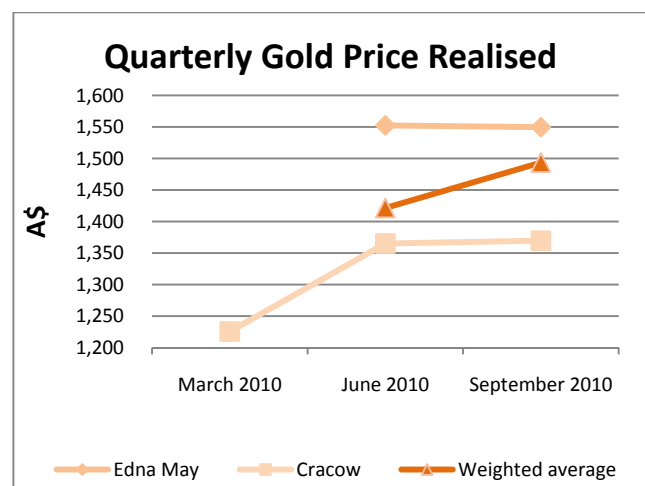
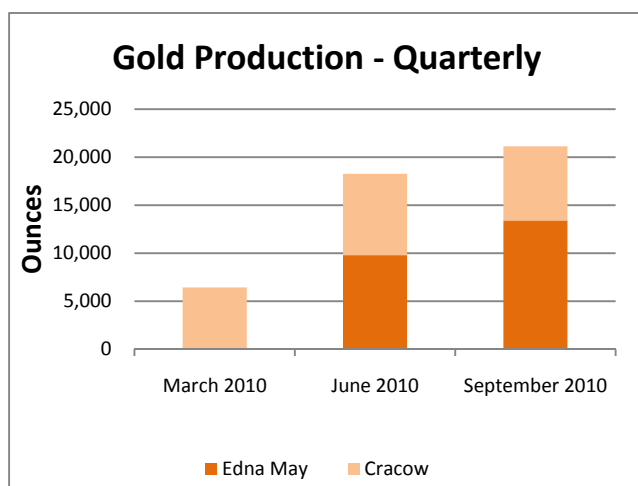




QUARTERLY ACTIVITIES STATEMENT
30 September 2010

Highlights

- Production of 21,140 ounces of gold from Cracow and Edna May for September 2010 quarter
 - o 13,413 ounces of gold produced from Edna May
 - o 7,727 ounces of gold produced from Cracow (Catalpa attributable)
- Gold poured of 22,708 ounces for the September 2010 quarter
- Edna May ore body resource model grade reconciled to within 1% of process recovered grade
- SAG mill liner and sole plate issues impact Edna May production by approximately 3,000 ounces
- Lower stockpile grades in July and August impact Edna May production by approximately 1,500 ounces
- A\$3.2 million Edna May underground target drilling produces significant intercepts
- Maiden underground Mineral Resource on schedule for December 2010
- Accelerated Cracow exploration program delivers significant results
- Edna May production being delivered into hedge book at A\$1,557 per ounce
- Catalpa paid first loan instalment reducing total debt to A\$62 million
- Cash and gold stocks of A\$39 million at end of September 2010



Executive Summary

Catalpa produced 21,140 ounces of gold for the September quarter. Cracow produced 7,727 (Catalpa attributable) ounces of gold in line with budget and Edna May produced 13,413 ounces of gold, some 4,500 ounces behind schedule due to the SAG mill sole plate and pinion failure, lower stockpile grades and liner design issues. The SAG sole plate and pinion failure was resolved, the liner design issues will be mitigated

by a new liner and lifter installation in November 2010 and stockpile feed has been replaced with 100% in-pit feed by the end of the September quarter 2010.

Significantly, Edna May's ore body resource model grades have reconciled to within 1% of recovered process grade for the quarter. By the end of the quarter ore feed to the mill was being 100% supplied by in-pit ore.

Cracow met budgeted production with 7,727 (Catalpa attributable) ounces of gold produced at a cash cost of A\$550 per ounce and a total cost^(a) of A\$775 per ounce.

Catalpa's cash and gold stocks at 30 September 2010 was A\$39 million.

During the quarter Catalpa made its first loan repayment of A\$3 million to Macquarie Bank Limited. The total debt outstanding has now been reduced to A\$62 million.

The Company delivered approximately 22,000 ounces of gold into its hedging program which continues to deliver increased margins above spot price and further enhances the economics of the Edna May Gold Project. The remaining hedge position of 330,000 ounces represents approximately 30% of the Company's gold Reserves and approximately 17% of the Resources.

Exploration and resource definition drilling continues at both projects with planned expenditure of approximately A\$11 million at Cracow (100%) and A\$5 million at Edna May in FY 2011.

During the quarter resource development drilling at Edna May resulted in 1,975 metres of diamond core targeting the Edna May Reef at depths of greater than 350 metres below surface. The assay results from the first five holes of the current 20 hole program confirm the interpretation of continuing high grade reefs at depth. Preparation work commenced for the follow up of regional exploration target in the December quarter.

The accelerated exploration and resource definition drilling programs continued at Cracow. Exploration focused on regional greenfields exploration at Kilkenny South-East, Walhalla and Cracow South and returned a significant grade interception along the Kilkenny South East structure identifying the potential discovery of a new "Royal" style ore zone. Resource definition drilling continued Resource to Reserve conversion at Kilkenny and Phoenix in line with expectations.

(a) Cash cost plus depreciation and amortisation

Production Highlights

Production Highlights	Sep 2010 Qtr	Jun 2010 Qtr	Mar 2010 Qtr
Total Production - Ounces	21,140	18,274	6,437
Edna May Production - Ounces (100%)	13,413	9,808	-
Cracow Production - Ounces (30%)	7,727	8,466	6,437
Production Cash Cost A\$ per ounce⁽¹⁾	550	577	610
Achieved Gold Price A\$ per ounce	1,493	1,427	1,225

⁽¹⁾ Cracow only

Guidance FY 2011

Edna May is presently operating at design processing capacity of 2.8 million tonnes per annum. The impact of the SAG mill liner issues, sole plate and pinion failure and lower than anticipated stockpile grade have resulted in production losses reducing Edna May production to the lower end of FY 2011 guidance of 90,000 - 97,000 ounces of gold.

Expenditure at Edna May has been capitalised during ramp-up to full production.

