

## Media Release / ASX Announcement

2 June 2011

### DRILLING INTERSECTS SIGNIFICANT EXTENSION TO GOLD REEFS OUTSIDE EDNA MAY RESOURCE

#### HIGHLIGHTS

- **Extensions to the Edna May Reef and Western Reef have been intersected up to 100 metres below the base of the new underground Mineral Resource**
- **Strong potential for Resource growth with high-grade intersections returned**
- **Best intersections include:**
  - **6.15 metres @ 8.5g/t gold from 677.4m**
  - **1.10 metres @ 78.8g/t gold from 664.1m**
  - **1.20 metres @ 22.2g/t gold from 641.1m**
  - **1.20 metres @ 11.2g/t gold from 621.0m**
- **Fully funded drilling programmes are ongoing, targeting priority areas for Mineral Resource upgrade and expansion within the multi-million ounce Edna May gold system laterally and at depth**

Catalpa's Managing Director and CEO Mr Bruce McFadzean commented that: "The strength of these Resource expansion drill results continues to support the potential for a concurrent underground operation at Edna May.

"These results extend the Edna May Reef and Western Reef mineralisation a further 100 metres beyond the current Resource. We will immediately refine our drilling programme to enable the estimation of an Inferred Resource in this area."

#### ASX Codes

Shares: CAH

Options: CAHOB

Shares on issue:

**178,014,015**

Share Price Current:

**A\$1.80 (1 June 2011)**

12 month range:

**A\$2.27 (high) - A\$1.36 (low)**

Market Capitalisation:

**A\$320 million**

#### Board of Directors

Mr Peter Maloney	Non-executive Chairman
Mr Bruce McFadzean	Managing Director and CEO
Mr John Rowe	Non-executive Director
Mr Barry Sullivan	Non-executive Director
Mr Graham Freestone	Non-executive Director
Mr Murray Pollock	Non-executive Director

#### Senior Management

Mr Erik Palmbachs	Chief Financial Officer and Company Secretary
Mr Stuart Pether	Chief Operating Officer
Mr Nick Winnall	Manager Exploration
Mr Adrian Pelliccia	Manager Business Development
Mr John Winterbottom	Manager Geology
Ms Raelene Wyatt	Manager HR
Mr John Fraser	General Manager - Edna May

**Catalpa Resources Limited (ASX:CAH), the emerging mid-tier Australian gold producer,** is pleased to present drill results from holes EMD042, EMD0043A and EMD069 of on-going diamond drilling programmes testing the significant potential of the outstanding, multi-million ounce Edna May gold system, Westonia, Western Australia.

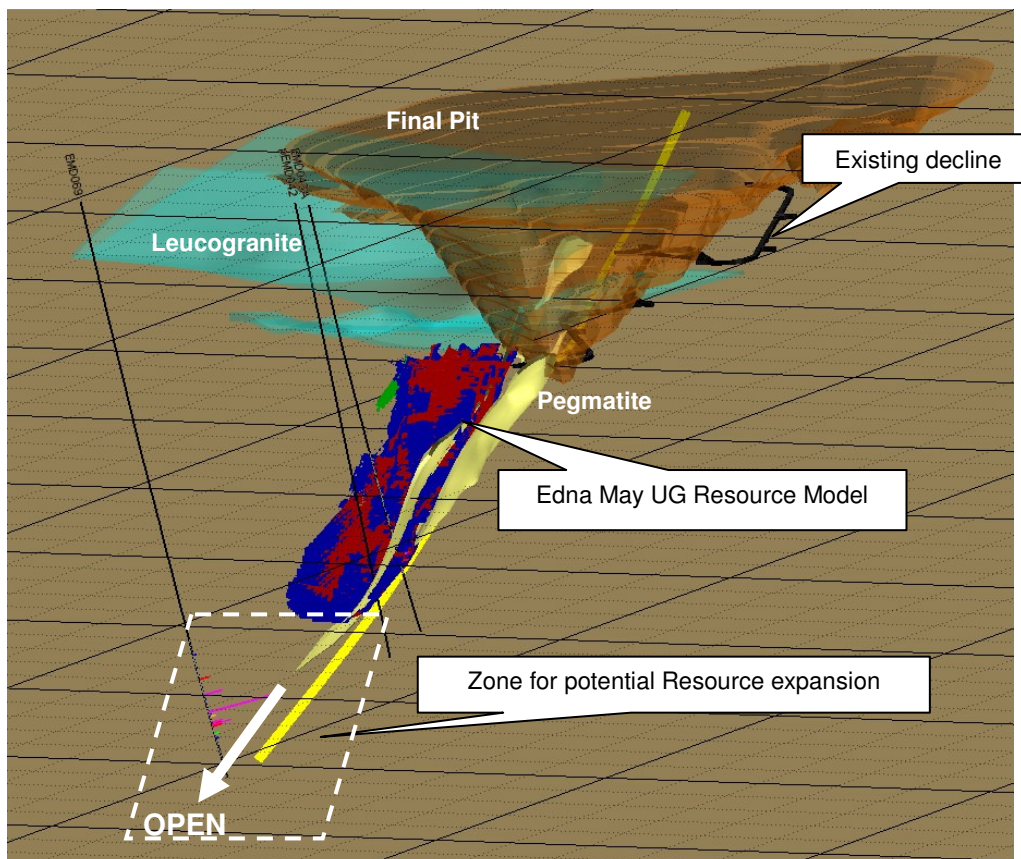
Hole EMD069 of the ‘Deeps’ drilling programme designed to test for depth extensions to mineralisation beneath the newly released Underground Mineral Resource upgrade successfully identified high grade reef mineralisation approximately 100 metres down dip from the base of the Resource (550m depth).

