

27 May 2010

EDNA MAY GOLD PROJECT ORE RESERVE INCREASES ABOVE 1 MILLION OUNCES - UPDATED MINERAL RESOURCE AND ORE RESERVE STATEMENT

HIGHLIGHTS

- **Maiden Ore Reserve of 37,000 ounces of gold at Golden Point**
- **Drilling of mineralised Stockpiles adds a further 28,000 ounces to the Ore Reserve**
- **Gold mineralisation remains open at depth**

Catalpa Resources (ASX:CAH), the Perth-based gold producer, today announced an updated Mineral Resource and Ore Reserve for the Edna May Gold Project, delivering a gold Reserve of more than 1 million ounces.

The revised Mineral Resource and Ore Reserve estimates are the culmination of a RC drilling program conducted over the last 3 months at the Golden Point Prospect adjacent to the current Edna May pit.

Total Mineral Resources after mining depletion are estimated at 1.66 million ounces of gold. This is in-line with the previous estimate on a global ounce basis, while incorporating higher confidence Resource material.

The Mineral Resource has been estimated to a maximum depth of 300 metres below surface and reported at a 0.4 g/t Au cut-off, which is on an equivalent basis to the previous Mineral Resource estimate.

Managing Director, Mr Bruce McFadzean said "the Mineral Resource excludes mineralisation defined from previous deep (+300 metre) diamond drilling programs."

Total Ore Reserves after mining depletion are estimated at 1.01 million ounces of gold. The increase incorporates 37,000 ounces from Golden Point driven by conversion of Inferred Resources within the Golden Point Gneiss through to Proved and Probable Reserve. A further 28,000 Ounces were added to the Reserve as a result of additional drilling of existing Mineralised Stockpiles.

"Significantly, approximately 60% of the Ore Reserve is in the highest confidence (JORC) Proved category."

"This is a milestone in Catalpa's development as the Project passes 1 million ounces in Reserve. This last round of drilling demonstrates the group's ability to consistently add value to the project and the company. The focus for Catalpa in 2010 is to target the underground mineralisation targeting to move it towards a JORC compliant Mineral Resource toward the end of 2010 while continuing to test our regional targets and and evaluate other regional opportunities".

ASX Code: CAH

Total number of shares on issue:

161,202,440

Share Price Current:

\$1.50 (25 May 2010)

12 month range:

\$1.87 (high) - \$0.93(low)

Board of Directors

Mr Peter Maloney:	Non Exec Chairman
Mr Bruce McFadzean:	Managing Director
Mr John Rowe:	Non Exec Director
Mr Barry Sullivan:	Non Exec Director
Mr Graham Freestone:	Non Exec Director
Mr Murray Pollock:	Non Exec Director
Mr Graham Anderson:	Company Secretary
Mr Leonard Math:	Company Secretary

Senior Management

Erik Palmbachs	CFO
Stuart Pether	GM Operations
Nick Winnall	Manager Exploration
Adrian Pelliccia	Manager Bus Dev
John Winterbottom	Manager Geology
John Fraser	Registered Manager

“The gold price of A\$1,250 used in the Ore Reserve estimate reflects a moderate approach to the current Australian dollar spot price and excludes the further price benefit Catalpa receives from the forward sold position of 352,316 ounces at A\$1,557 per ounce.”

The Edna May Gold Project poured its first gold in April and it now continues to ramp up production towards nameplate capacity of 2.8 Mtpa.

Mineral Resource Statement – 30 April 2010:

The accompanying statement of Edna May and Greenfinch Mineral Resources was estimated using Hellman & Schofield MIK block modelling techniques based on a (0.4g/t) Au cut-off grade within a geologically and grade defined mineralisation envelope and in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition.

Edna May Gold Project Mineral Resource Statement															
Report to 0.4g/t Au cut-off															
	Measured			Indicated			Total Measured &			Inferred			Total Measured, Indicated		
	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces
Greenfinch	0.9	1.12	30	2.5	1.00	80	3.4	1.03	110	0.6	1.20	20	4.0	1.06	130
Edna May	21.9	1.05	738	16.0	0.98	507	37.9	1.02	1,245	10.2	0.86	281	48.1	0.99	1,526
TOTAL	22.8	1.05	768	18.5	0.99	587	41.3	1.02	1,355	10.8	0.88	301	52.1	0.99	1,656

Effective Holdings

- Catalpa Resources Limited owns 100% of Edna May Operations Pty Ltd which in turn owns 100% of the Edna May Gold Project.

Footnotes to Mineral Resource

- The Resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction and assuming a smallest mining unit for ore selection.
- Golden Point Resource included within Edna May Resource
- Measured and Indicated Resources lie in areas where drilling is available at a maximum of 25 x 25 metre spacing, Inferred Resources exist in areas of broader spaced drilling, generally peripheral to the Measured and Indicated panels.
- All Mineral Resource figures are stated at 30 April, 2010 on a 100% basis, with depletion by production where relevant.
- There are no known environmental, permitting, legal, taxation, political or other relevant issues that would materially affect the estimates of the Mineral Resources.
- Mineral Resources are inclusive of Ore Reserves. The stated contained Mineral Resource metal ounces are considered in-situ; beneficiation recovery factors have not been applied.
- Due to rounding of figures small discrepancies may exist.