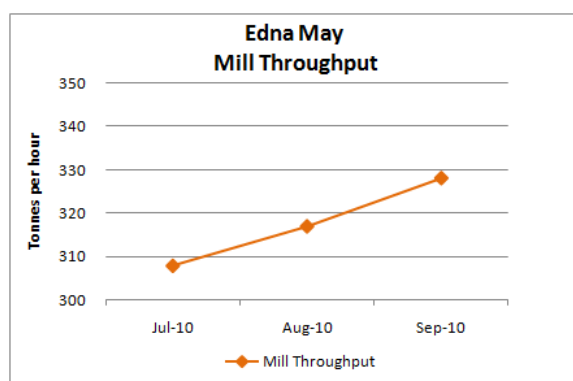
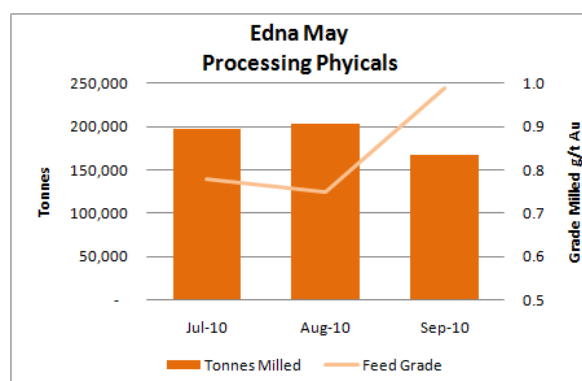
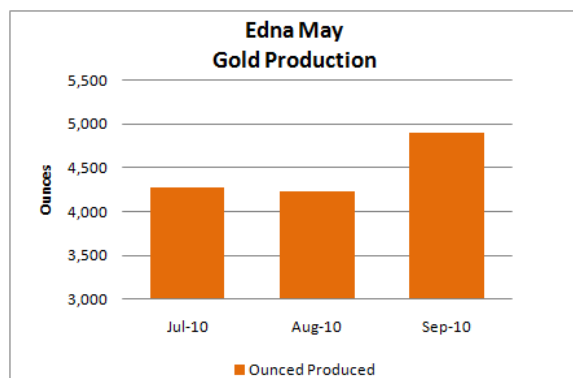
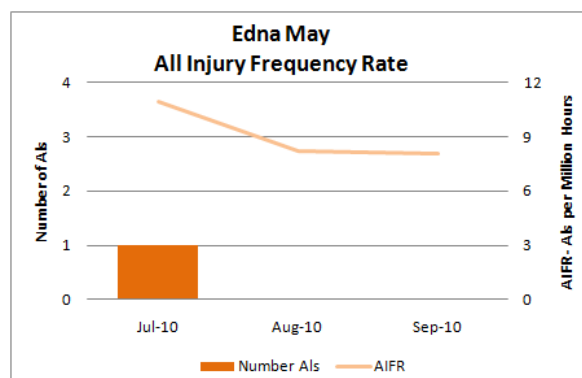
Cracow is on target to produce at the upper end of guidance of 25,000 – 30,000 attributable ounces of gold for the year.

Catalpa remains in line to deliver into its FY 2011 guidance of 115,000 – 127,000 ounces of gold.

Resource definition drilling at Edna May will continue to target a maiden underground Mineral Resource below the current final pit design by the end of the second quarter of FY 2011. Resource definition drilling will continue at Cracow with the aim of converting existing Mineral Resources into Ore Reserves while exploration will continue testing regional structures and conceptual targets in search of a new discovery.

Operations

Edna May (100%)



Health, Safety and Environment

The Edna May Gold Project was Lost Time Injury free for the quarter and project to date, continuing the Project's excellent safety record. Catalpa continues to focus on safety performance at Edna May with a welcome trend occurring on all safety frequency indicators.

During the quarter rehabilitation of land commenced as required by the operating licence and statistics reports for National Pollutant Inventory and National Greenhouse and Energy Reports Systems were submitted.

Mining

Mining has continued to focus on stripping waste from both the north and south side of the open pit to expose ore supply for the next two years. Geotechnical issues resulting in the failure in the upper weathered zone of the north wall in the June 2010 quarter of the open pit have been mitigated with additional waste stripping and flattening of the wall in the upper 40 metres of the weathered material. This additional stripping delayed access to the primary ore until late August 2010. Ore production for the first two months of the quarter was primarily oxide and transitional material from previously mined stockpiles. By the end of the quarter 100% of the ore feed was from in-pit ore sources. Wide expanses of fresh ore are now exposed in the base of the pit to provide feed to the mill.

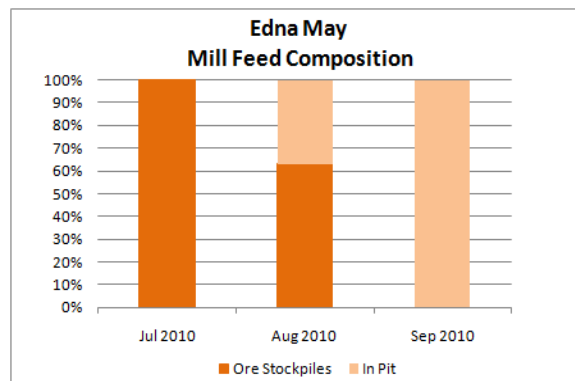


Figure 1 – Chart showing the Edna May Mill Feed Composition for the September Quarter



Figure 2 - View from the western end of the Edna May open pit showing the cutback of the failed upper oxide zone with flatten slopes (LHS) and exposure fresh ore (bottom RHS).

Noise bund construction has continued on the south side of the pit to shield the town and several neighbouring properties from noise and light associated with 24 hour operations. The bund walls will be completed within the second quarter of FY 2011.

The study to apply a cut over grade strategy to the Edna May ore body is continuing, utilising grade control data and grade simulations to quantify the viability and benefit of the strategy. Several trials of processing varying cut off grade ore to the mill will occur in the December 2010 quarter.

Geological and Plant Reconciliation

Geology activities continued during the quarter with grade control drilling for ore delineation and the opportunity for the first meaningful stockpile and ore resource reconciliations. The first two months of the quarter continued processing previously mined stockpile material. This material positively reconciled at a

feed grade of 0.8 g/t Au compared to the Resource grade of 0.7 g/t Au, but fell short of grade expectations compared to the June quarter, which had reconciled at a grade of 0.90 g/t Au.

With the processing of in-pit ore from late August, reconciliation of the Resource and grade control models against process plant production were completed. The reconciliation of the in-pit primary ore for the quarter showed that the Resource model to process plant production was within 1% on tonnes, grade and ounces.

September Quarter Reconciliation									
	Resource Model Measured + Indicated			Grade Control Model In Situ Ore			Process Plant Reconciled Mine Production		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Total	304,656	0.99	9,666	296,770	1.01	9,683	301,840	1.00	9,663
% Variance to Process Reconciled	0.9%	-0.9%	0.0%	-1.7%	1.9%	0.2%	0.0%	0.0%	0.0%

Figure 3 – September quarter reconciliation of Resource Model, Grade Control Model and Process Plant Production.

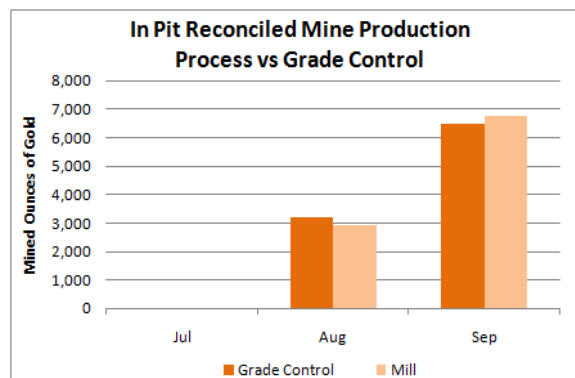


Figure 4 – September quarter reconciled mine production process vs grade control from in-pit ore

Processing

The processing plant treated 568,224 dry tonnes of ore to produce 13,413 ounces of gold. The processing plant was impacted by two major issues which resulted in 15 days lost production. The production loss related to the failure of the pinion sole plate and liner design issues in the SAG mill.

As reported to the market in late September 2010, the SAG mill was down for seven days to repair damage to the pinion bearing sole plate. The repair was affected and the mill is now operating within design tolerances.

The operation of the SAG mill was effected by high wear rates of the liners and lifters, which resulted in seven days of down time during the quarter. This issue had greater impact in the earlier part of the quarter due to the milling of previously mined stockpile material which was primarily softer oxide and transitional ores.

Steps have been taken to improve the design of the liner package in consultation with industry experts. The processing of in-pit ore from late August has reduced the wear rates on the liner package and along with the installation of a modified liner pack in mid November 2010, it is anticipated that wear rates will return to design parameters.

A number of positive results have also been identified and achieved during the quarter. At the end of the quarter;

- The SAG mill throughput rate continued at nameplate capacity of 330 dry tonnes per hour whilst processing fresh in-pit ore;
- Gold recovery is on target at 92%;
- Gravity gold recovery remains above 40%;
- Other plant operational losses associated with feed chute blockages have been resolved;
- Accelerated gold leaching rates continue;
- Significant improvement in electrical reliability with less than 1 hour lost during the quarter.

