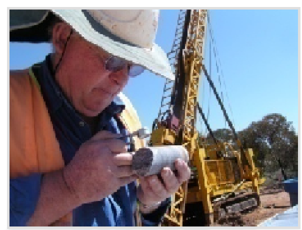
CATALPA RESOURCES
GROWTH TO MID TIER PRODUCER

Diggers and Dealers – Media Presentation
4 August 2009



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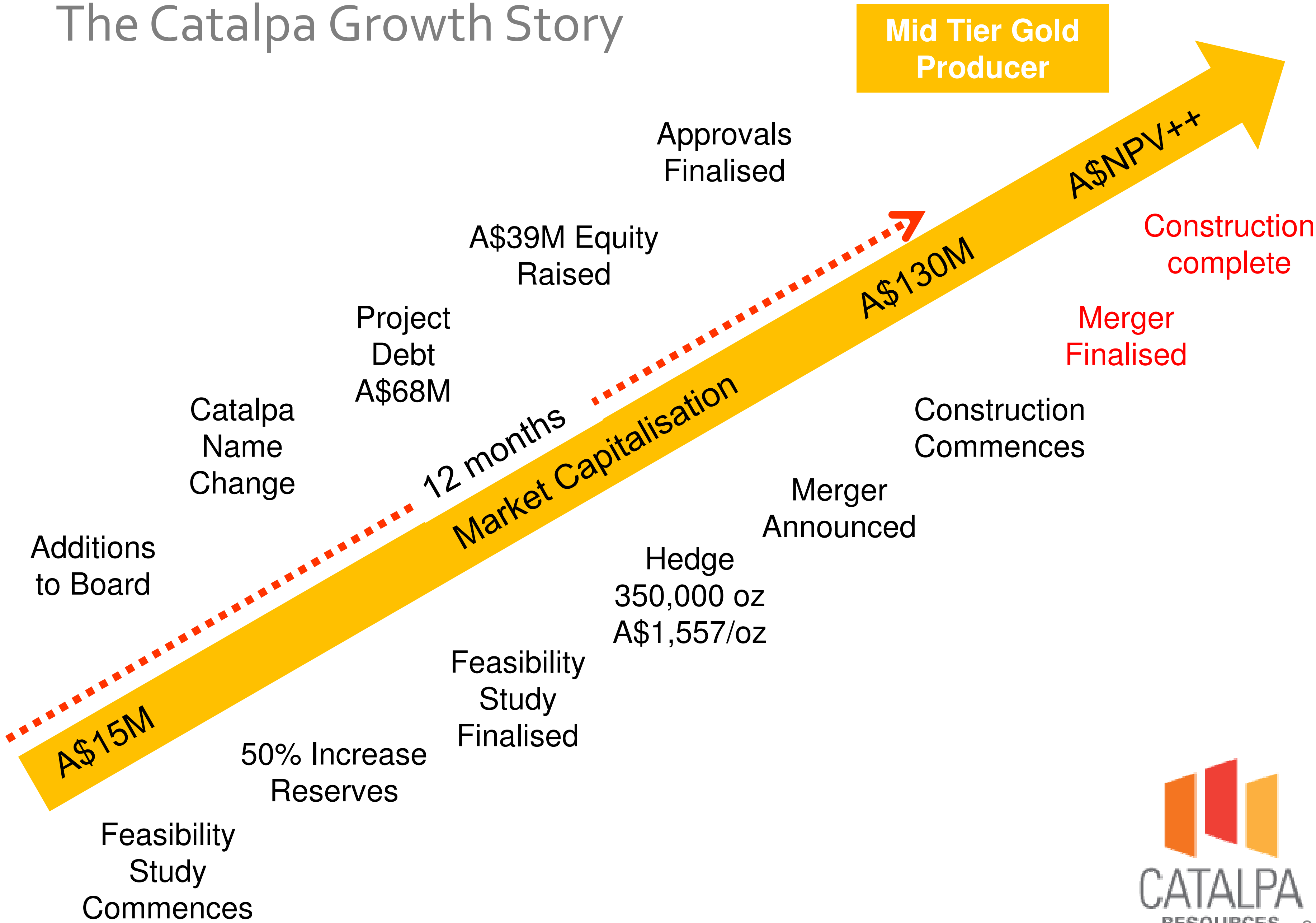
The Catalpa Growth Story



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Merger - Immediate Benefits to Catalpa Shareholders

- **Immediate gold producer status**: ~30koz/pa of attributable from Cracow
- **Immediate cash flow**
- **Greater scale**:
  - ~130+koz/pa
  - larger proportion of un-hedged production
- **Removal of controlling shareholder**
  - Lion 46.9%
  - largest post merger shareholder 6.5%
- **Diversity**
  - two mines
  - open-cut and underground
- **Pre-emptive right** over Newcrest's 70% interest in the Cracow Gold Mine
- **Catalpa** continues to be **focused and well funded** and has an experienced Board and Management Team
- **Exploration Upside**

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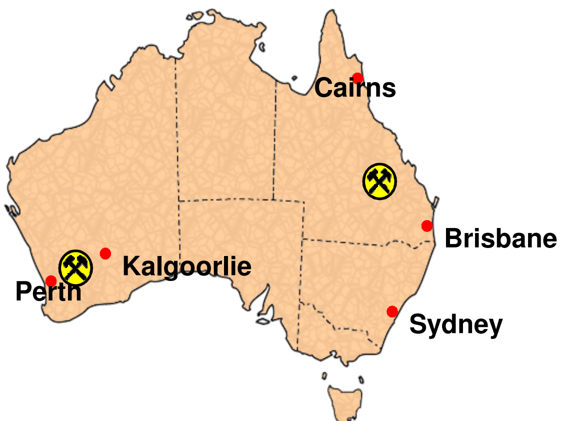
Creates a Diversified Australian Mid Tier Gold Producer

Edna May 100%	
History	
Underground	360k oz
Open Pit	270k oz
Modern Production	
Total	**630k oz**
Location	Rural
Workforce	Local
Approvals	Permitted
Mine life upside	12 years

