

Queenston Announces 112% Increase in Indicated Resource (to 1.5 M oz. Gold) and 16% Increase in Inferred Resource (to 0.7 M oz. Gold) at Upper Beaver

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TORONTO, ONTARIO -- (Marketwire) -- 09/26/12 -- [Queenston Mining Inc.](#) (TSX: QMI) (OTCQX: QNMNF) (FRANKFURT: QMI) ("Queenston or the Company") is pleased to announce an updated mineral resource statement for the 100% owned Upper Beaver Gold-Copper Project located in northeastern Ontario, near Kirkland Lake. Mineral resources were estimated by SRK Consulting (Canada) Inc. ("SRK") and are reported in accordance with Canadian Securities Administrators National Instrument 43-101 ("NI 43-101").

HIGHLIGHTS:

- Indicated mineral resource of 1.46 million ounces of gold and 56 million pounds of copper (1.58 million gold equivalent ounces)
- Inferred mineral resource of 0.71 million ounces of gold and 32 million pounds of copper (0.78 million gold equivalent ounces)
- Indicated and inferred resources driven by tonnage increase of 123% and 48% respectively

Table 1: Mineral Resource Statement(i), Upper Beaver Gold-Copper Project, SRK Consulting (Canada) Inc., September 26, 2012

Category	Tonnes (000's)	Au (g/t)	Cu (%)	Contained Au (000's ounces)	Contained Cu (000's pounds)
Indicated	6,870	6.62	0.37	1,461	56,006
Inferred	4,570	4.85	0.32	712	32,218

-- Notes:

- Mineral resources are not mineral reserves and do not have a demonstrated economic viability. Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "Estimation of Mineral Resources and Mineral Reserves Best Practices".
- Mineral resources are estimated at a cut-off grade of 2.0 g/t gold based on an underground mining scenario.
- Cut-off grade based on a gold price of US\$1,300, a copper price of US\$3.00, an exchange rate of US\$1.00=CDN\$1.00 and metallurgical recoveries of 98% for gold and 90% for copper.
- Capped composites were used for grade interpolation, domainal gold capping ranged from 18 to 100 g/t, whereas domainal copper capping ranged from 0.25 to 5.00%.
- A specific gravity 2.75 was used.
- All figures are rounded to reflect the relative accuracy of the estimates.

COMMENTARY

Charles Page, President and CEO of Queenston said, "We are very pleased with the latest mineral resource update for the Upper Beaver Project. The new resource statement that incorporates 129 new core holes (74,271 metres) completed in 2011 and 2012 has significantly increased the size of the deposit and supports our view that exploration will continue to expand this multi-million ounce gold-copper system. The discovery cost of the new resource remains in line with our historic cost of approximately \$16 per ounce. A key focus of the 2011 - 2012 drilling campaign was to convert inferred mineral resources into indicated resources. We were successful in establishing a 112% increase in the indicated resource category that supported the continuity of the mineralization and mineability of the deposit.

"As we move the project to the advanced exploration stage that includes shaft sinking, underground development and feasibility, we will incorporate the updated mineral resource into a new Preliminary Economic Assessment ("PEA") early in 2013. Six drill rigs are operating at Upper Beaver to complete the infill drilling program, conduct condemnation drilling for site facilities and to further expand the deposit along its prospective footprint. With Closure Plan Approval in hand we have begun construction of the road and power line corridor and commenced site clearing for the shaft collar."

TECHNICAL

The new mineral resource statement was prepared in accordance with NI 43-101 by SRK and is an update of a previous mineral resource statement prepared by Watts, Griffis and McOuat Limited ("WGM") Consulting Geologist and Engineers of Toronto, Canada (see news release dated May 4, 2011). The previous mineral resource statement defined 3,074,000 tonnes grading 6.98 g/t gold (690,000 oz) with 0.54% copper (36,600,000 lbs) in the indicated category and 3,093,000 tonnes grading 7.15 g/t gold (616,000 oz) with 0.41% copper (28,000,000 lbs.) in the inferred category. A percentage comparison between the previous and current mineral resource statements is provided in Table 2.

Table 2: Comparison of the May 2011 and September 2012 Mineral Resource Statement(i)

% Change From May 2011	Tonnes	Au Grade	Au Ounces	Cu Grade	Cu Pounds
Indicated	+123%	-5%	+112%	-31%	+53%
Inferred	+48%	-22%	+16%	-21%	+15%

(i) Note: The WGM resource applied a gold cap of 50 g/t, no copper cap, a 2.5 g/t Au cut-off and a gold price of US\$1,050/oz.