During the quarter monitoring of process water balance and tailing storage facility return resulted in the decision to construct a tailings thickener at a cost of A\$3.5 million. Construction of the tailing thickener will commence in the December quarter with commissioning of the unit by the end of the March quarter. The installation of the tailings thickener will improve water efficiency, reduce the operational risks associated with water supply, and reduce reagent consumption and process operating costs.

Community

During the quarter community engagement continued with the official opening of the Edna May Gold Project and a joint celebration to commemorate Westonia's gold find centenary on the 1st August 2010. The Western Australian Premier along with the community of Westonia joined the Catalpa management team to mark this occasion.



Figure 5 – Official Opening of the Edna May Gold Project



Figure 6 – Contestant from the period dress competition.

Edna May Exploration (100%)

Diamond drilling completed in the September quarter included a program from surface testing underground targets beneath the current open pit.

The results returned to-date from this program are encouraging and demonstrate the continuation of high grade mineralisation below the existing Mineral Resource. The ongoing program will focus on testing the continuity of high grade lodes at depth with a view to subsequent rehabilitation of the existing decline for further exploratory drilling and ultimately development of an underground Ore Reserve.

The drilling program will be executed over two stages. The first stage consists of 28 holes for 9,950 metres on a 20m x 30m spacing targeting mineralisation in an area immediately below the current open pit design. Potential for high grade reefs will be tested to 100 metres below the final pit design (~350 metres below surface) with a view to establishing short range continuity and understanding the local variability of the high grade reef structures.

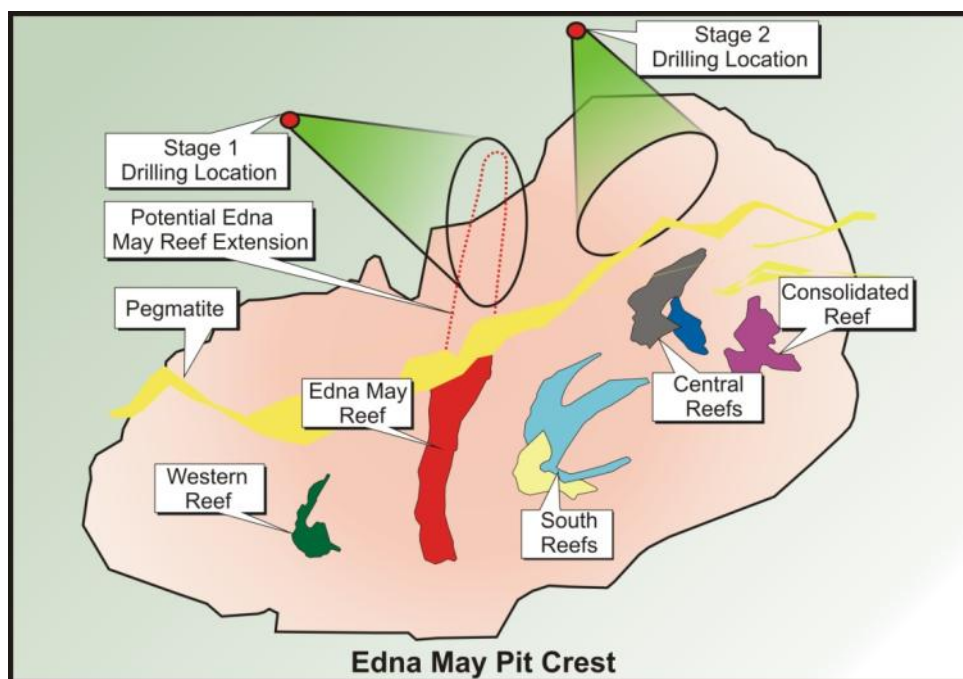


Figure 7 - Diamond Drilling Program location plan

The second stage will consist of 6 holes for 2,650 metres targeting north-easterly trending strike extensions to the Edna May and subsidiary quartz reefs. This is intended to further delineate and build the ounce profile per vertical metre and improve the economics of the underground potential.

The first five holes (20% of Stage 1 drilling program) were drilled during the September quarter providing gold intercepts that further support the potential for a maiden underground Mineral Resource. The A\$3.2 million Stage 1 program will continue to target underground mineralisation to provide further geological support for a maiden Ore Reserve. Initial intercepts are illustrated in figures 8 – 11 below.

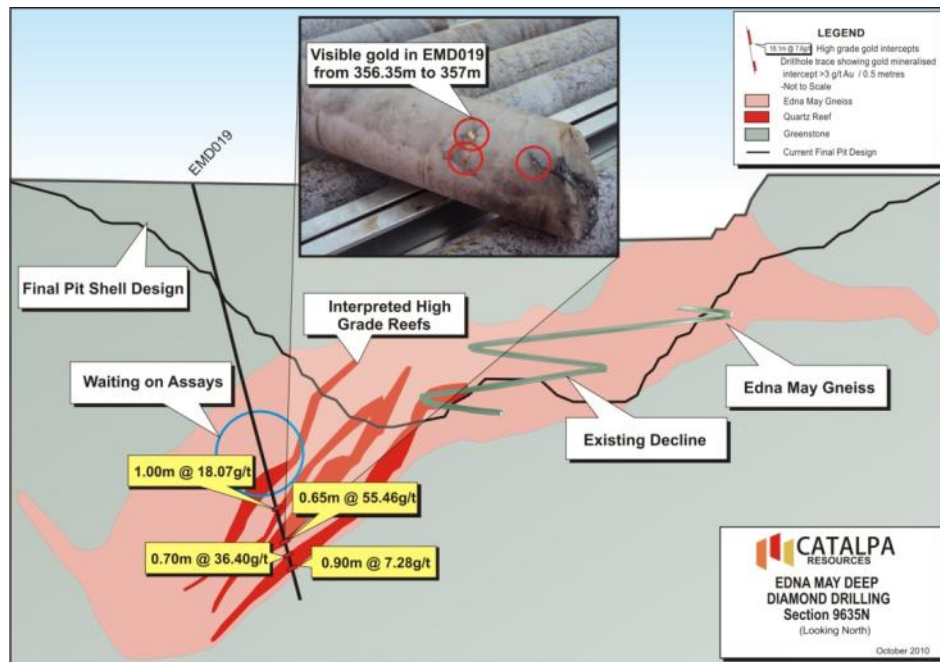


Figure 8 - 9635mN section looking north showing intercepts through Edna May Reefs

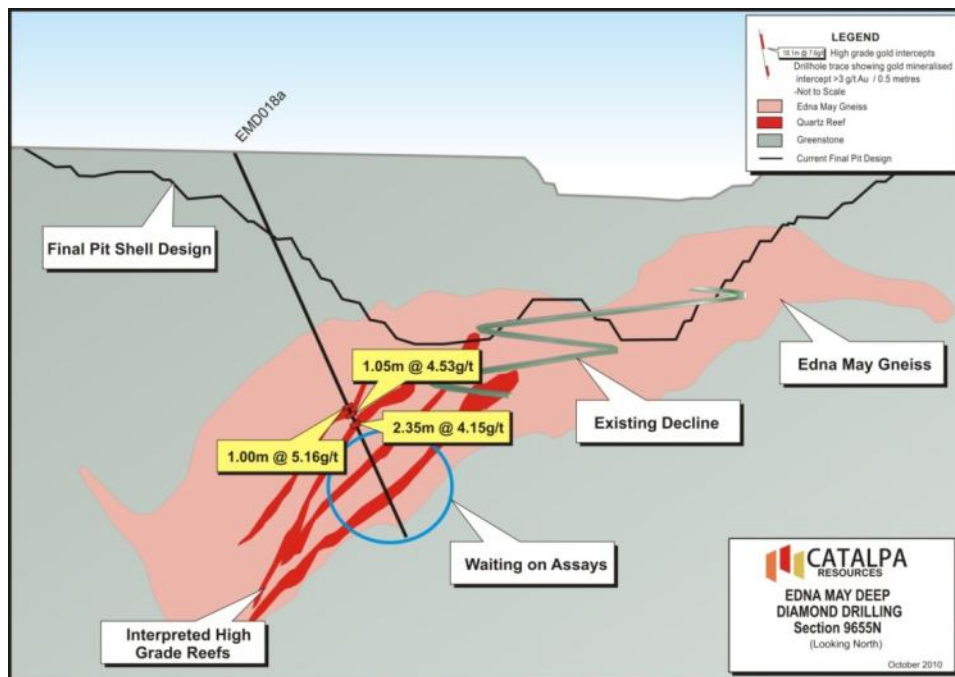


Figure 9 - 9655mN section looking north showing intercepts through Edna May Reefs

