



AFRICAN QUEEN MINES LTD.

July 2011

African Queen Mines Ltd. is an exploratory resource company with diversified mineral properties in Southern, East and West Africa. It is exploring its properties in Mozambique, Ghana and Kenya for gold and other metals and it is undertaking exploration in Botswana and Namibia for diamonds, gold and other metals. In Mozambique the company has approximately 230 sq. km. under license for gold and metals under an agreement with another company. In Ghana it has 28.9 sq. km. under license for gold. In Kenya it has approximately 850 sq. km. under license for gold and metals, and a further 737 sq. km. of gold and other minerals licenses under agreements with two other companies. The Company's licenses in Botswana comprise approximately 2890 sq. km. of diamond prospects. The Company's operations in Mozambique are carried out through its subsidiary PAM Mocambique Limitada and its operations in Ghana are carried out through its subsidiary AQ Ghana Gold Limited. Its operations in Kenya are being carried out through its operating subsidiary AQ Kenya Gold Limited. Its operations in Botswana are carried out through its operating subsidiary, PAM Botswana (Pty) Ltd.; its operations in Namibia are carried out through its operating subsidiary PAM Minerals Namibia (Pty) Ltd. The Company has its executive offices in Vancouver, Canada. The Company was incorporated under the laws of the Province of British Columbia, Canada on April 30, 2008 and received the southern African net assets in a spin off transaction related to the acquisition of Pan African Mining Corp. by Asia Thai Mining Co., Ltd. The Company's common shares are listed on the TSX Venture Exchange under the symbol "AQ" and the Frankfurt Exchange under the ticker symbol "QM0".

SHARE STRUCTURE Outstanding Shares: 59,072,693 | Fully Diluted: 66,183,234 | 52 Wk. Range: 0.16 – 0.63 CAD

MOZAMBIQUE – King Solomon Gold Project The King Solomon Project is located within the central parts of the Mesoproterozoic Fingoe Belt N of Lake Cahorra Basa in western Tete Province, Mozambique. The Project is the subject of the Earn-in and Joint Venture Agreement with Swiss-based Opti Metal Trading Limited ("Optimetal") covering exploration, development and exploitation of Prospecting License No. 884L held by Optimetal's Mozambique subsidiary (the "License"). The License covers an area of approximately 230 km² in the center of the Fingoe Belt and is valid through May, 2015. The Company has thus far earned an interest of 51% in the Project and may earn up to 85% by funding additional prescribed stages through feasibility.



The Company completed its initial 3000 m drill program in 2010 encompassing a total of 19 holes ranging from 120 to 200 m in depth. 12 of the holes were drilled into the West and East zones of the Mankombiti copper-gold target, while the remaining 7 holes tested the Eiland and Kazito gold prospects to the Northeast. Significant copper, gold and silver mineralization were reported from the Mankombiti west target, including intersections of: **7.73 m of 1.51% Cu, 1.32 g/t Au and 27.6 g/t Ag** (Hole MW03), **4.79 m of 1.63% Cu, 1.13 g/t Au and 32.2 g/t Ag** (Hole MW02), **3.03 m of 1.52% Cu, .62 g/t Au and 5.8 g/t Ag** (Hole MW01).

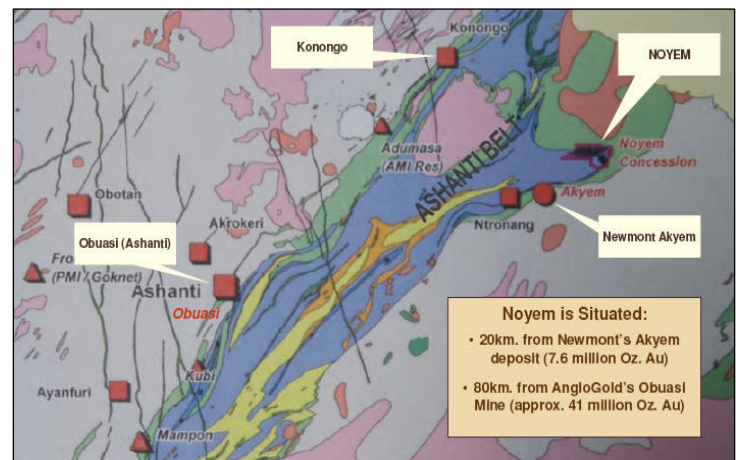
The Company has now commenced its 2011 core drilling program covering approximately 3000 m focused upon the Mankombiti West, Mankombiti East, Ntumba and Bulasho targets. The drilling is largely focused to the west of the 2010 Program, where geophysics, mapping and sampling results suggest the potentiality for better mineralization and thickening of the zone. That sets the stage for potentially more robust results down