Cracow 30% [1]	
History	
Underground	650k oz
Open Pit	200k oz
Modern Production	450k oz
Total	**1,300k oz**
Location	Rural
Workforce	Commute
Approvals	Permitted
Mine life upside	10 years



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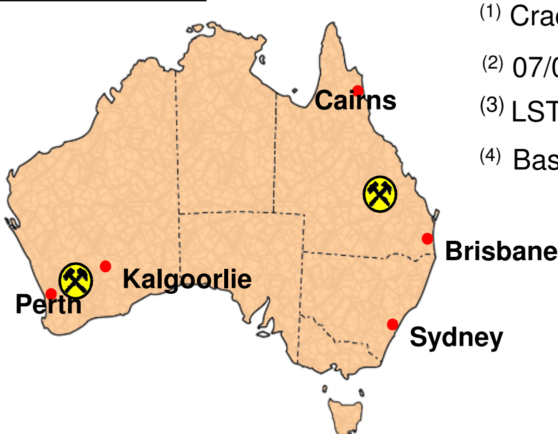
Creates a Diversified Australian Mid Tier Gold Producer

Edna May 100%	
Type	Open Pit
Annual Production	100k oz[a]
Reserve	817k oz
Resource	1.5m oz
Cash Cost (pre royalty)	$636/oz
Expected cash flow	$75m pa[b]
Hedging:	
352,317 Oz @ $1,557.5/oz	

[a] In construction, 1st gold pour 2Q10

[b] based on $1400/oz gold price post royalty

Cracow 30%	
Type	Underground
Annual Production	
- 100%	107k oz [2]
- 30%	31k oz [2]
Reserve	
- 100%	176k oz [3]
- 30%	53k oz [3]
Resource	
- 100%	704k oz [3]
- 30%	211k oz [3]
Cash Cost	$<600/oz [4]
Unhedged	



[1] Cracow is 70% owned and operated by NCM

[2] 07/08 figures taken from LST Annual Report 2008

[3] LST Annual Report 2008

[4] Based on Lion's last 4 quarterly reports

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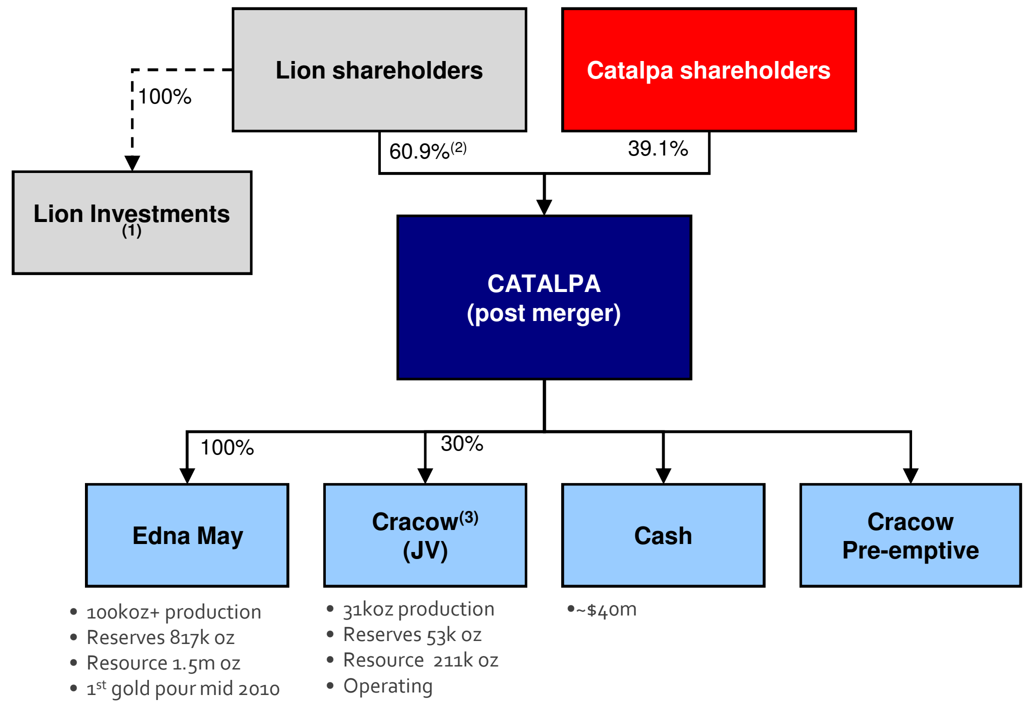
Catalpa Structure (Post Merger)

Capital Structure*

Ordinary Shares	144.7m
% held by:	
- Lion shareholders	60.9%
- Existing Catalpa shareholders	39.1%
Options	15.7m

* Post a 1 for 11 share consolidation

- LST will contribute $1.5m of cash and its 11.7m (129.3m pre consolidation) Catalpa options under the scheme
- Catalpa shares and options previously held by Lion will be cancelled within 12 months, subject to Catalpa shareholder approval
- Catalpa has a $68m project finance facility with Macquarie Bank



Notes:

(1) To be listed on the National Stock Exchange (NSX)

(2) To be ~57% on a fully diluted basis

(3) Figures for 30% interest

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Edna May – Catalpa's Key Asset

- Our key asset and growth vehicle
- 1.5M oz Resource / 817,000 oz Reserve (61% Proved)
- Well drilled & metallurgically tested
- >100,000 average oz pa production
- First gold pour for June Qtr 2010
- >7 year mine life based on current Reserve
- Strong operating cash flow
- Resource & Reserve upgrades planned
- Regional exploration upside
- Project capital funded
- Construction commenced
- Power, water at gate and town within 2 km
- Rural location & local labour
- Recruitment of senior personnel commenced