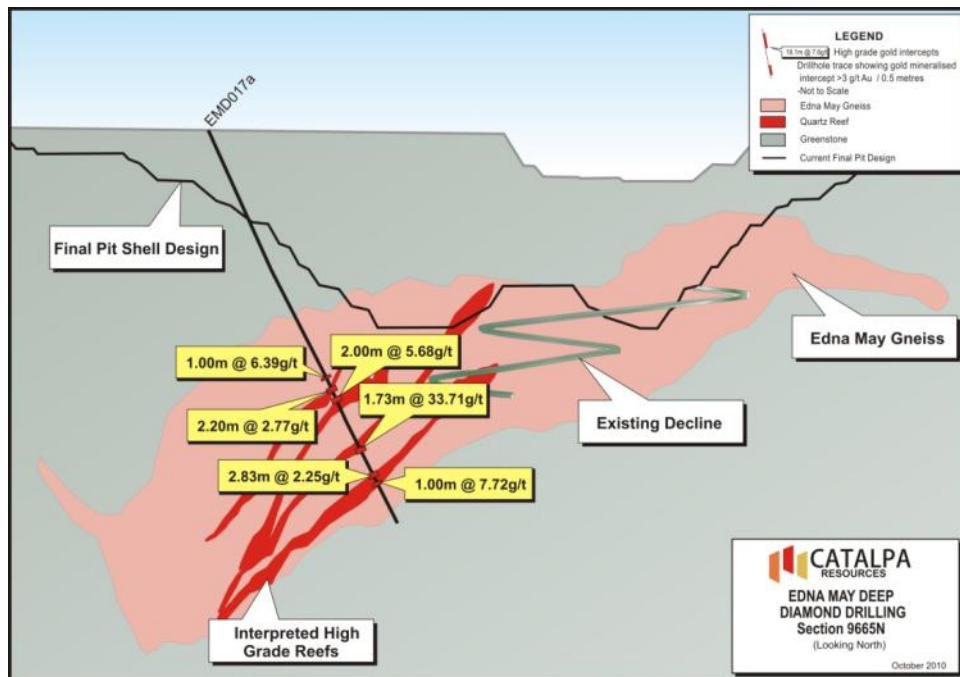


Figure 10 - A Section on 9665mN looking north showing intercepts through Edna May Reefs

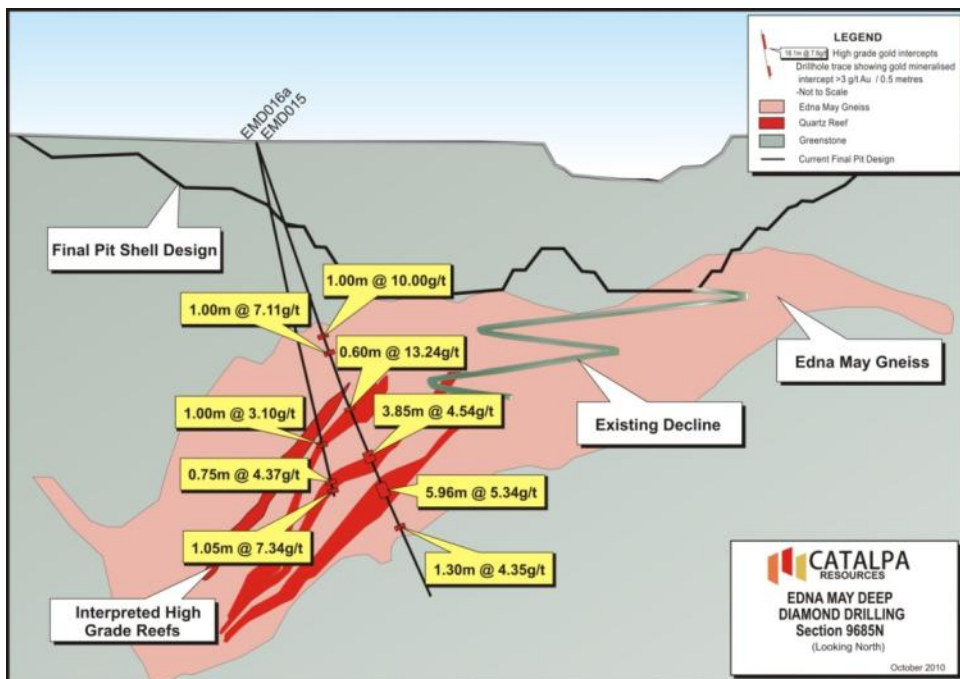


Figure 11 - 9685mN section looking north showing intercepts through Edna May Reefs

It is anticipated that the current drill program will enable estimation of an updated Mineral Resource by the end of the year and form the basis of a mining study to determine the potential for a concurrent underground mining operation in addition to the Edna May open pit.

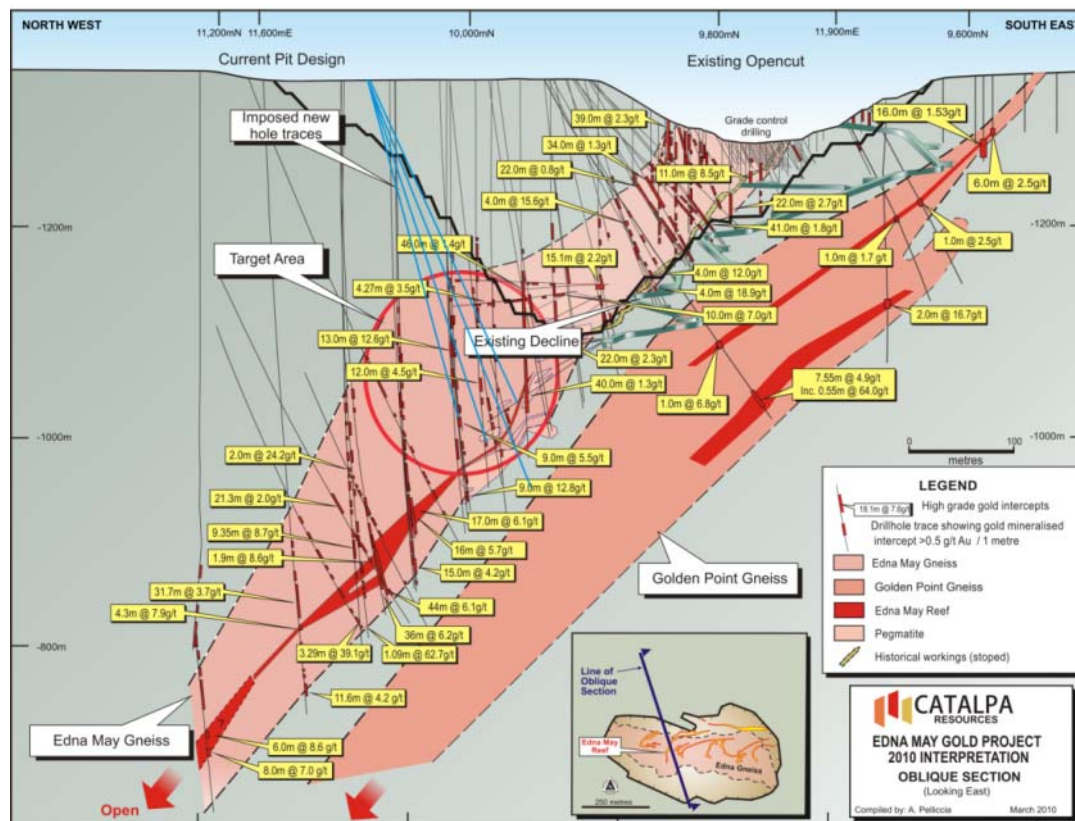


Figure 12 - Oblique section 12,075E showing historical drilling and the existing decline in relation to prospective underground opportunities at Edna May and Golden Point.