Hole EMD069 intersected the Edna May Reef and Western Reef as predicted based on structural interpretations and returned a best intersection of **6.15 metres at 8.5g/t gold** from 677.4 metres. EMD069 also intersected extensions to two high grade gold reefs returning **1.10 metre at 78.8g/t gold** from 664.1 metres and **1.20 metres at 22.2g/t gold** from 641.4 metres (Figure 2).

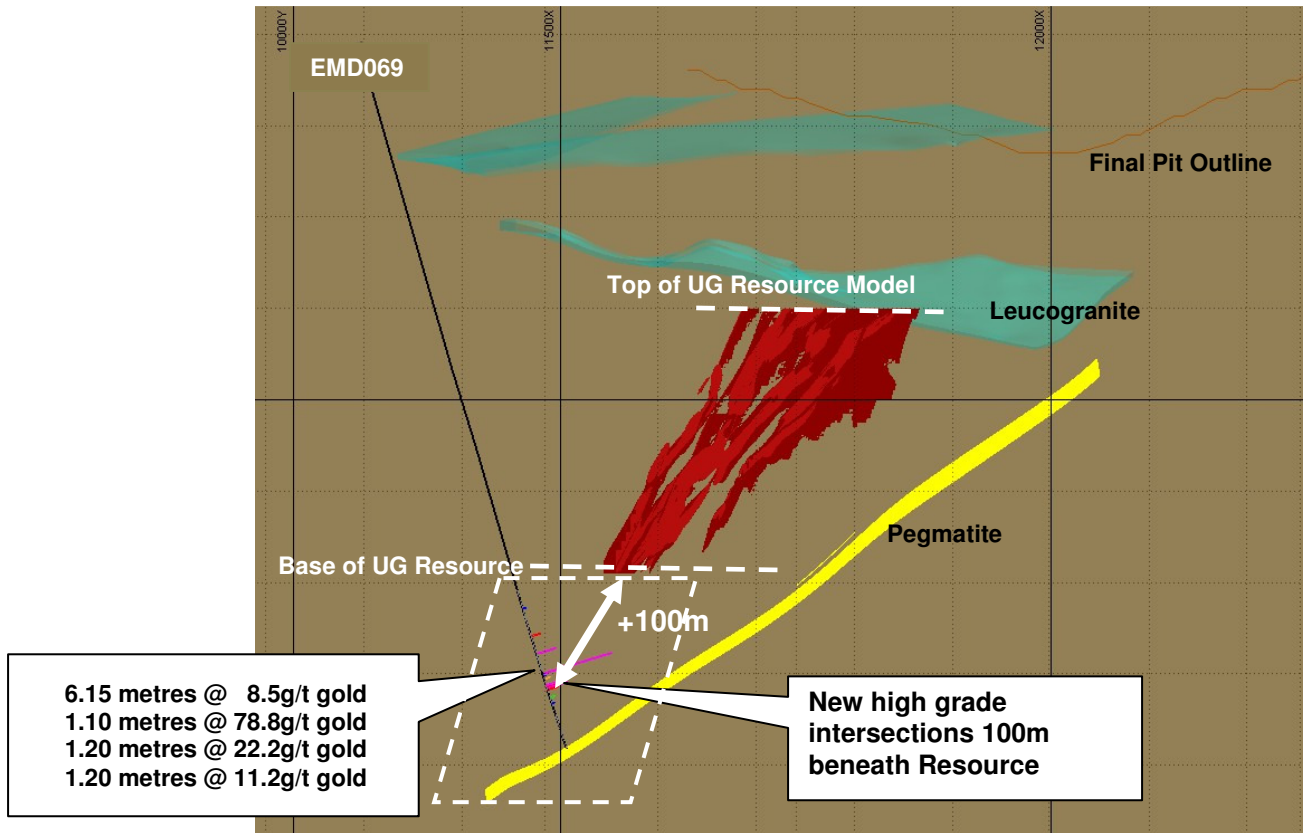
Holes EMD042 and EMD043A of Stage 3 drilling, designed to test for both depth and lateral extensions to mineralisation, successfully intersected reef structures as anticipated with the return of best intersections **1.20 metres at 20.8g/t from 487.5 metres** and **1.15 metres at 10.3g/t gold** from 493.8 metres respectively (Figure 3). Hole EMD043A was included in the May 2011 Mineral Resource update. Significant intersections are presented in Table 1.