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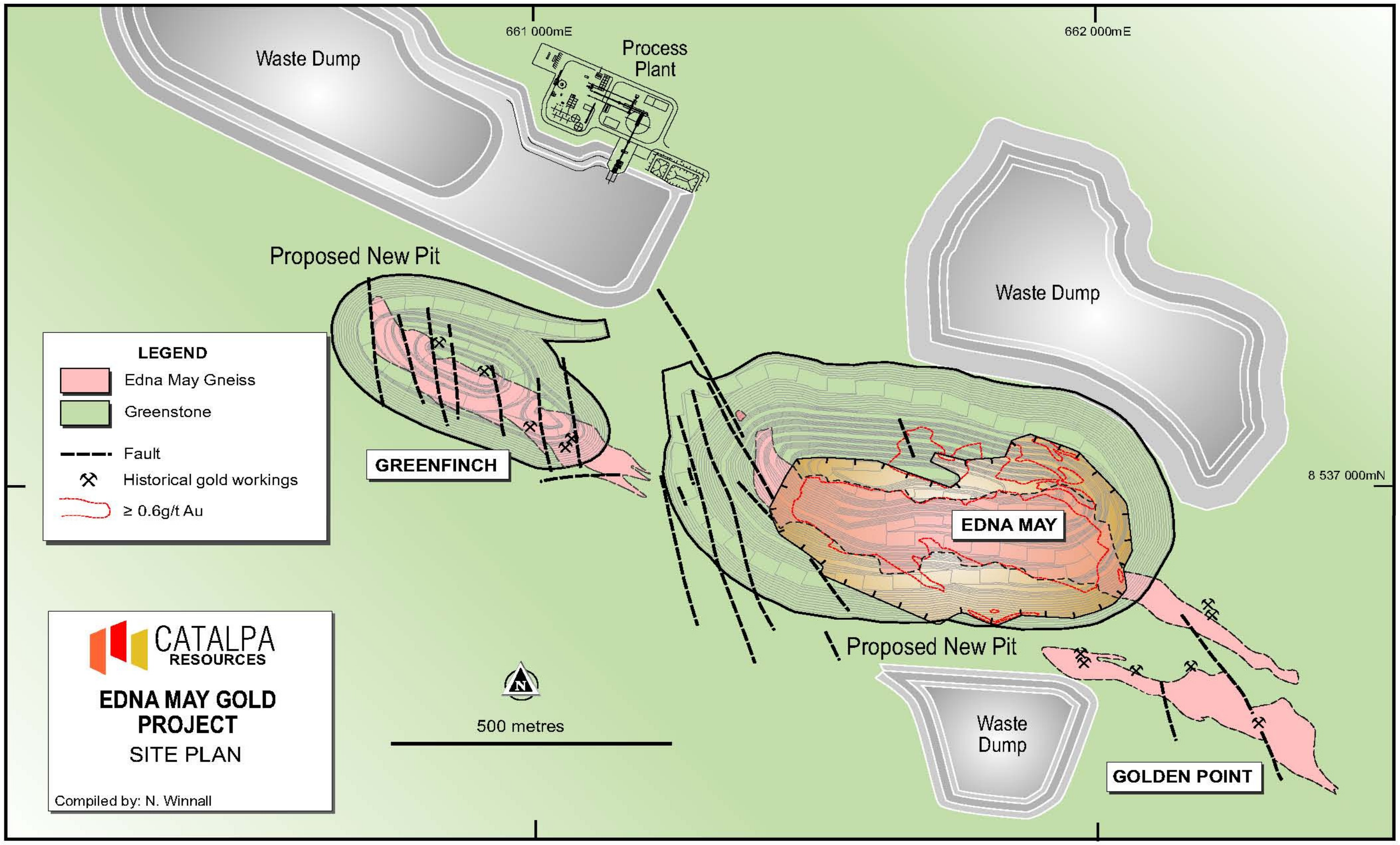
OPEN PIT DESIGNS AND SITE LAYOUT



- Greenfinch now included in LOM plan
- Greenfinch and Edna May Reserve growth positive
- Further drilling now