The development of a high grade ore source is very much in line with Catalpa's Five Year Business Plan to supplement open pit ore, and the philosophy of growing the annual ounce profile of the Project.

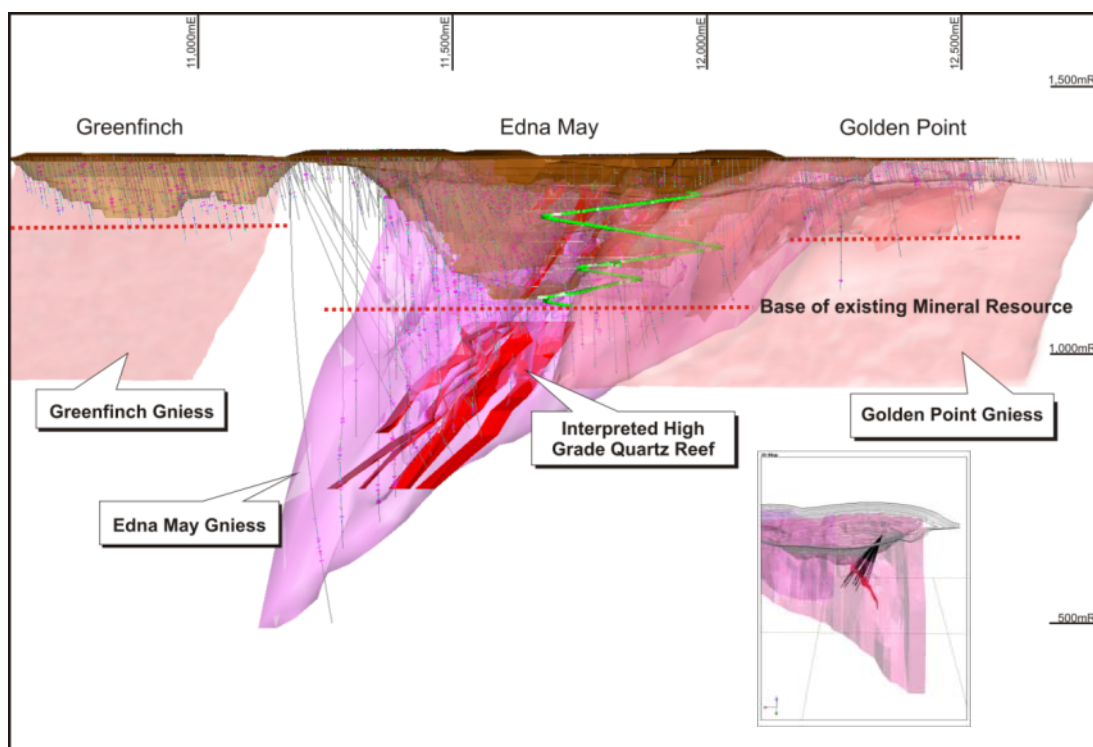


Figure 13 - Edna May Gold Project - Opportunities for Growth (inset of planned drilling)

A summary of assay results received to-date from the current diamond drilling campaign is tabulated below:

Significant Drill Intercepts									
Hole_Id	Mine East	Mine North	RL	Dip	Azi Mine Grid	mFrom	mTo	Interval Width	Au (g/t)
EMD015	11600	9683	1340	-70	97	183.50	184.50	1.00	10.00
EMD015	11600	9683	1340	-70	97	191.60	192.60	1.00	7.11
EMD015	11600	9683	1340	-70	97	254.20	254.80	0.60	13.24
EMD015	11600	9683	1340	-70	97	270.95	271.48	0.53	6.07
EMD015	11600	9683	1340	-70	97	287.38	288.30	0.92	3.11
EMD015	11600	9683	1340	-70	97	328.47	332.32	3.85	4.54
EMD015	11600	9683	1340	-70	97	338.45	339.45	1.00	4.01
EMD015	11600	9683	1340	-70	97	345.04	351.00	5.96	5.34
EMD015	11600	9683	1340	-70	97	373.80	375.10	1.30	4.35
EMD016a	11600	9683	1340	-79	97	279.75	280.75	1.00	3.10
EMD016a	11600	9683	1340	-79	97	313.70	314.45	0.75	4.37
EMD016a	11600	9683	1340	-79	97	313.70	314.45	0.75	4.37
EMD017a	11569	9664	1340	-65	94	195.30	196.30	1.00	4.88
EMD017a	11569	9664	1340	-65	94	226.20	227.20	1.00	6.39
EMD017a	11569	9664	1340	-65	94	265.00	267.20	2.20	2.77
EMD017a	11569	9664	1340	-65	94	270.85	272.85	2.00	5.68
EMD017a	11569	9664	1340	-65	94	286.35	288.08	1.73	33.71
EMD017a	11569	9664	1340	-65	94	313.50	314.20	0.70	5.11
EMD017a	11569	9664	1340	-65	94	334.00	334.70	0.70	4.32
EMD017a	11569	9664	1340	-65	94	348.35	351.18	2.83	2.25
EMD017a	11569	9664	1340	-65	94	360.60	361.60	1.00	7.72
EMD017a	11569	9664	1340	-65	94	370.67	371.40	0.73	4.22
EMD018a	11562	9652	1340	-65	95	262.70	263.70	1.00	5.16
EMD018a	11562	9652	1340	-65	95	268.35	269.40	1.05	4.53
EMD018a	11562	9652	1340	-65	95	276.25	278.60	2.35	4.15
EMD019	11570	9634	1340	-65	95	310.15	311.15	1.00	18.07
EMD019	11570	9634	1340	-65	95	313.47	314.55	1.08	3.24
EMD019	11570	9634	1340	-65	95	327.75	328.75	1.00	4.70
EMD019	11570	9634	1340	-65	95	340.20	341.07	0.87	4.21
EMD019	11570	9634	1340	-65	95	343.40	344.05	0.65	55.46
EMD019	11570	9634	1340	-65	95	356.30	357.00	0.70	36.40
EMD019	11570	9634	1340	-65	95	364.00	364.90	0.90	7.28
EMD019	11570	9634	1340	-65	95	383.70	384.90	1.20	3.72

Note: Sampling conducted between geological features or 1m intervals down hole. All samples assayed using a total digest of a 40g charge by fire assay method.
NSR = No significant Result.

Regional

Statutory permitting for the planned RAB and Aircore drilling program has been received. The drilling will test historical gold workings, auger gold anomalies, 'magnetic low targets' (Edna May lookalike) and two gold geochemical anomalies. One of the geochemical anomalies is a well defined 48ppb 'bulls-eye' gold target and the other is a series of gold anomalous values to 49ppb coincident with a aeromagnetic lineament which extends from a nearby, recently defined gold resource.