Ore Reserve Statement - 30 April 2010:

The accompanying statement of Edna May and Greenfinch Ore Reserves as shown below was compiled by Coffey Mining and is in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition.

Edna May Gold Project Ore Reserve Statement									
Reported to 0.4 g/t Au cut-off									
	Proved			Probable			Total Proved and Probable		
	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces	Million Tonnes	Gold g/t	'000 Ounces
Greenfinch	0.8	1.14	28	1.7	1.04	58	2.5	1.07	86
Edna May & Golden Point	16.5	1.09	583	8.8	1.09	309	25.5	1.09	892
Stockpiles				1.6	0.65	34	1.6	0.65	34
Total	17.3	1.09	611	12.1	1.02	401	29.6	1.06	1012

Catalpa Resources Limited notes the following;

Effective Holdings

- Catalpa Resources Limited owns 100% of Edna May Operations Pty Ltd which in turn owns 100% of the Edna May Gold Project.

Footnotes to Ore Reserve

- Ore Reserves are the economically mineable part of Measured and/or Indicated Resources and include diluting materials and allowances for losses which may occur. Ore Reserves are quoted as a subset of Mineral Resources.
- Metal price assumptions for Ore Reserves are A\$1,250 per ounce of gold at a processing rate of 2.8-3.2Mtpa.
- The economic cut-off grade of Ore Reserves is 0.4g/t gold.
- All Ore Reserve figures are stated at 30 April, 2010, with depletion by production where relevant.
- The Ore Reserve figures are shown on a 100% basis.
- There are no known environmental, permitting, legal, taxation, political or other relevant issues that would materially affect the estimates of the Ore Reserves.
- Due to rounding of figures small discrepancies may exist.

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Competent Person Statement

The reported Mineral Resource has been compiled by Mr Nicolas Johnson. Mr Johnson is a Member of the Australian Institute of Geoscientists 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 Johnson consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

The reported 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 consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

The information in this report has been compiled by Mr John Winterbottom (Manager Geology), who is a Member of the Australian Institute of Geoscientists (AIG) and a full-time employee of Catalpa Resources Limited. He 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 December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Winterbottom consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

For further enquiries contact:

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ABOUT CATALPA RESOURCES LIMITED

Catalpa Resources Limited (ASX: CAH) has two exciting gold assets; a 30% interest in the 100,000 ounce per annum Cracow Gold Operations - a producing gold mine in Queensland (70% Newcrest Mining Limited); and the 100,000 ounce per annum Edna May Gold Operations in Western Australia (100%) – an operating mine currently ramping up to full production.

The A\$92 million Edna May Gold Project is fully funded, and, as part of the finance facility, Catalpa has sold forward 352,316 ounces of gold at A\$1,557.50 per ounce. At an average gold price of A\$1,400 per ounce Catalpa will realize an average cash operating margin of A\$72 million per annum from the Edna May Gold Operations alone.

With a combined Mineral Resource of more than 1.9 million ounces and a combined Ore Reserve of more than a million ounces of gold (refer announcement dated 2 December 2009), the Cracow and Edna May Operations will provide a sustainable cash flow to fund Catalpa's growth strategy.

Catalpa is confident that both the Cracow and Edna May Gold Operations offer further Reserve and Resource growth potential, with ongoing exploration programmes at both operations. In parallel, the Company continues to proactively identify and assess other production growth opportunities.

The Company has a committed and technically accomplished management team and a highly-experienced and supportive Board, committed to realising shareholder value from the Company's growing asset portfolio.

Catalpa has adopted best practice standards across all its activities, including health and safety, environmental management, corporate governance and social responsibility.

EDNA MAY OPERATIONS (100%)

Catalpa's wholly-owned Edna May Gold Operations is conveniently positioned just two kilometers from the infrastructure of Westonia, on the eastern edge of WA's Wheatbelt region. The mine is half way between Perth and Kalgoorlie and ideally situated to be serviced by either of these major mining centres.

With its robust economics, geologically and metallurgically well defined ore-body, high Ore Reserve confidence and excellent recovery rate of more than 92%, Catalpa's Edna May Gold Operations offers an attractive, long-term platform to grow a mid tier gold producer.

Catalpa's mine and processing schedule demonstrate average gold production at Edna May in excess of 100,000 ounces of gold recovered per annum for a life of mine of more than nine years, with production planned to commence in June 2010.

CRACOW GOLD OPERATIONS (30%)

Catalpa owns 30% of the Cracow Gold Operations in Queensland with Newcrest Mining Limited, and also has a pre-emptive right over Newcrest's 70% stake in the asset. The Cracow Gold Project is well managed and operated by Newcrest, allowing Catalpa to remain focused on constructing the Edna May Gold Project on time and within budget.

The Cracow Gold Project has a history of steady gold production of over 100,000 ounces per annum for the past four years and it is considered to have considerable exploration upside.

