



## ASX RELEASE

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### Significant Resource Upgrade at Mt Carlton

#### HIGHLIGHTS

- Resources in the Silver Hill deposit increase tonnes by 45% (7.2 mt), silver by 49% (15 moz), and gold by 38% (350,000 oz) when compared to the September 2007 resource estimate. This increase is equivalent to 650,000 ounces of gold.
- Consultants Hellman & Schofield Pty Ltd estimate that the *Silver Hill Deposit* Indicated and Inferred Resources to be 23.1 million tonnes at 1.70 g/t gold, 61 g/t silver, and 0.29% copper based on a metal value cut-off of \$20/tonne.
- Total *Mt Carlton Resources* (Silver Hill, Mt Carlton, Mt Carlton-Western Lodes & Herbert Ck east) are now estimated to be 25 million tonnes at 1.70 g/t gold, 60 g/t silver, and 0.28% copper for contained 1.35 million ounces gold, 48 million ounces silver and 70,000 tonnes copper.
- A milestone of 2.7 million oz gold equivalent resources has now been reached using a \$20 cut-off.
- Hellman and Schofield has advised that a significant proportion of the Silver Hill resource is likely to be upgraded to Measured status in the near future, upon successful completion of normal QAQC (quality control) validation, which is in progress.
- Regional Joint Venture partner Gold Fields has been reviewing all the recent Silver Hill resource drill data to complete it's own resource model; and has extensive exploration programs underway with 15 men on site.

**Table 1: Mt Carlton Project Total Resources – April 2008**

	Tonnes	Grade g/t Au	Gold Ounces	Grade g/t Ag	Silver Ounces	Grade % Cu	Copper tonnes
Silver Hill Deposit	23,100,000	1.70	1,263,000	61	45,000,000	0.29	66,700
Mt Carlton	966,000	1.35	42,000	38	1,090,000	0.345	3,400
Mt Carlton - Western Lodes	558,000	1.49	26,700	120	2,100,000	n/a	0
Herbert Creek East	351,000	2.17	24,500	4.2	47,000	n/a	0
<b>Total Resources</b>	<b>25,000,000</b>	<b>1.70</b>	<b>1,350,000</b>	<b>60.3</b>	<b>48,200,000</b>	<b>0.28</b>	<b>70,000</b>

Notes: Mt Carlton Western Lodes Resource was estimated by sectional polygonal methods. Herbert Creek East and Mt Carlton were estimated by Kriging. Silver Hill Deposits were estimated using Multiple Indicator Kriging by Hellman & Scholfield

**Table 2: Mt Carlton Project Resources Growth**

Tonnes	January 2006	July 2006	March 2007	September 2007	April 2008	Gold Equivalent
<b>GOLD</b>	94,000 oz	308,000 oz	857,900 oz	1,024,800 oz	1,350,000 oz	1,350,000 oz
<b>SILVER</b>	3,200,000 oz	13,200,000 oz	20,967,000 oz	33,437,000 oz	48,200,000 oz	846,000 oz
<b>COPPER</b>	4,500 t	25,000 t	38,523 t	55,800 t	70,000 t	454,000 oz
					<b>TOTAL</b>	<b>2,650,000 oz</b>

\* Calculated Gold Equivalent grade is based on 1 gram gold = 57 grams silver = 0.5% copper.

## Silver Hill Deposit Resources

Conquest Mining Limited is pleased to announce new resource estimates have been completed for the Silver Hill Deposit by consultants Hellman & Schofield Pty Ltd. A combined Indicated and Inferred Resource of **23.1 million tonnes at 1.70 g/t gold, 61 g/t silver, and 0.29% copper** was reported based on a metal value cut-off of \$20/tonne (Table 3). The \$20/tonne (~0.86 g/t gold equivalent) cut-off was calculated using commodity prices of A\$850 per ounce gold, A\$15 per ounce silver, and A\$5500 per tonne copper.

## Mt Carlton Project Total Resources

Following completion of the resource estimate for the Silver Hill Deposit, Mt Carlton Project resource estimates now total 25 million tonnes at 1.72 g/t gold, 60 g/t silver, and 0.28% copper for contained 1.4 million ounces gold, 48 million ounces silver and 70,000 tonnes copper for totals of 1,377,000 oz gold, 48.24 million oz silver and 70,240 tonnes copper (Table 1). Using long term forecast metal prices of \$A850 per ounce gold, \$A15 per ounce silver, and \$A5,500 per tonne copper, these resources total 2.7 million ounces gold equivalent (Table 2).