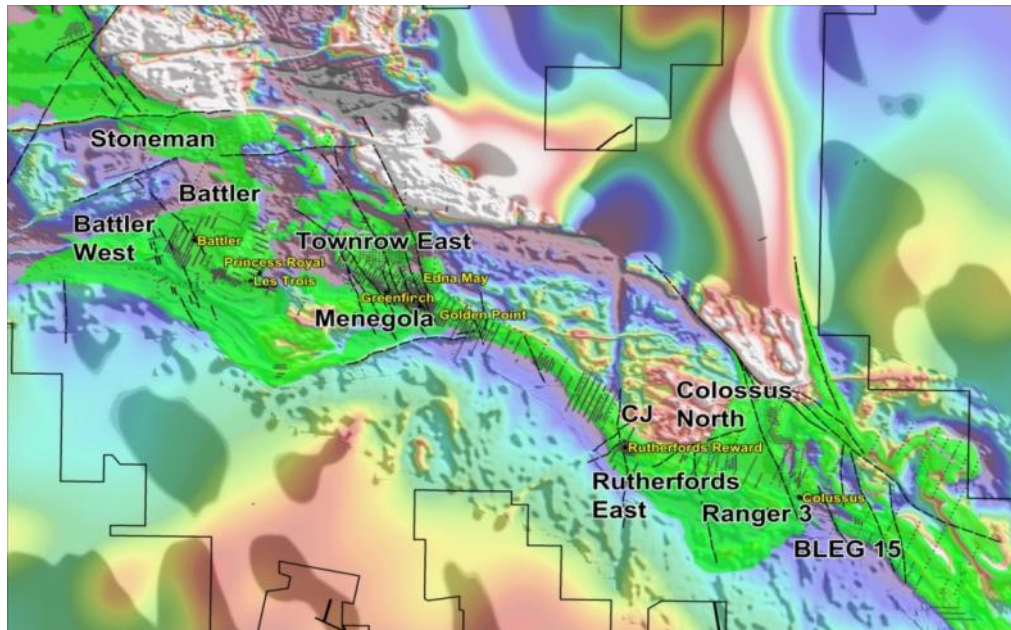


Figure 14 Regional exploration drill targets

The regional exploration RC and air core drilling will be conducted in two phases. Phase one is virtually complete (awaiting assays) and phase two, involving the testing of targets in cropped paddocks, will commence after harvesting in the March quarter 2011. The drilling varies from first pass tests of gold geochemical anomalies and 'magnetic lows' not previously drilled, follow up and scoping of earlier promising drilling intercepts and downdip tests of historical underground workings.

Early indications from drill chips in drill holes, however, show the presence of favourable features and lithologies found in the largest gold deposit of the region ie. the Edna May deposit.

Cracow (30%)

The Cracow Gold Mine is located in central Queensland, Australia, approximately 4 kilometres from the township of Cracow and approximately 500 kilometres northwest of the city of Brisbane.

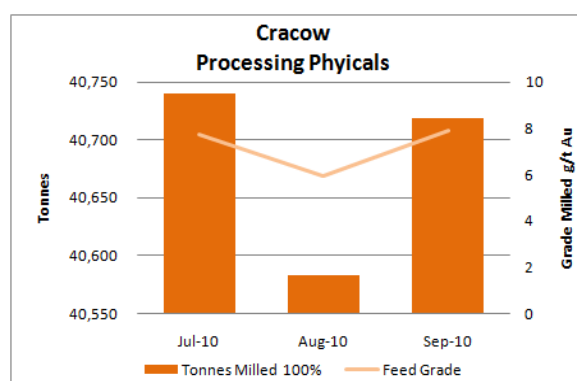
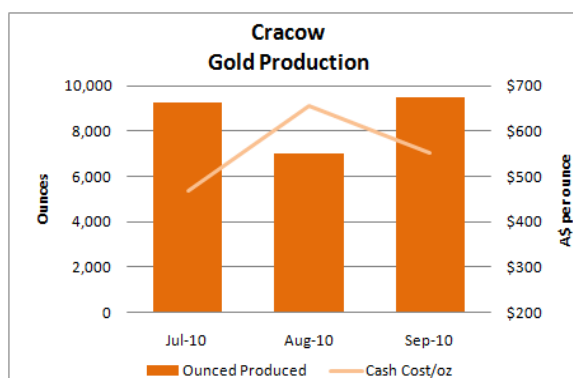
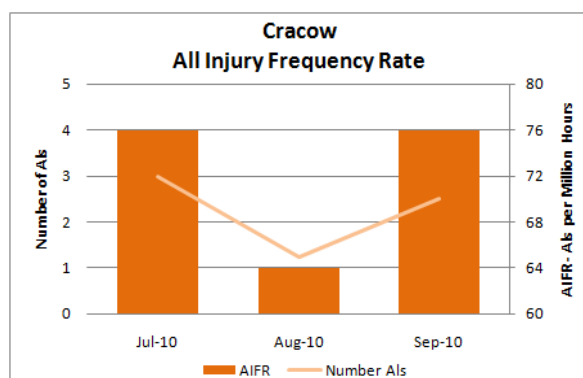
The Mine commenced operations in November 2004 and has consistently produced around 100,000 ounces of gold per annum for the last three years. Ore throughput capacity exceeds 400,000 tonnes per annum with ore currently being sourced from the Royal, Sovereign, Klondyke and Crown mineralised zones. The gold mineralization occurs in steeply dipping low sulphidation epithermal fissure quartz veins developed at the intersection of major structures.

The Cracow Gold Mine is operated by Newcrest (70%) on behalf of the Cracow Mine Joint Venture. Catalpa's 30% share of gold produced at the Cracow Gold Mine for the three months to 30 September 2010 was 7,727 ounces at cash operating cost of \$550/ounce. The 30% share of Cracow is unhedged and unleveraged and continues to be fully exposed to the currently high A\$ gold price providing a strong cashflow stream.

The Cracow Gold Mine is a developed underground operation with a high quality management team. Cracow produces 95,000 – 105,000 ounces of gold annually and has outstanding potential to add substantially to the mine life through exploration success.



The Cracow Gold Mine is located in the Theodore region of southern Queensland and is very well located with good infrastructure and access. The majority of staff and contractors operate on a fly-in-fly-out roster from the Sunshine Coast or Brisbane.



Health, Safety and Environment

No Lost Time Injuries (LTI) or Serious Potential Incidents occurred during the September quarter with site extending its LTI free days at the end of September 2010 to 493.

No significant environmental incidents were reported in the quarter.

Production

Gold production increased during the quarter in line with forecast to 30 September 2010.

Quarterly Production Summary (30% Attributable basis)						
		Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
Total Ore Mined	tonnes	34,312	35,369	37,476	37,678	35,069
Ore Processed	tonnes	34,283	35,397	35,555	38,732	36,613
Ore Grade	g/t Au	8.49	6.97	6.15	7.47	7.19
Met Recovery	%	92.9	91.2	91.6	92.2	91.2
Gold Produced	Oz	8,694	7,231	6,437	8,466	7,727

Cost Summary

Quarterly Cost Summary (30% Attributable basis)						
		Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
Gold Produced	(oz)	8,694	7,231	6,437	8,466	7,727
Nominal Gold Price	(A\$/oz)	1,147	1,220	1,225	1,388	1,349
Cash Cost	(A\$/oz)	436	545	610	577	550
Operating Cashflow	(A\$M)	6.2	4.9	4.0	6.9	6.2
Capital Costs	(A\$M)	1.3	1.5	1.3	1.4	2.0
Exploration	(A\$M)	0.4	0.4	0.6	0.6	1.5

Cracow Exploration (30%)

Cracow had significant exploration and resource definition success during the quarter. Resource definition drilling of the Kilkenny and Phoenix shoots continues to return mineralised intersections in-line with expectations. Drilling continues from underground as part of the accelerated exploration and resource definition program for FY 2011. The objective of this drilling is to increase Resource and Reserve at the Cracow Gold Project.