The updated SRK mineral resource was established from a Queenston database of 380 (approximately 237,780 m) surface diamond drill holes and wedge holes drilled by Queenston from 2005 to 2012 including 129 holes (74,271 m) completed since the previous resource study by WGM.

Gold and copper mineralization at Upper Beaver is associated with disseminated sulphide (mainly chalcopyrite and pyrite) and sulphide veining in a strongly altered-brecciated sequence of igneous and volcanic rocks. The copper mineralization is often associated with gold and also occurs separately. The gold-copper mineralization is associated with pervasive magnetite, feldspar-actinolite-epidote-carbonate-sericite alteration centered in a multi-phase syenite complex. The deposit comprises six, steeply dipping zones (East and West Porphyry, Footwall-200, North Contact, Q and Syenite Breccia Zones) and one flat-lying zone (South Contact Zone) that have been identified from drilling and are considered as resource domains for the resource study (see Figure 1 accompanying this news release).

The East and West Porphyry Zones display strong continuity and form the core of the deposit. These zones combined represent approximately 80% of the deposit containing 4,830,000 tonnes grading 8.03 g/t gold (1,242,000 oz) and 0.42% copper (43,318,000 lbs) in the indicated category and 2,345,000 tonnes grading 6.20 g/t gold (467,000 oz) and 0.37% Cu (19,496,000 lbs.) in the inferred category (Table 3). Both the East and West Porphyry Zones remain open to depth and along strike.

The Footwall (200) Zone is a recent discovery located near the bottom of the deposit with mineralogy, alteration and general orientation closely resembling the Porphyry Zones. Three holes that have intersected

this new zone (see news Release dated September 5, 2012) define a separate domain in the resource study containing 355,000 tonnes grading 4.96 g/t gold and 0.50% copper in the indicated category and 313,000 t grading 4.27 g/t Au and 0.74% Cu in the inferred category employing a conservative capping value of 18 g/t gold as compared to 75 g/t gold for the West Porphyry Zone and 100 g/t gold for the East Porphyry Zone. As more drilling is completed in this area of the deposit we anticipate the gold capping value to be more in line with that of the Porphyry Zones. The uncapped gold grade of the Footwall Zone is 9.69 g/t (indicated) and 5.82 g/t (inferred). The Footwall (200) Zone remains open to the east, up-dip and down-plunge.

Table 3: Contribution of Each Domain to the Mineral Resource Statement(i)

Domain (Au-Cu Zones)	Category	Tonnage	Grade			Contained Metal		
			Au (g/t)	Cu (%)	Au- Eq. (g/t)	Au (000's (oz)	Cu (000's lbs)	Au- Eq. (oz)
Porphyry East	Indicated	2,906,000	7.60	0.25	7.96	710,000	15,796	744,000
	Inferred	1,471,000	6.28	0.21	6.58	297,000	6,726	311,000
Porphyry West	Indicated	1,924,000	8.60	0.65	9.54	532,000	27,522	590,000
	Inferred	874,000	6.06	0.66	7.02	170,000	12,770	197,000
Footwall (200)	Indicated	355,000	4.96	0.50	5.68	57,000	3,891	65,000
	Inferred	313,000	4.27	0.74	5.34	43,000	5,073	54,000
North Contact	Indicated	742,000	2.84	0.26	3.22	68,000	4,256	77,000
	Inferred	804,000	3.36	0.23	3.69	87,000	4,100	95,000
South Contact	Indicated	401,000	2.89	0.15	3.11	37,000	1,347	40,000
	Inferred	369,000	3.03	0.17	3.32	37,000	1,367	39,000
Q	Indicated	377,000	3.29	0.35	3.80	40,000	2,946	46,000
	Inferred	496,000	3.50	0.21	3.81	56,000	2,305	61,000
Syenite Breccia	Indicated	161,000	3.35	0.04	3.41	17,000	143	18,000
	Inferred	240,000	2.92	0.03	2.97	23,000	177	23,000
Total	Indicated	6,870,000	6.62	0.37	7.15	1,461,000	56,006	1,580,000
	Inferred	4,570,000	4.85	0.32	5.32	712,000	32,218	781,000

(i) Notes: Resources are reported at a cut-off grade of 2.00 g/t Au based on underground mining scenario, metal prices of US\$1,300/oz for gold, US\$3.00/lb for copper, metallurgical recovery of 98% for gold and 90% for copper, Mineral resources are not mineral reserves and do not have a demonstrated economic viability. Gold equivalent grades (Au-Eq.) are based on the above metal prices and metallurgical recoveries.

