

Mining Chronicle

Volume 12, Number 2

March 2007

INDUSTRY NEWS

On a conquest with an aggressive program planned for this year

Conquest Mining Limited is an ASX listed multi-commodity explorer based in Perth.

It is an aggressive exploration company, with the aim of discovering low-cost gold and silver resources.

The company has a large portfolio of tenements, with 6,000sq km pegged in Queensland.

Conquest's key project is Mount Carlton, where 18 million ounces of silver, 300,000oz of gold and 26,000 tonnes of copper have been discovered in the last three years. These have an in-ground value at current metal prices of \$800 million or \$120 per tonne.

With an exploration office in Townsville, Conquest exploration manager Peter Rea is leading the charge to discover new mines in the area. The central northern Queensland goldfield has historic and current production of 20 million ounces of gold. The largest current mine is Pajingo, which has a total of 3.5Moz of gold. However, with the projected closure of this operation in the next 18 months, Conquest's new discoveries have the potential to become the largest gold mines in the region.

Although the Mount Carlton Project had previously been under-rated, recent success has pushed exploration to full pace.

In October 2006, resources at the new Silver Hill deposit were reported as 15Moz of silver and 220,000oz of gold. A further 9,000m of drilling was completed by the end of the year with a large number of significant gold and silver intersections reported.

Mr Rea said there was substantial potential for expansion for this deposit, as the mineralisation was shallow, flat-lying and open in all directions.

The company has \$18 million in the bank, and is in planning an aggressive program for the current calendar year. Drilling commenced on January 11, with one RC rig and one diamond drill rig. The company aims to complete 20,000m of drilling by mid year with expenditure of about \$2.5 million.

Exploration at Mount Carlton had delivered resources at a cost of \$6/oz of gold, compared with an Australian average between 1985-2002 of \$60-70/oz for grassroots exploration.

"With metal prices for gold and silver at 23-year high, and market demand predicted to remain near present levels over the next five years, continued exploration and advancement of Conquest's key properties should add resources of significant value", Mr Rea said.