dip and along strike in that direction. In excess of 3 km of untested strike still remain to be evaluated at Mankombiti while the new gold targets Bulasho and Ntumba hold considerable promise as well.

GHANA - The Noyem-Nyafoman Gold Project The Company entered into an Earn-in and Joint Venture Agreement with Marshall Islands' private company AKAN EXPLORATION LTD., covering exploration, development and exploitation of the Noyem Gold Project, which is the subject of the Noyem-Nyafoman Prospecting License LVB 10244/1995 in Ghana. Simultaneously, the Company has entered into a Purchase & Sale Agreement with Newmont Ghana Gold Limited ("NGGL"), the Ghanaian subsidiary of Newmont Mining Corporation (NYSE: "NEM"), under which NGGL has transferred the License directly to the Company's Ghanaian subsidiary AQ Ghana Gold Ltd. ("AQGGL"), to be held in trust for the Joint Venture partners in accordance with the Akan Agreement. The Company may earn up to 75% interest. The License currently covers an area of approximately 28.9 sq. km. located within the Birim North District of Ghana's Eastern Region, approximately 130 km. NW of Accra. It is at the northeastern end of Ghana's well-known, gold-producing Ashanti Belt, near Newmont's Akyem deposit which is presently under development for production. In addition to its close proximity to Accra which facilitates access, the Project is bisected in a NE-SW direction by a tarred road. It has long been host to large numbers of artisanal miners and in October, 2008, a shed-off area of 8.98 sq. km. adjacent to the current license area was reserved for small scale mining.

An Accord has now been reached with Nyanfoman Chief at Noyem-Nyafomen Gold Project providing the relinquishment of 19 of the 26 small scale licenses which sets the stage for accelerated exploration and development.

Diamond drilling during 1996-1997, resulted in the definition by Bonsu Holdings (predecessor of NGGL) of an historic **inferred gold resource of approximately 1.1 million oz au (5.2 million tonnes @ 6.67 g/t au) down to 550 meters** within reefs of the Tarkwaian conglomerates in the Eastern portion of the concession ("Noyem A"). Further exploration programs were carried out on the property through 2000. The initial work program is currently underway and covers detailed geological mapping of the license area, with particular attention to the location of all current and historic artisanal mining sites. In addition, the mapping is designed to provide information on the strike extent on the license area of the outcropping Banket Conglomerate which is associated with the known palaeoplacer gold mineralization. Mapping to date has already revealed the existence of a previously undocumented old colonial shaft on the western portion of the license known as Noyem B.



KENYA – Karameri Metals Project Kenyan operating subsidiary, AQ Kenya Gold Limited (“AQKGL”), has been granted Special License No. 307 (the “License”) by the Commissioner of Mines and Geology of the Government of the Republic of Kenya (the “Commissioner”). The License grants full and exclusive rights to AQKGL to prospect and explore for copper, gold, nickel and iron ore for an initial period of two years within an area of approximately 850 sq. km. known as Karameri in the West Pokot District in Western Kenya near the border with Uganda (the “License Area”). The License Area is approximately 240 km. N of the city of Kisumu, where AQKGL maintains its principal base of operations. Phase I Exploration Program for the License Area is presently being planned and will be commenced after receipt of all requisite work and environmental permits. The Company has identified targets which it deems highly prospective for gold and metals.

KENYA – Rongo Gold Project The Rongo Project is subject to an Earn-In and Joint Venture with Abba Mining Company Ltd., pursuant to which African Queen Mines the may earn up to an 85% interest in the Project, which is covered by a license encompassing approximately 97 sq. km. The Project is situated some 380 km. by road from the capital city of Nairobi and 60 km. N of the border with Tanzania, forming part of the rich Lake Victoria Greenstone Belt extending from Tanzania and hosting known world-class gold deposits including African Barrick Gold’s Bulyanhulu and North Mara Mines, within approximately 100 km. of the Project, and AngloGold Ashanti’s Geita Mine. Historical records of gold production are known.