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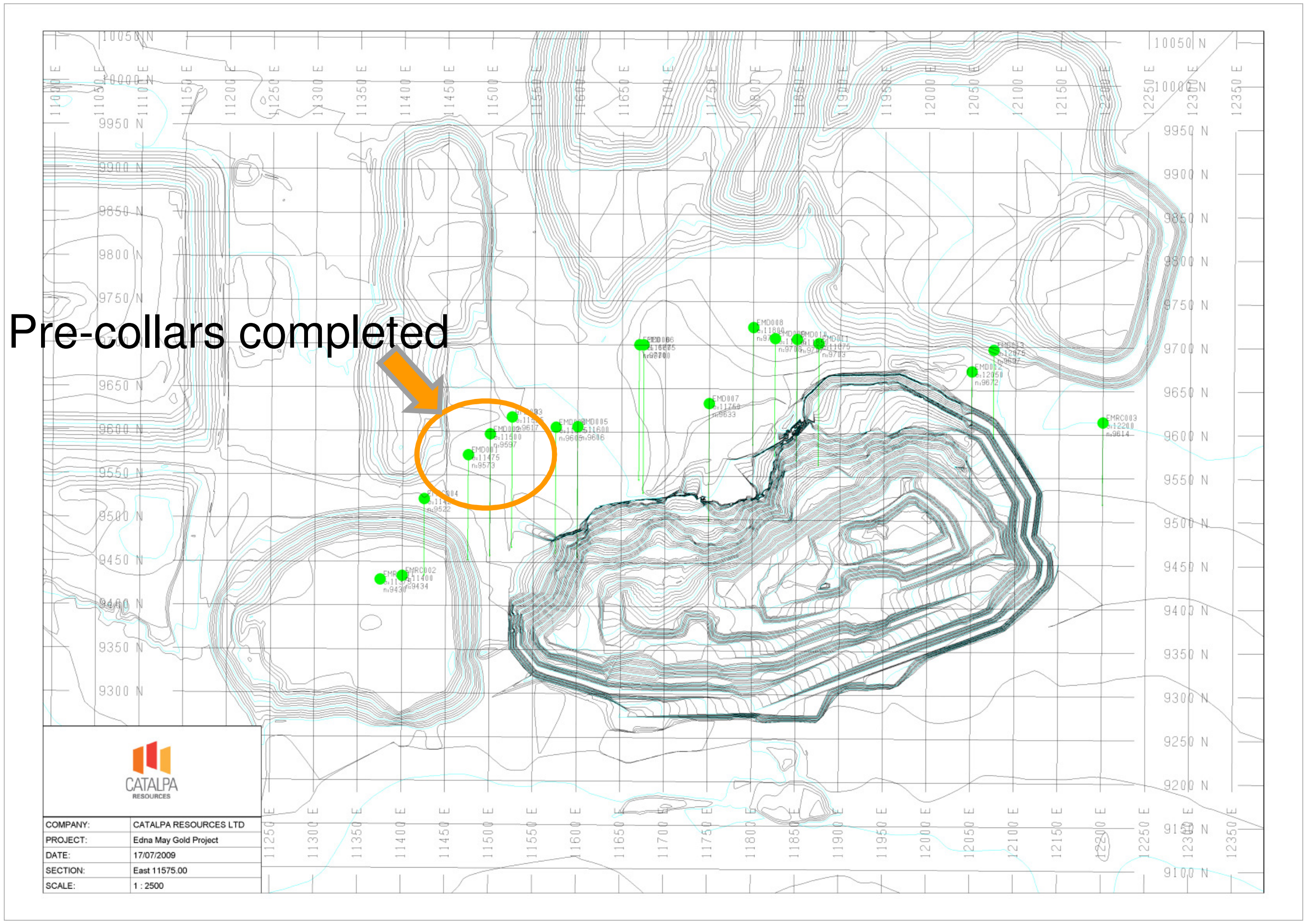
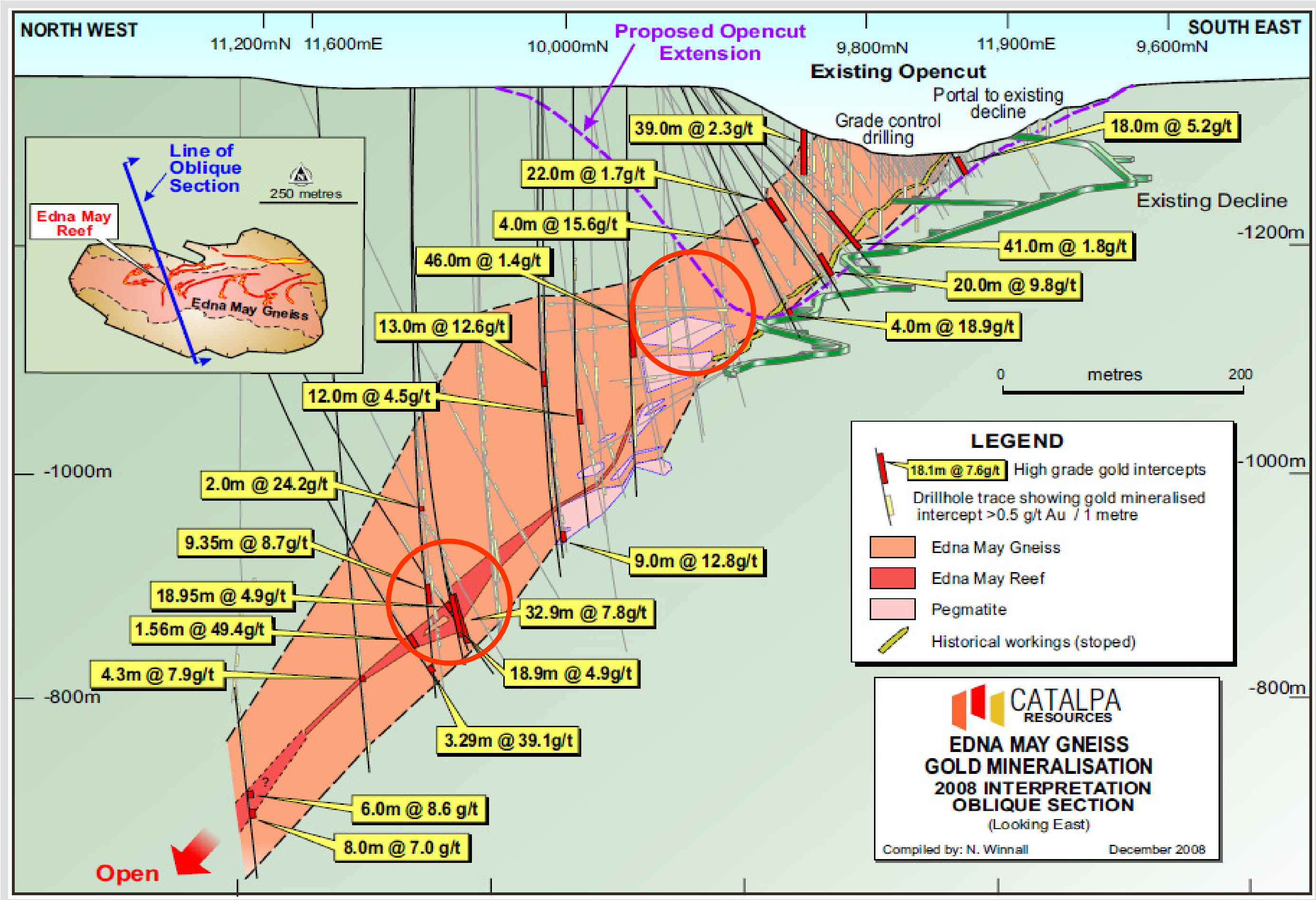
Resource Growth Program – Drilling Now



- 16 holes for 4,000m drill program commenced
- 1,000m RC pre-collars drilled
- Diamond tail drilling commenced

OPEN PIT & UNDERGROUND POTENTIAL



- Open pit expansion to.....
- Underground potential expanding on 2008 drilling success