Significant intercepts in the quarter included:

- 4.8m (4.1m)* @ 14.0 g/t Au from 159m in K KU033
- 6.1m (6.1m)* @ 9.3 g/t Au from 171 in K KU039
- 5.1m (4.5m)* @ 19.0 g/t Au from 161.7m in K KU041
- 7.0m (4.9m)* @ 6.7 g/t Au from 206.5m in K KU042
- 11.2m (8.5m)* @ 5.5 g/t Au from 197.0m in K KU043
- 5.8m (5.4m)* @ 9.2 g/t Au from 158.2m in K KU044

Resource definition drilling at Phoenix has returned the following best intercepts of:

- 7.9m (5.0m)* @ 7.2 g/t Au in PHU023
- 2.3m (1.4m)* @ 6.11 g/t Au in PHU031
- 1.3m (1.2m)* @ 6.97 g/t Au in PHU034

* Note: the number in brackets is the estimated true width

Regional exploration in the quarter included diamond and RC drilling at Walhalla, southern Western Field and Cracow South to define drilling targets where a repeat of the Cracow Goldfield is targeted.

Significant exploration assay results were returned from a surface diamond drill program, testing mineralisation on the Kilkenny South East structure, some 500 metres south of the known mineralisation at the Cracow Gold Project.

CBK295W1 intersected the Kilkenny SE structure and has returned a result of **1.3m @ 7.8 g/t Au, 250 g/t Ag, from 1089.8m** indicating the potential for a new ore zone. The intercept correlates with a narrow breccia containing crustiform banded quartz-adularia veining indicative of mineralised systems at Cracow.

The presence and characteristics of the multiple-phase quartz vein clasts within this structure suggests possible proximity to high grade gold mineralisation. The textures and mineralogy of the epithermal veining are similar to that observed proximal to the Royal Shoot.

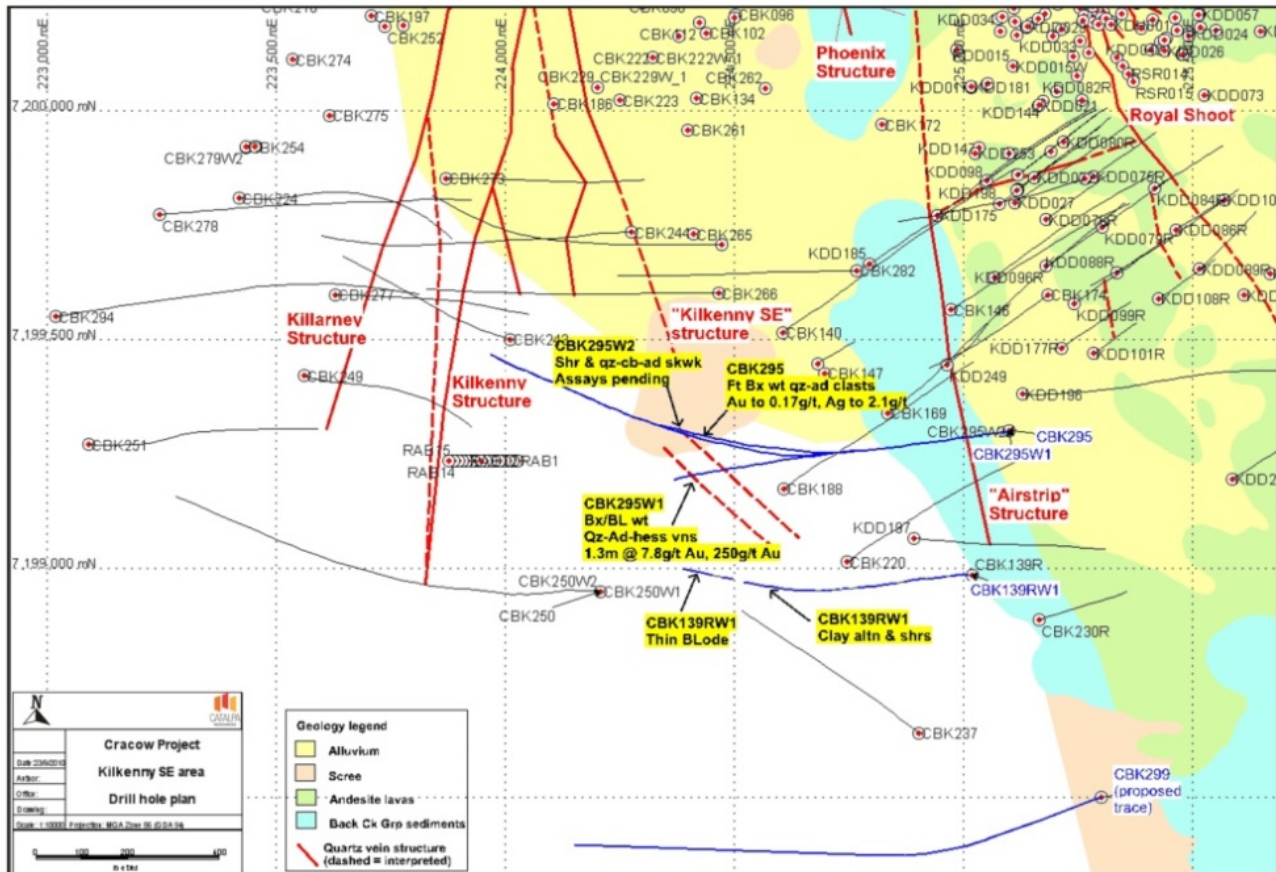


Figure 15 Kilkenny SE Area drill hole location plan.

Follow up drilling will determine the strike and depth extents of the mineralisation intercepted in CBK295W1.

Mineral Resource and Ore Reserve Statement at 30 June 2010

Total Mineral Resources after mining depletion are estimated at 1.98 million ounces of gold, including 24K ounces of gold in stockpiled material to 30 June 2010.

At Edna May, the Mineral Resource has been estimated to a maximum depth of 300 metres below surface. The Mineral Resource excludes mineralisation defined from previous deep (+300 metre) diamond drilling programs. A focus for Catalpa's exploration campaign in 2010 is to target the deeper mineralisation, in an effort to move it towards a JORC compliant Mineral Resource for underground targets in addition to advancing Golden Point, Greenfinch and drill testing regional targets. The applied cut-off grade is 0.4 g/t Au to reflect the economic cut-off grade at A\$1,250 per ounce.

Total Ore Reserves after mining depletion are estimated at 1.07 million ounces of gold, including stockpiles to 30 June 2010.

At Edna May a gold price of A\$1,250 was used in the Ore Reserve estimate which 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 330,000 ounces at A\$1,557 per ounce.

Mineral Resource Statement – 30 June 2010

	Measured			Indicated			Total Measured & Indicated			Inferred			Total Measured, Indicated & Inferred		
	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 & Golden Point	21.9	1.05	737	15.9	0.99	504	37.8	1.02	1,241	10.1	0.86	280	47.9	0.99	1,521
Cracow JV*	0.2	8.6	44	0.2	7.8	54	0.4	8.2	98	1.1	6.0	208	1.4	6.6	305
Stockpiles				1.2	0.62	24	1.2	0.62	24	-	-	-	1.2	0.62	24
TOTAL	23.0	1.12	811	19.8	1.03	662	42.8	1.08	1,473	11.8	1.36	508	54.5	1.13	1,980

Effective Holdings

- Catalpa owns 100% of the Edna May Gold Project
- Catalpa owns 30% of the Cracow Gold Project

Edna May and Greenfinch Footnotes

- Edna May April 2010 and Greenfinch December 2009, Mineral Resources, were 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 envelopes and in accordance with the Australian JORC Code.
- The Resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction into 25 metres (East) by 15 metre (North) by 5 metre (Elevation) model blocks and assuming smallest mining unit for ore selection in mine grade control of 5 metres (East) by 3 metres (North) by 2.5 metres (Elevation).