Work is now underway on a ground geophysics survey. The survey is designed to assist in targeting an upcoming core drilling program over the Project area which is scheduled to commence as soon as practicable this year. The survey is a 3D Resistivity/Induced Polarization survey of key targets comprised of 5 lines measuring in total 3,375 linear meters. The objective of the survey is to assist in drill targeting by further delineating the sulfide rich zone which has been already identified by a ground magnetic survey and field exploration including termite-mound soil analysis revealing gold content as high as 669 ppb. Structurally, the target area is located within a shear/fault system. Small-scale miners have been actively mining gold bearing veins in and around the Project area for months.

KENYA – Ugunja Gold Project The Project is subject to an Earn-In and Joint Venture with Kenya Discovery Ltd., pursuant to which African Queen Mines the may earn up to an 85% interest in the Project, which is covered by a license encompassing approximately 625 sq. km. The License covers the licensed areas known as the Ugunja Gold Project in Busia, Siaya and Kakamega areas (aka the Lakeland District) located North of the shores of Lake Victoria in Kenya. The presence of massive sulphide lenses as well as gold in quartz veins and banded iron formation (BIF) horizons is anticipated. The License abuts the Ugandan border on the West, where active gold mining continues. Phase I exploration program, currently underway, is comprised of stream, soil and rock sampling, mapping, trenching, pitting and sample analysis, together with review of geophysics and historic data analysis.

BOTSWANA / NAMIBIA – Diamond Program In Botswana, which remains the world’s leading producer of gem diamonds, the Northwest corner of the country is rapidly developing into a very active diamond exploration play, reflected by a surge of exploration activity and new Prospecting Licenses. The Company’s licenses are adjacent to claims recently acquired by DeBeers in Botswana, and that Company’s Namibian affiliate (Namdeb) in neighboring Namibia as well as licenses of Tsodilo Resources Ltd. This activity has been stimulated in part by an increasing consensus that the Congo craton, which hosts important economic diamond deposits, extends into northwest Botswana. Furthermore, this area is strategically located close to two major surface concentrations of diamonds and G10 garnets in the vicinity of Omatako and Tsumkwe, to the west in Namibia. The Company’s licences approximately 2890 sq. km. of diamond prospects in Botswana. Reprocessed geo-physics data, generated by independent geophysical contractor Scott Hogg & Associates Ltd. of Toronto, has confirmed strong diamond targets on the Company’s license area in Botswana. A total of 6 holes were drilled on 5 different aeromagnetic and photo anomalies anomalies, and samples despatched for chemical and petrographic analysis. No kimberlites were intersected during this initial drilling phase. Overall project supervision is being provided by Dr. Andy Moore, Pr. Sci. Nat., a Qualified Person under N.I. 43-101.

MOST RECENT FINANCING On August 8, 2011, the Company closed a non-brokered private placement which raised gross proceeds of CAD \$2.4 million. Under the terms of the private placement, the Company has issued **9,600,000 Units (the “Units”) at CAD \$0.25 per Unit**. Each Unit consists of one common share of the Company and one-half of one share purchase warrant (the “Warrants”). Each whole Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of CAD \$0.40 until August 8, 2013.

PROVEN MANAGEMENT African Queen Mines Ltd. has a talented, experienced team of management and geologists spearheaded by Irwin Olian, CEO. Mr. Olian majored in Economics at Princeton University and received his law degree from Harvard Law School. In addition to his legal background, he has extensive corporate finance experience and is a co-founder of North American Scientific, Inc., a highly successful NASDAQ listed company. He was the founder and served as CEO and Chairman of Pan African until its acquisition by ATM in June 2008.

The Company’s strong geological team includes: Peter Siegfried, P.Geol., Dr. Andy Moore, Dr. Margaret (Marty) McFarlane, Dr. Frank Eckhardt, Dr. Edward Schiller, Gregory Sparks, P.Eng., Henri Razananirina, Sr. Geophysicist and Sr. Geologist Michael Kotoka.

CONTACT INFORMATION

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