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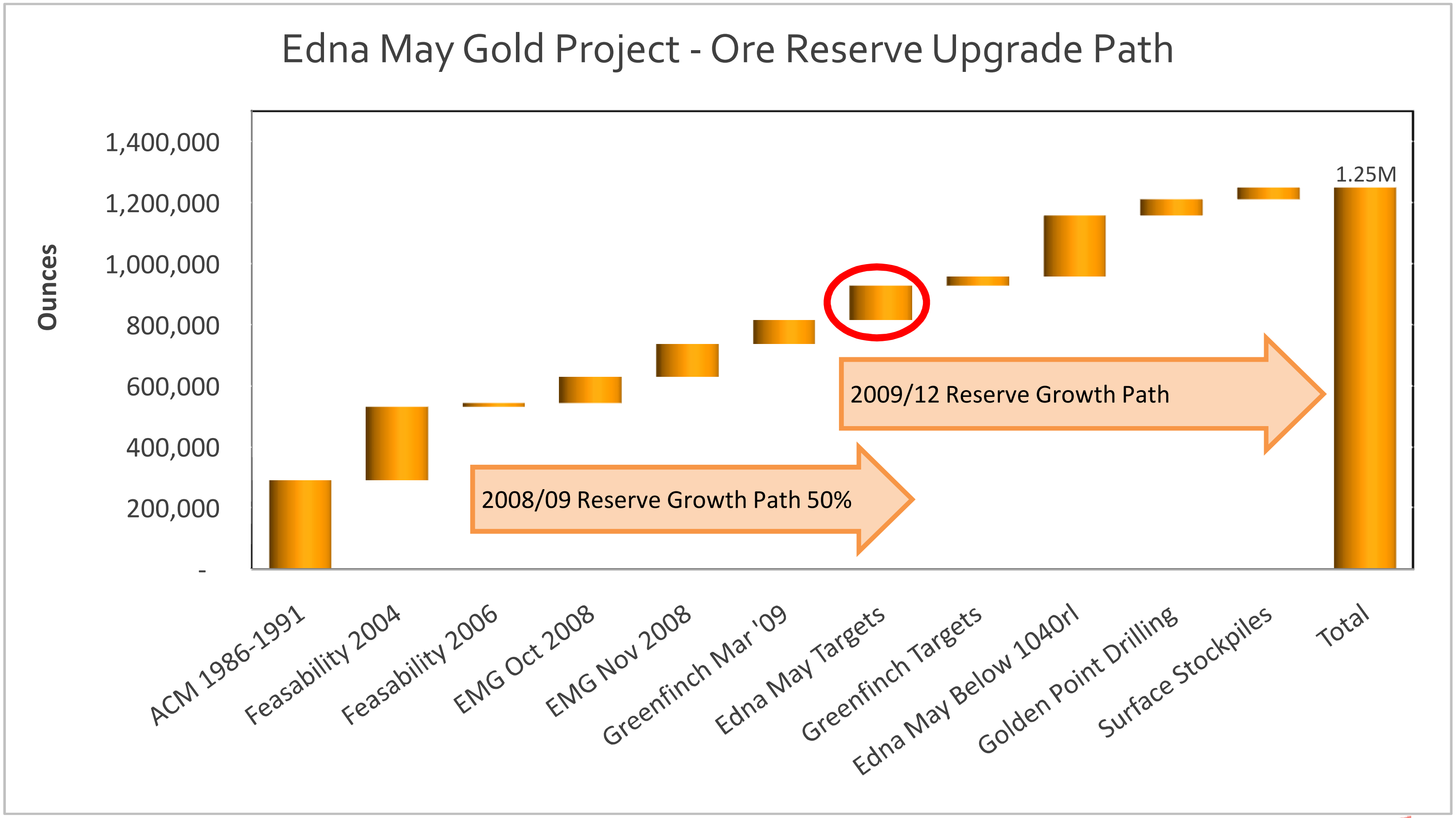
Edna May Gold Project Reserve Growth Potential



- Planned Ore Reserve growth to 1.25M ounces
- Reserve growth projected to twice Edna May's historical production of 630,000 ounces

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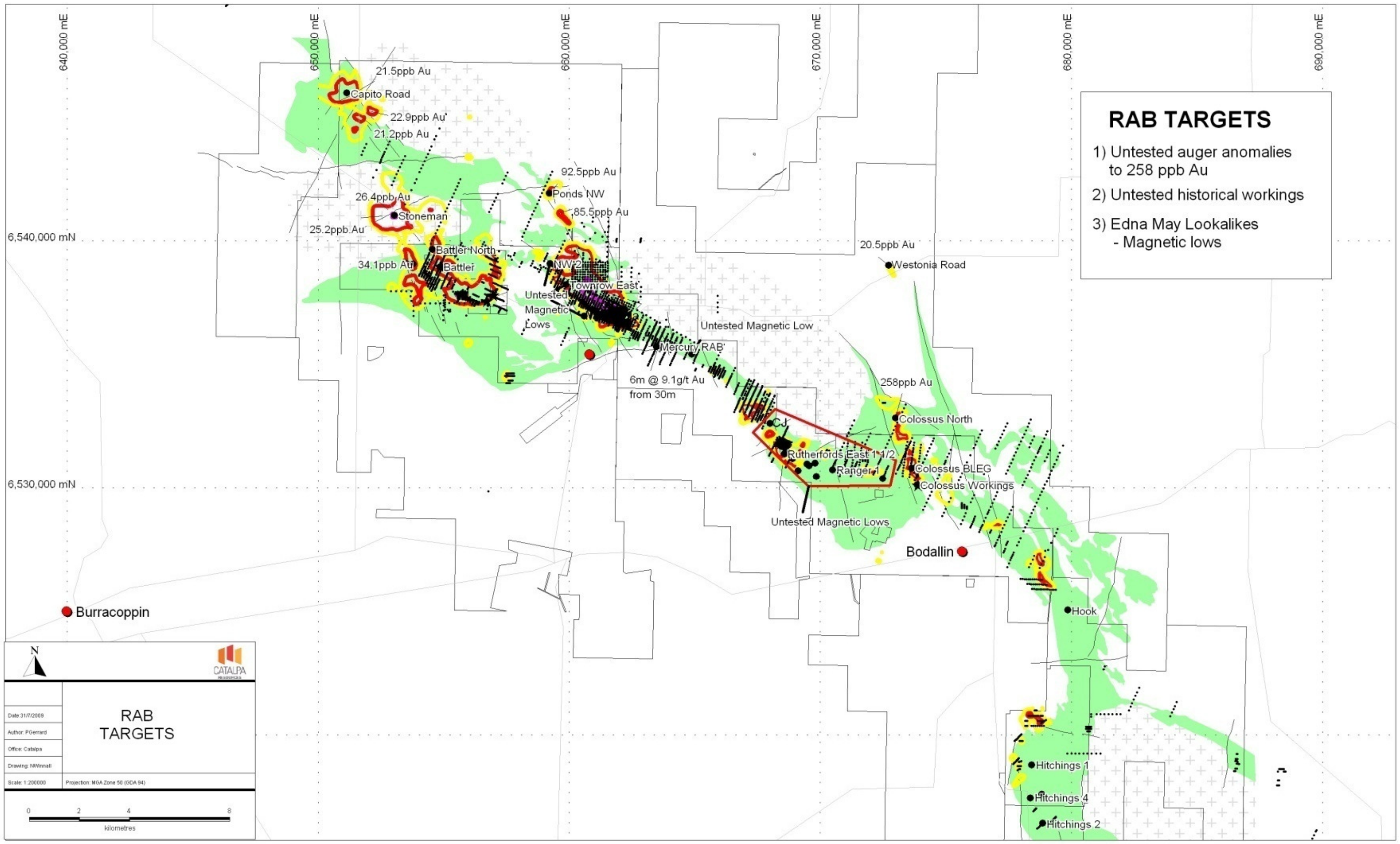
Further Regional Targets



