# Golden Queen Mining Co. Ltd. Completes $8,000,000 Private Placement with Gammon Gold Inc.

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VANCOUVER, June 1 /CNW/ - Golden Queen Mining Co. Ltd. is pleased to announce that it has completed a private placement of 5,000,000 units at a price of $1.60 per unit for total proceeds of $8,000,000. The sole investor in the private placement was Gammon Gold Inc. As a result of the private placement, Gammon Gold holds approximately 5.3% of the issued common shares of Golden Queen or approximately 7.5% on a fully diluted basis.

Each unit consists of one common share, one quarter of one Class A Warrant, and one quarter of one Class B Warrant. Each Class A Warrant entitles Gammon Gold to purchase a common share of Golden Queen at a price of $1.75 for a period of 18 months from the closing date. Each Class B Warrant entitles Gammon Gold to purchase one common share of Golden Queen at a price of $2.00 for a period of 18 months from the closing date.

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

Net proceeds from the private placement will principally be used for expenses associated with the ongoing development of the Company's Soledad Mining project and for general working capital.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws, or unless an exemption from such registration is available.

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***Forward-Looking Statements:***

*Certain statements included herein constitute forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "may", "will" and similar expressions identify forward-looking statements. Statements in this press release other than purely historical information, including statements relating to the company's future plans and objectives or expected results, constitute forward-looking statements. Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the company's periodic filings with securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. Forward looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the companies' business, including risks inherent in mineral exploration and development. The company does not assume the obligation to update any forward-looking statement. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements.*

**For further information:**

Regarding this News Release Contact:
Lutz Klingmann, President
Telephone: (604) 921-7570
Email: mintoexpl@telus.net
www.goldenqueen.com