The increase in total resources is an indication of the success of the Silver Hill Deposit drill programs undertaken during the last half of 2007, which saw completion of 20,000 metres of RC and HQ3 diamond core. This drilling located further high grade gold intersections beneath V2 Hill at depth, and substantial increase in silver mineralisation at Area 39.

## Comparison with Previous Silver Hill Resource Estimate

In comparison with the previous resource estimate of September 2007, the current estimate has provided substantial increases. Tonnes have increased from 16 million tonnes to 23.1 million tonnes (45%), silver has increased from 30 million ounces to 45 million ounces (43%), gold has increased from 957,000 ounces to 1,260,000 ounces (32%), and gold equivalence has increased 700,000 ounces from 1.8 to 2.5 million ounces (39%).

The previous estimate was reported used a \$20 cut-off equivalent to 0.5 g/t gold plus 15.6 g/t silver plus 0.18% copper based on the average resource metal ratios using prices of A\$650 per ounce gold, A\$10 per ounce silver, and A\$5,000 per tonne copper and assumed a 100% metallurgical recovery. Previous estimates at Mt Carlton and Herbert Creek East which have been reported above 0.5 g/t gold, 25 g/t silver, and 0.1% copper cut-offs also assumed 100% metallurgical recoveries. The current \$20 cut-off is equivalent to 0.44 g/t gold plus 15.5 g/t silver plus 0.07% copper, or 0.86 g/t gold equivalent.

A pit optimised resource will be calculated using the Hellman and Schofield resource block model. Australian Mine Design and Development is contracted to complete this work in the near future, using Whittle Four-X software.

## Technical Resource Estimate Notes

Mining recoverable resources for the Silver Hill Deposit have been estimated using the method of Multiple Indicator Kriging (MIK), which predicts realistic representations of grades likely to be achieved in an open pit mining operation using selective mining following grade control. This report is an update of that issued on the 7<sup>th</sup>. September 2007 and follows extension and infill drilling.

Ore at Silver Hill will comprise mixed copper, silver and gold mineralisation primarily as enargite, polybasite and native gold. Economic and metallurgical studies indicate that a composite value of metallurgical recoverable gold, copper and silver will be used to distinguish between blocks of ore from waste. A \$A Value Equivalent/tonne (Value) calculated from gold, silver and copper grades adjusted for metallurgical recoveries and projected commodity prices has been used for the cut-off grade criteria in reporting locally recoverable resources of copper, silver and gold. It is anticipated that minor by-product zinc may also be recovered.

Equivalent metal prices used were gold \$A850/oz, silver \$A15/oz and copper \$A5,500/tonne. Gold, Silver and Copper were also estimated separately and reconciled against Value to assess the distributions of individual metals. Zinc mineralisation appears distributed independently of other metals at a selective mining scale.

Metal grades and Value have been estimated into horizontal panels with dimensions 25m by 25m by 5m (elevation) and the resource model assumes that a grade control pattern of 5m x 5m x 2.5m elevation will be used during mining. The main portion of resource begins at approximately 10m below surface and extends to approximately 250m depth. The areas of V2 and Area 39 which were reported separately in the last report are combined in this report.

Grade continuity models have been determined from multiple indicator variography constructed from sample grades composited into 2m intervals, which is considered to be appropriate for the 5 metre panel thickness of blocks chosen for this estimation. The resource has been estimated between 558275– 559475mE and 7757625– 7758400mN and between the current ground surface at 150 - 172.5m RL down to a minimum of -100m RL. A total of 26,023 two-meter composite grades have been used for estimation. Though there is some sensitivity to very high grades these have not been cut because their influence is considered adequately controlled by the MIK estimation process, at this stage. The treatment of high grade intervals may benefit from some revision when more information becomes available in high grade areas.

Equivalent metal prices used in this study were provided by Conquest Mining, and are based on 10 year commodity price projections from major financial institutions including those from the Australian Bureau of Resource economics. Metallurgical studies indicate that 90% of the Copper and Zinc, 80% of the Gold and 60% of the Silver will be recovered through a combined sulphide flotation, hydrometallurgical and cyanide gold processes.

Estimates should be seen simply as an in-ground value of mining recoverable mineralisation after accounting for metallurgical recoveries. Economic, metallurgical and mining studies are ongoing. As metallurgical and mining studies mature it is anticipated that the basis for estimation of ore value will change. Future resource estimates will reflect those changes.

A bulk density of 2.6 tonnes per cubic metre has been estimated for the silicified rhyodacite and footwall rocks based on the average of 15,204 core measurements.