- RAB targets along Greenstone belt within 10km of process plant
- Untested auger anomalies
- Untested historical workings
- Magnetic lows – Edna May look-alikes

Cracow - Proven Growth, Unhedged Producing Mine

- 30% - Joint Venture
- Newcrest - 70% and sound operator
- Large epithermal system
- 2M oz endowed field
- 100koz pa producer supported by history
- Exploration growth story – new structures and extensions of structures

1875 – First Gold Discovered

1931 – Payable gold discovered (Golden Plateau)

1932-92: Sporadic discovery and production of 850koz, mainly from Golden Plateau

1995 – Newcrest and Sedimentary form 70/30 JV to explore Cracow Field targeting epithermal mineralisation

1999 – Discovered Royal Shoot

2001 – Discovered Crown Shoot

2002 – Discovered Sovereign, Empire & Phoenix Structures

2005 – Discovered Kilkenny Structure

2008 Kilkenny Resource (200,000oz inferred)

2009 Encouragement along strike (south) of Kilkenny Resource – New Shoot ??

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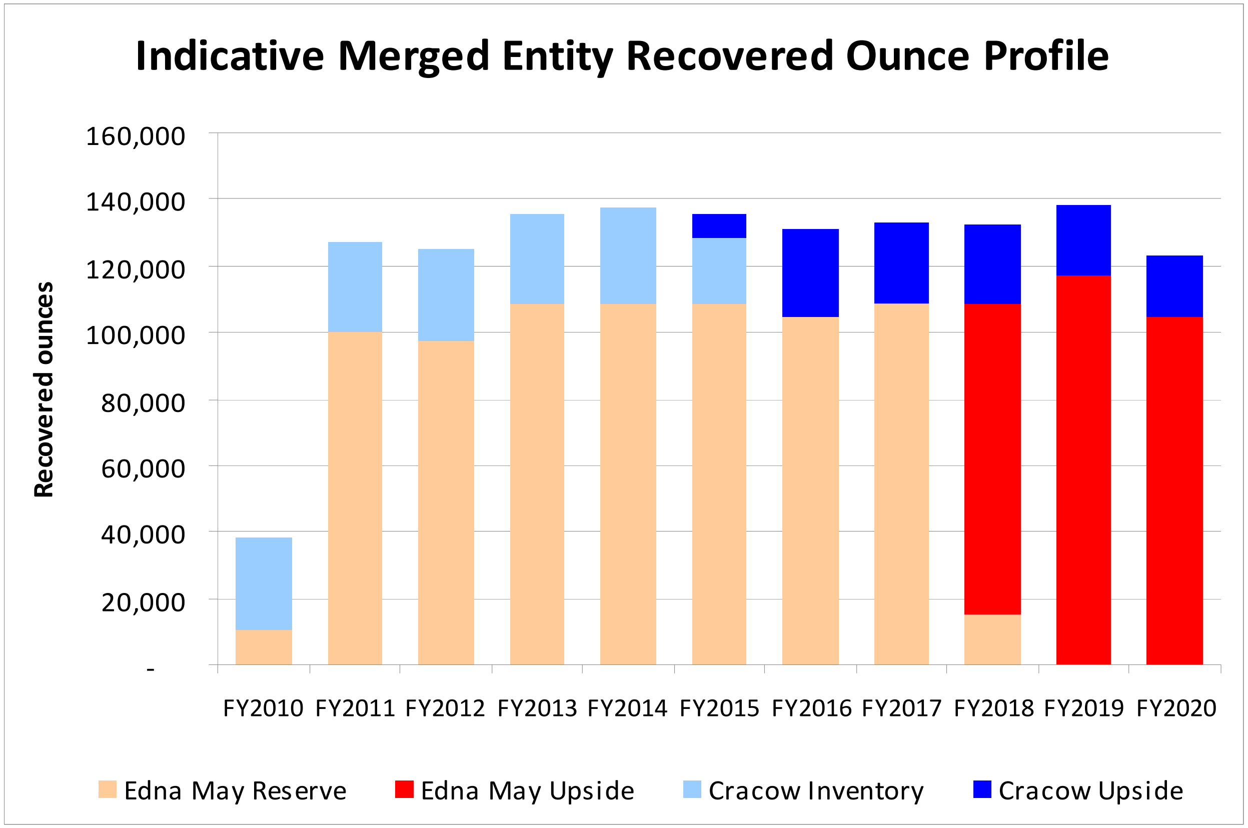
Mine Life Growth

- Edna May growth to 10 years and beyond
- Cracow growth to 10 years and beyond
- Significant platform for growth towards a third project