Mineral resources at Upper Beaver are sensitive to the selection of cut-off grade. Table 4 presents classified resource model quantities and grade estimates at a variety of cut-off grades. The reader is cautioned that the

figures presented in this table, other than the 2.0 g/t Au scenario, are not a Mineral Resource Statement and only show the sensitivity of the block model estimates to the selection of a cut-off grade.

Table 4: Indicated and Inferred Global Quantities and Grade Estimates(i) at Various Cut-Off Grades

Cut-Off (Au g/t)	Resource Category	Tonnage	Gold Grade (g/t)	Copper Grade (%)	Contained Ounces Au	Contained Pounds Cu
1.5	Indicated	7,946,209	5.96	0.34	1,522,640	59,562,462
	Inferred	5,364,400	4.39	0.31	757,141	36,662,037
2.0	Indicated	6,865,883	6.62	0.37	1,461,320	56,005,653
	Inferred	4,566,828	4.85	0.32	712,111	32,217,985
2.5	Indicated	5,844,715	7.38	0.40	1,386,790	51,541,502
	Inferred	3,757,143	5.41	0.35	653,501	28,990,754
3.0	Indicated	5,007,955	8.16	0.42	1,313,837	46,370,679
	Inferred	2,964,078	6.12	0.38	583,220	24,831,729
4.0	Indicated	3,814,795	9.63	0.47	1,181,105	39,527,815
	Inferred	1,948,255	7.51	0.43	470,410	18,469,196
5.0	Indicated	3,121,552	10.77	0.51	1,080,880	35,097,363
	Inferred	1,270,159	9.14	0.46	373,246	12,881,002

(i) Note: The reader is cautioned that the figures presented in this table should not be misconstrued as a mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

QUALIFIED PERSONS

The design of the Queenston's drilling programs, Quality Assurance/Quality Control and interpretation of results is under the control of Queenston's geological staff including qualified persons employing a QA/QC program consistent with NI 43-101 and industry best practices. The Upper Beaver project is supervised by Senior Geologist, Mark Masson, P. Geo. A detailed review of Queenston's QA/QC procedures is filed in the 2011 Annual Information Form on SEDAR. The drill core is logged and split with half-core samples shipped to Swastika Laboratories of Swastika, Ontario and analyzed employing the appropriate gold fire assaying techniques. For QA/QC purposes the Company as well as the lab submit standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying. This news release was reviewed by Queenston's Vice President Exploration and QP, William McGuinty, P. Geo.

The resource estimation work by SRK was completed by Sebastien Bernier, P. Geo. and Glen Cole, P. Geo. both employees of SRK and "independent qualified persons" as defined by NI 43-101. The NI 43-101 technical report on the mineral resource statement will be filed on SEDAR within 45 days of this news release.

ABOUT QUEENSTON

Queenston is a Canadian mineral exploration and development company with a primary focus on its holdings in the historic Kirkland Lake gold camp comprising 230 km² of prime exploration lands. The Company's assets include six 100%-owned gold deposits, all with NI 43-101 compliant mineral resources and ongoing

exploration and development. The objective of the Company is to advance the flagship Upper Beaver project towards feasibility and production. The Upper Beaver project is currently being permitted for Advanced Exploration leading to new shaft development beginning in 2012. The Company is also very active in exploring and advancing the other five 100%-owned deposits that will provide additional feed for a central milling facility. The Company has working capital of approximately \$115 million including cash and short-term investments of \$90 million, no debt and a fiscal 2012 budget for exploration of \$25 million and \$10 million for advanced exploration.

FORWARD LOOKING STATEMENTS

This news release may contain certain statements regarding future events, results or outlooks that are considered forward looking statements within the meaning of securities regulation. These forward looking statements reflect management's best judgment based on current facts and assumptions that management considers reasonable and include the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential" and "should". Forward looking statements contain significant risks and uncertainties. A number of circumstances could cause results to differ materially from the results discussed in the forward looking statements including, but not limited to, changes in general economic and market conditions, metal prices, political issues, permitting, environmental, exploration and development success, continued availability of capital and other risk factors. The forward looking statements contained in this document are based on what management believes to be reasonable assumptions, however, we cannot assure that the results will be compatible to the forward looking statements as management assumes no obligation to revise them to reflect new circumstances. The Corporation has no knowledge that would indicate the information is not true or incomplete and the Corporation assumes no responsibility for the accuracy and completeness of the information. Readers should not place reliance on forward looking statements. More information concerning risks and uncertainties that may affect the Company's business is available in Queenston's most recent Annual Information Form and other regulatory filings of the Company at www.sedar.com.

To view Figure 1, please visit the following link:
<http://media3.marketwire.com/docs/qmi0926fig1.pdf>.

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