



ASX RELEASE

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Conquest to Progress Towards Production at Silver Hill

HIGHLIGHTS

- Conquest Board makes decision to proceed towards production at Silver Hill within 2 years
- Project Internal Rate of Return in excess of 70% with payback in less than 2 years
- Base case production of up to 50,000tpa of high grade concentrate and 100,000tpa of low grade concentrate
- Net Present Value (NPV) in excess of A\$300 million
- Immediate commissioning of Definitive Feasibility Study

Pre-Feasibility Study Completed

Conquest Mining Ltd ("Conquest") (ASX:CQT) commenced a Pre-Feasibility Study ("PFS") in 2008 on its Silver Hill gold/silver/copper deposit in North Queensland. The Company announced on 26 March 2009 that an updated resource estimate had improved confidence for the PFS.

The actual results of the completed PFS demonstrate the economics of the Silver Hill Project are sufficiently robust and better than expected. Accordingly, Conquest is pleased to announce approval for the commissioning of a Definitive Feasibility Study ("DFS") prior to a final decision to commence production at Silver Hill.

Key Findings

The key findings of the PFS which are estimates based on certain assumptions¹ and methodologies, include:

- Project Internal Rate of Return in excess of 70%
- Net Present Value (NPV) in excess of A\$300 million
- Capital payback in less than 2 years of production
- Pit optimisation of 6 million tonnes (Mt) with mine life in excess of 6 years
- Processing capacity up to 1 million tonnes per annum (Mtpa) to produce a high grade gold/silver/copper concentrate plus a low grade concentrate
- High grade concentrate grades of 60 g/t gold, 1000 g/t silver and 10% copper
- Base case production of up to 50,000 tpa of high grade concentrate and 100,000 tpa of low grade concentrate
- Bulk of precious metals to be available for sale in a high grade concentrate. The remainder will be produced from a low grade concentrate processed on site².
- Effective gold equivalent production of 800,000oz with an annual average gold equivalent production of 135,000oz
- Gold equivalent production made up of 72% Gold, 15% Silver & 13% Copper
- Life of mine operating costs of less than A\$400/oz
- Upfront pre-production capital cost of approximately A\$110m

1. Pre-tax assuming US\$900/oz Au, US\$12.50/oz Ag, US\$4,000/tonne Cu and a FX of US\$0.70 to A\$1.00

2. Extraction of valuable metals in the Low Grade material will include the application of bio oxidation

These PFS findings clearly demonstrate the outstanding returns expected from development of the Silver Hill Project, indicating an estimated cash operating cost of less than A\$400/oz for annualised production of 135,000oz gold equivalent over a mine life in excess of 6 years with estimated pre-production capital cost of A\$110 million.

Independent Consultants

Preparation and validation of the PFS has been done with the assistance of reputable independent consultants overseen by Conquest. These independent consultants include:

- Mine Design and Cost estimation - AustralAsian Resource Consultants (AARC), Australian Mine Design & Development and Optiro Pty Ltd
- Flotation Design and Cost estimation - AARC and Calder's Engineering
- GEOCOAT® Design and Cost estimation: - GeoBiotics and Mike Gunn
- Geology and Resource Model - Hellman & Schofield
- Metallurgy - GRD Minproc & AMTEC
- Environmental Impact Study – AARC
- Market and pricing - CRU
- Financial model development - Azure Capital

Off-Take Arrangements

As announced on 1 April 2009, Conquest has also materially progressed discussions with potential off-take counterparties. Conquest is confident it can negotiate off-take contracts (on acceptable terms) in the medium term.

Summary

The rigour and maturity of analysis reflected in the PFS through various iterations of the project have provided the Board with sufficient comfort to immediately proceed to the next stage of project development. Conquest will now commission a DFS to further confirm the findings of the PFS as well as to seek to optimise the project to increase potential returns.

In the coming months, Conquest will define the timing of completion of the DFS and, subject to the results of that study, the anticipated timing for production commencement at Silver Hill. It is currently anticipated production will commence within 2 years. The Company will advise on more detailed timelines as the DFS progresses.

About Conquest Mining

Conquest Mining is a Perth-based mining exploration company focused on discovering low cost gold and silver resources. Exploration at Mt Carlton has delivered resources at a cost of \$10 per ounce of gold compared with an Australian average of \$60 to \$70 per ounce for grass-roots exploration. Conquest Mining has \$27.5 million cash reserves, and cash backing of 10 cents per share.

John Terpu
Managing Director

This report is based on and accurately reflects information compiled by Mr Jeff Innes, BE, Dip Fin Mgt, MAusIMM, GAICD who is a full time employee of the Company. Mr Innes 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 Jeff Innes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.