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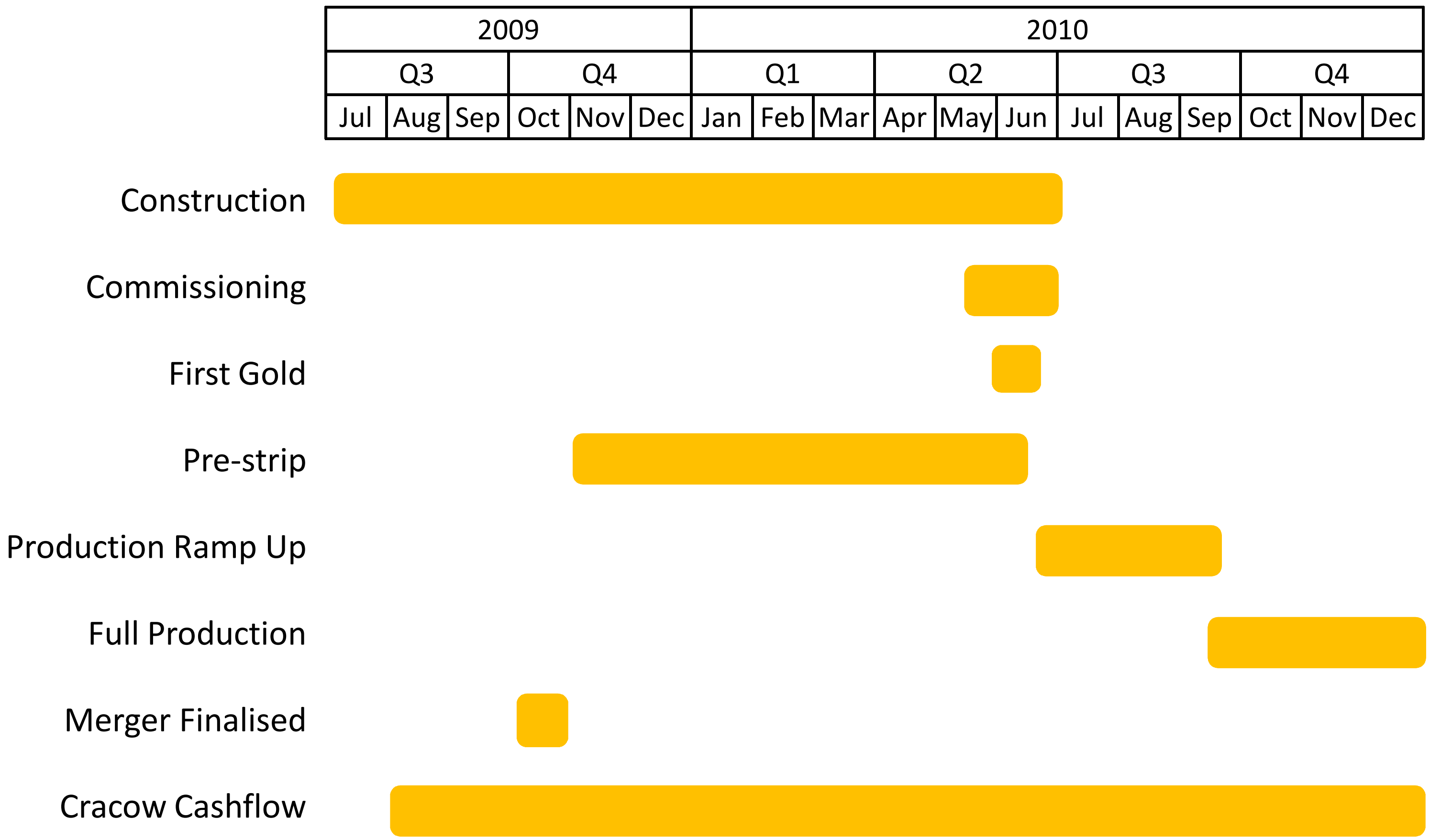
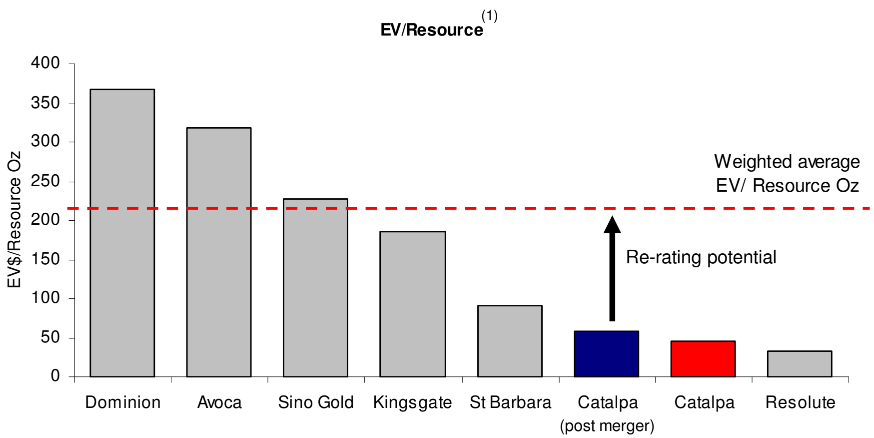
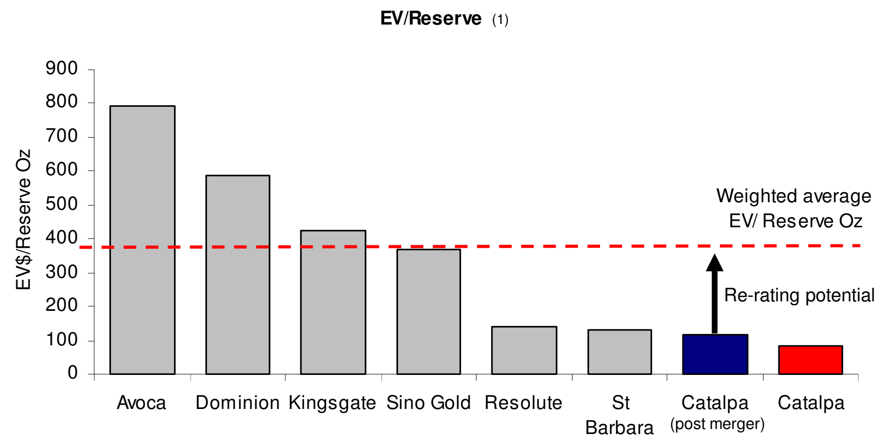
Catalpa – Key Dates & Project Timeline