Resources have been reported as Indicated and Inferred in accordance with the 2004 JORC reporting code requirements. Conquest Mining Ltd has assumed responsibility for the integrity of the database, and gives assurance that data quality and integrity has been validated by a competent person under the JORC code.

In addition, Hellman and Schofield have reported that a number of areas have sufficient sample density for a level of confidence equated with a JORC Measured resource. Final review of QAQC may allow such reporting in the near future. Conquest anticipates that following normal QAQC validation, a significant portion of the Resource will in the near term be converted to Measured. This validation is currently being progressed with umpire assays at a third laboratory, wax coated density measurements of 50 core samples, and some down hole surveying of drill holes.

The recoverable resource models have been built using a multi-commodity version of the GS3© software developed by Hellman and Schofield Pty. Ltd. The resources are reported at a series of cut-off Values considered to span the likely lower economic cut-off grades which will reflect ongoing mining and metallurgical scoping studies (Table 3).

**Table 3: Resource Estimate Silver Hill Deposit April 2008**

INDICATED RESOURCES	Cut-Off	Million Tonnes	Metal				
	\$A.tonne		Value \$A	Gold g/t	Silver g/t	Copper %	Zinc %
	\$10	32.1	48	1.2	41	0.21	0.16
	\$20	19	71	1.8	59	0.3	0.2
	\$25	15.6	81	2	68	0.34	0.21
	\$30	13.1	92	2.3	76	0.38	0.22
	\$35	11.2	102	2.6	84	0.41	0.23
	\$40	9.7	111	2.9	93	0.44	0.24
	\$50	7.6	130	3.4	109	0.5	0.25

  

INFERRED RESOURCES	Cut-Off	Million Tonnes	Metal				
	\$A.tonne		Value \$A	Gold g/t	Silver g/t	Copper %	Zinc %
	\$10	8.5	37	0.8	41	0.15	0.09
	\$20	4.1	63	1.4	68	0.24	0.11
	\$25	3.2	74	1.7	80	0.27	0.11
	\$30	2.6	86	2	93	0.3	0.11
	\$35	2.1	97	2.3	105	0.33	0.12
	\$40	1.8	108	2.5	118	0.36	0.12
	\$50	1.3	130	3.1	143	0.42	0.12

  

COMBINED RESOURCES	Cut-Off	Million Tonnes	Metal				
	\$A.tonne		Value \$A	Gold g/t	Silver g/t	Copper %	Zinc %
	\$10	40.6	46	1.1	41	0.20	0.14
	\$20	23.1	70	1.7	61	0.29	0.18
	\$25	18.7	80	2.0	70	0.33	0.19
	\$30	15.6	91	2.3	79	0.37	0.20
	\$35	13.3	101	2.6	87	0.40	0.21
	\$40	11.5	111	2.8	97	0.43	0.22
	\$50	8.9	130	3.3	114	0.48	0.23

  

CONTAINED METALS	Cut-Off \$A.tonne	Gold Ounces	Silver M oz	Copper Tonnes	Gold Equivalent	
					Grade	M oz
		\$10	1,420,000	53.5	80,000	2.2
	\$20	1,260,000	45.0	66,700	3.4	2.5
	\$25	1,200,000	42.3	61,400	3.8	2.3
	\$30	1,140,000	39.8	56,800	4.4	2.2
	\$35	1,090,000	37.3	52,700	4.9	2.1
	\$40	1,040,000	35.8	49,000	5.4	2.0
	\$50	950,000	32.6	43,000	6.3	1.8

Note: Calculated Gold Equivalent grade is based on 1 gram gold = 57 grams silver = 0.5% copper.  
All values are in Australian dollars and are rounded.

## **Planned Programs and Exploration Potential**

Drilling with a dual purpose diamond and RC rig is continuing. Regional Joint Venture partner Gold Fields Australasia has extensive exploration programs underway with Pole-Dipole IP geophysical surveys, helicopter electromagnetic surveys, a diamond drill rig, and geological mapping and soil sampling programs.

## **About Conquest Mining**

Conquest Mining is a Perth-based mining exploration company with two clear objectives. To bring the Mt Carlton Project into production, and to continue discovering low cost gold and silver resources. In conjunction with Gold Fields, exploration expenditure on the Mt Carlton Project is expected to be \$1.5 million per month for the current year.

John Terpu  
Managing Director

*This report is based on and accurately reflects information compiled by Mr Peter Rea, BSc., Msc, MAIG, who is a full time employee of the Company. Mr Rea has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Peter Rea consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*