- 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.
- Edna May and Greenfinch Mineral Resource figures are stated at the 30 June, 2010 on an attributable 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.

Cracow Footnotes

- The Mineral Resources have been reported above a cut-off grade of 2.8g/t Au, and is based on a US\$800 per ounce gold price and 0.75 USD:AUD exchange rate (A\$1066 per ounce).
- All Mineral Resource figures are stated at the 30 June 2010 on a 30% attributable basis, with depletion by production where relevant.
- 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 small discrepancies may exist
- The reported Cracow Mineral Resource is based on a Competent Persons Statement provided by Newcrest Mining Limited on behalf of the Cracow Mining Joint Venture. Cracow is an unincorporated joint venture between Catalpa (30%) and Newcrest (70%).

Ore Reserve Statement – 30 June 2010

	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	16.6	1.09	582	8.8	1.09	308	25.4	1.09	890
Cracow JV*	0.1	7.60	35	0.1	5.60	34	0.3	7.70	69
Stockpiles				1.2	0.62	24	1.2	0.62	24
Total	17.5	1.13	645	11.8	1.07	424	29.4	1.14	1069

Effective Holdings

- Catalpa owns 100% of the Edna May Gold Project
- Catalpa owns 30% of the Cracow Gold Project

Edna May and Greenfinch Footnotes

The Edna May & Greenfinch Ore Reserve, which was estimated using Whittle Software based on relevant diluted mining Au cut-off grades in accordance with the Australian JORC Code, is summarised in the following table:

- A gold price of A\$1,250 per ounce has been assumed in estimating the Greenfinch and Edna May Ore Reserves
- The economic cut-off grade applied to the Edna May and Greenfinch Ore Reserve was 0.4g/t Au
- Edna May and Greenfinch Ore Reserve figures are stated at the 30 June, 2010 on a 100% attributable 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 Ore Reserves.
- Due to rounding of figures small discrepancies may exist.

Cracow Footnotes

- The Ore Reserve has been reported above a cut-off grade of 2.9g/t Au and is based on a US\$750 per ounce gold price and 0.75 USD:AUD exchange rate (A\$1000 per ounce).
- All Ore Reserve figures are stated at the 30 June 2010, with depletion by production where relevant.
- The Ore Reserve figures are shown on a 30% attributable basis.
- Due to rounding of figures small discrepancies may exist.
- The reported Cracow Ore Reserve is based on a Competent Persons Statement provided by Newcrest Mining Limited on behalf of the Cracow Mining Joint Venture. Cracow is an unincorporated joint venture between Catalpa (30%) and Newcrest (70%).

Corporate Profile

Catalpa Resources Limited (ASX: CAH) has two exciting gold assets; a 30% interest in the 100,000 ounce per annum Cracow Gold Project - a producing gold mine in Queensland (70% Newcrest Mining Limited); and the 100,000 ounce per annum Edna May Gold Project 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 a remaining sold forward position of approximately 330,000 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 Project alone.

With a combined Mineral Resource of more than 1.9 million ounces and a combined Ore Reserve of more than 1.0 million ounces of gold (refer announcement dated 27th May 2010), the Cracow and Edna May will provide a sustainable cash flow to fund Catalpa's growth strategy.

Catalpa is confident that both Cracow and Edna May offer further Reserve and Resource growth potential, with ongoing exploration programs 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.



Corporate Information

Board Members

Peter Maloney	Non Executive Chairman
Bruce McFadzean	Managing Director
John Rowe	Non Executive Director
Barry Sullivan	Non Executive Director
Murray Pollock	Non Executive Director
Graham Freestone	Non Executive Director

Registered and Principal Office

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Competent Persons Statement

The exploration data have been supplied according to the JORC Code for the reporting of Mineral Resources and Ore Reserves by Nick Winnall (Exploration Manager), a full-time employee of Westonia Mines Limited. Mr. Winnall is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and 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. Winnall 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 Edna May and Greenfinch Mineral Resource has been compiled by Mr Nic 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 Johnsons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The reported Edna May and Greenfinch 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.

The information in this report that relates to the Cracow Mineral Resource is based on work completed by Mr Craig Irvine, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Irvine is a full time employee of Newcrest and 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'. Newcrest gives Catalpa Resources Limited consent to use this estimate for reporting purposes.

Further Information

Bruce McFadzean
Managing Director
Catalpa Resources Limited
Tel (08) 9321 3088

Adrian Pelliccia
Manager Business Development
Catalpa Resources Limited
Tel (08) 9321 3088

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

CATALPA RESOURCES LIMITED

ABN

74 084 669 036

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$'000	Year to date (3 months) \$'000
1.1	Receipts from gold sales	11,295	11,295
1.2	Payments for		
	(a) production	(4,686)	(4,686)
	(b) administration	(2,501)	(2,501)
	(c) exploration	(313)	(313)
1.3	Interest and other items of a similar nature received	368	368
1.4	Interest and other costs of finance paid	(3)	(3)
1.5	Income taxes paid	-	-
1.6	Other (provide details if material)	-	-
Net Operating Cash Flows		4,160	4,160
Cash flows related to investing activities			
1.7	Payment for purchases of:		
	(a) Gold sale receipts capitalised	21,481	21,481
	(b) Interest paid and capitalised	(1,554)	(1,554)
	(c) Processing and mining costs capitalised	(16,677)	(16,677)
	(c) project development	(4,476)	(4,476)
1.8	Proceeds from sale of:		
	(a) prospects	-	-
1.9	Loans to other entities	-	-
1.10	Loans repaid by other entities	-	-
1.11	Other	-	-
1.12	Other	-	-
Net investing cash flows		(1,226)	(1,226)
1.13	Total operating and investing cash flows (carried forward)	2,934	2,934

	Current quarter \$'000	Year to date (3 months) \$'000
1.13 Total operating and investing cash flows (brought forward)	2,934	2,934
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	13	13
1.15 Proceeds from borrowings	-	-
1.16 Repayment of loan	(3,000)	(3,000)
1.17 Repayment of other borrowings	(82)	(82)
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	(3,069)	(3,069)
Net increase (decrease) in cash held	(135)	(135)
1.20 Cash at beginning of quarter/year to date	35,113	35,113
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	34,978	34,978

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$'000
1.23 Aggregate amount of payments to the parties included in item 1.2	190
1.24 Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	62,000	62,000
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$'000
4.1 Exploration and evaluation	680
4.2 Development	4,224
4.3 Production	38,960
4.4 Administration	2,330
Total	46,194

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	18,814	26,075
5.2 Deposits at call	16,164	9,038
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	34,978	35,113

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P77/3712	Option allowed to lapse	Option over 100%	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	162,761,046	162,761,046		Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	11,735	11,735	\$1.10	Fully Paid
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	
(b) Decreases through securities matured, converted	-	-	-	

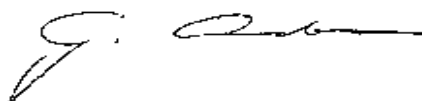
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7 Options (description and conversion factor)	5,390,870	5,390,870	<i>Exercise price</i> \$1.10	<i>Expiry date</i> 31/10/2011
	18,182	-	\$1.137	22/11/10
	375,004	-	\$0.867	23/12/2013
	375,004	-	\$1.087	23/12/2013
	397,731	-	\$1.307	23/12/2013
	340,912	-	\$1.527	23/12/2013
	56,819	-	\$0.647	23/12/2013
	113,637	-	\$0.647	11/03/2014
	113,637	-	\$0.867	11/03/2014
	113,637	-	\$1.087	11/03/2014
	113,637	-	\$1.307	11/03/2014
	6,060,606	-	\$0.83	31/03/2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	11,735	11,735	\$1.10	31/10/2011
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

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Sign here:
(Company secretary)

Date: 25 October 2010

Print name: GRAHAM DOUGLAS ANDERSON

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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