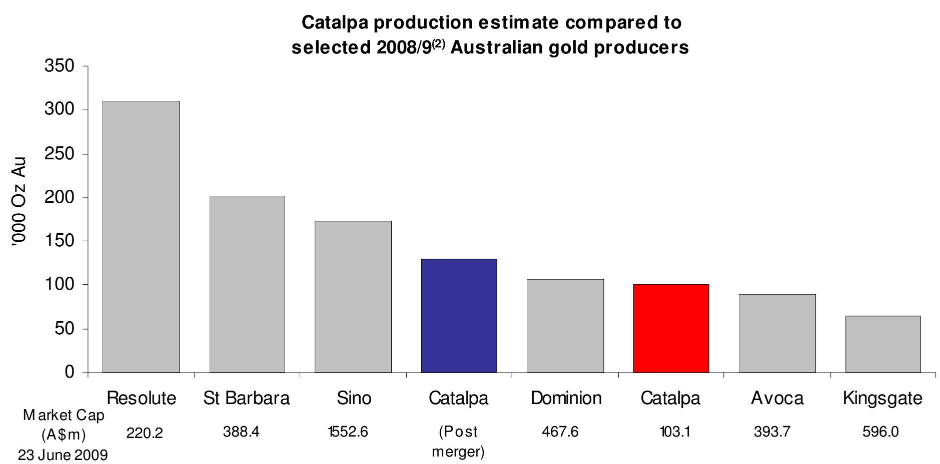


Favourable Valuation Metrics

- Catalpa offers strong potential for re-rating







(1) Calculated based on proposed merger ratio and last traded Catalpa share price prior to date of announcement
(2) Production figures are total of previous 4 quarters per Company announcements
Source: Austock research

CATALPA RESOURCES

A Strong and Experienced Board

- The board of Catalpa post the transaction will comprise

PETER MALONEY, Non-Executive Chairman
Peter Maloney has broad commercial, finance and management expertise and experience. In a long career with WMC Resources, he held the positions of Treasurer, Executive Vice President Americas, and Manager Commercial and Marketing – WA. He has also been Executive General Manager, Finance at Santos and Chief Financial Officer at FH Faulding. Peter has managed varied debt and equity financings, mergers, takeovers, acquisitions, divestments, joint venture negotiations, commodity sale agreements, commodity and currency hedging programs, gold and nickel sales, and has been involved in a number of IPOs.

BRUCE MCFADZEAN, Managing Director
Mr McFadzean, 51, a mining engineer, brings over 30 years of management, mining, processing and project "start up" experience to the organisation, half of which was gained in the employ of global resources brands, Rio Tinto and BHP Billiton. Mr McFadzean has broad commodity experience in gold, iron ore, diamonds and nickel/cobalt and in a wide range of roles including corporate, managerial, technical and operational. Mr McFadzean is a non-executive director of Venture Minerals Limited.

BARRY SULLIVAN, Non-Executive Director
Mr. Sullivan is an experienced and successful mining engineer with a career spanning 40 years. His initial mining experience was gained in the South African gold mining industry, followed by more than 20 years with Mount Isa Mines. In the final 5 years of his tenure with MIM, Mr Sullivan was Executive General Manager responsible for the extensive Mount Isa and Hilton operations. More recently, Mr Sullivan has been working with a number of smaller exploration and mining companies.

JOHN ROWE, Non-Executive Director
John Rowe brings a wealth of geological and business development skills to the Company. Mr Rowe has 35 years experience within the Nickel and Gold industries of Western Australia. He has held a variety of positions in mine management, exploration and business development and was previously employed as an executive of Lion Ore in Australia.

MURRAY POLLOCK , Non-Executive Director
Murray Pollock is a businessman with 40 years experience within the mineral resource sector, principally in drilling. Mr Pollock is a drilling and mine management services consultant for several companies.

GRAHAM FREESTONE, Non Executive Director
Graham Freestone has over 30 years experience in the finance and natural resources industry in Australia and internationally. He has a broad based finance, corporate and commercial background obtained from various senior finance positions with the Shell Group, Acacia Resources and AngloGold.
Graham was comprehensively involved in the float of the Shell Group's mineral interests through Acacia Resources Limited.

- Catalpa's existing management remains in place

CATALPA RESOURCES

Catalpa Value Proposition

Catalpa Today	
- Experienced **team** with rack record of delivering projects - **Well defined** and understood resource - Favourable **valuation** metrics - Debt and Equity **funding complete** - Feasibility study completed and assumptions conservative	- Favourable environment to negotiate **capital and operating costs** - Plant on site and all permits issued - Grid power, water and town infrastructure adjacent to the project - Strong cash margin provides platform for growth
Additional Merger Benefits	
- **Immediate gold producer status –** ~30koz/pa of attributable production from Cracow - **Immediate cash flow -** Cracow cash costs currently ~$575/oz - **Greater scale –** Company production growing to ~130+koz/pa, with a larger proportion of unhedged production - **Removal of controlling shareholder –** LST currently holds 46.9%. Post merger no shareholder will hold more than 6.5%	- **Diversity –** operating two mines, open-cut and underground operations - **Pre-emptive right -** over Newcrest's 70% interest in the Cracow Gold Mine - **Significant potential to increase resources and reserves –** through near mine exploration success - **Remain focused on Edna May build**

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Competent Person Statement

The reported Edna May Mineral Resource has been compiled by Mr Nic Johnson. Mr Johnson is a Member of the Australian Institute of Mining and Metallurgy and an employee of Hellman & Schofield Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Johnsons gives Catalpa Resources Limited consent to use this estimate in reports.

The reported Edna May Ore Reserves have been compiled by Mr Harry Warries. Mr Warries is a Member of the Australian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Warries gives Catalpa Resources Limited consent to use this estimate in reports.

Information that relates to Mineral Resources and Ore Reserves at Cracow are based on information compiled by Mr A. Pelliccia from relevant Lion Selection Ltd company reports and announcements. Mr Pelliccia is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Catalpa Resources Ltd. Mr Pelliccia has sufficient experience which is relevant to this style of mineralisation and 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" (The JORC Code). Mr Pelliccia consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.