;
3. Taking appropriate disciplinary and legal actions;
4. Reviewing systems and procedures to prevent similar frauds;
5. Investigating whether there has been a failure in supervision and take appropriate disciplinary action if supervisory failures occurred; and
6. Recording and reporting all discovered cases fraud.

The following policies have been developed to support the Company's goals:

- Insider Trading Policy
- Managing Confidential Information Policy
- Whistleblower Policy
- Anti-corruption Policy

All policies can be viewed in full on the Company's website at www.goldenqueen.com

For the years ended December 31, 2012 and 2013, there were no reported instances of fraud.

PART II – OTHER INFORMATION

Item 6. Exhibits

10.1 Management contract with Chief Financial Officer.

10.2 Management contract with Chief Operating Officer.

31.1 Certification of the Principal Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934.

31.2 Certification of the Principal Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934.

32.1 Section 1350 Certification of the Principal Executive Officer.

32.2 Section 1350 Certification of the Principal Financial Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 12, 2014

GOLDEN QUEEN MINING CO. LTD.
(Registrant)

By: /s/ H. Lutz Klingmann
H. Lutz Klingmann
Principal Executive Officer

By: /s/ Andree St-Germain
Andree St-Germain
Principal Financial Officer