Results from this latest drilling, together with previous high grade drill results, demonstrate the significant potential for further Resource growth within the multi-million ounce Edna May gold system at depth and along strike. Results also support the Company’s objective of developing a high grade underground operation concurrent with existing operations to provide high grade feed to the Edna May plant in 2012.

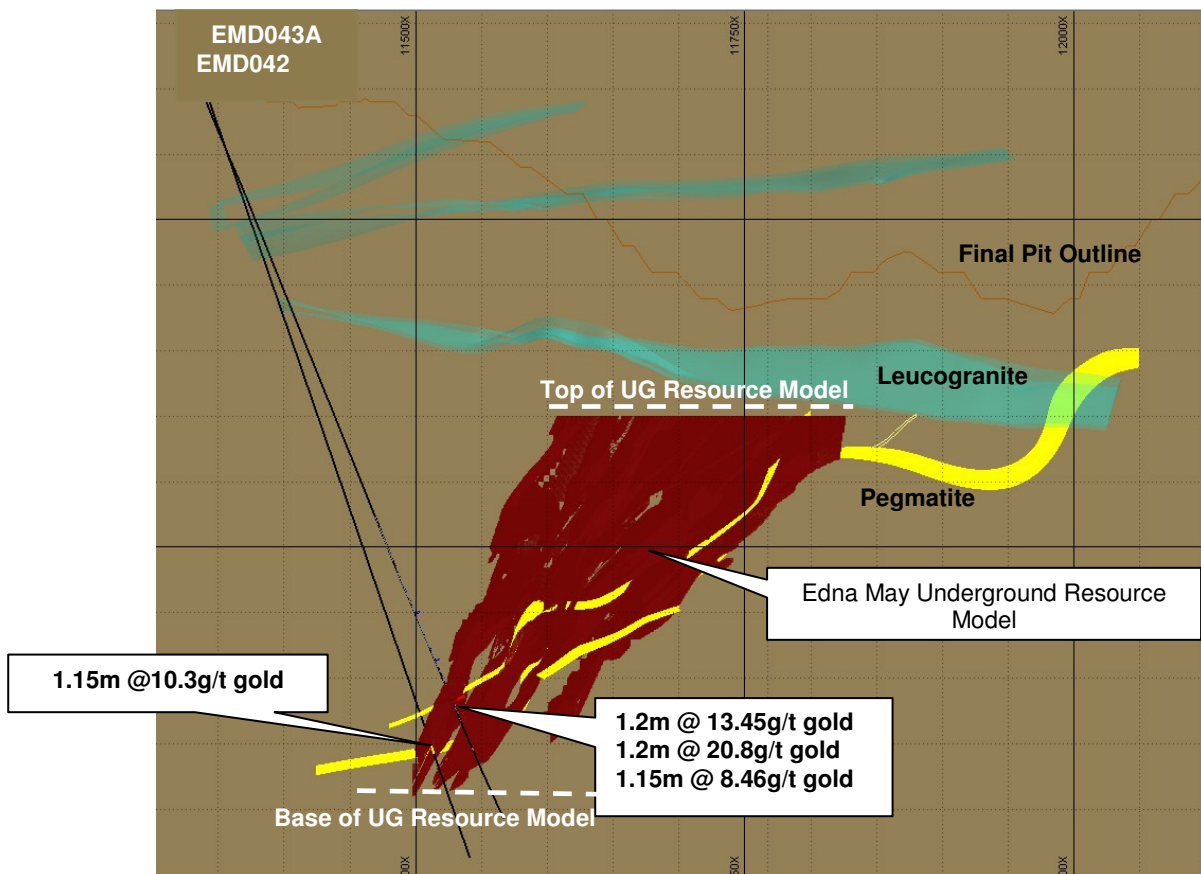
**Figure 1: 3D view of drill hole locations from current Edna May drill programmes**



**Figure 2: Schematic Oblique Section of the Edna May Underground Resource Model and Hole EMD069 showing mineralisation 100 metres beneath the existing Resource**



**Figure 3: Schematic Oblique Section of the Edna May Underground Resource Model and Diamond Holes EMD042 and EMD043A**



**Table 1: Tabulation of Significant Intersections Subsequent to Previous Announcement**

Edna May Significant Diamond Drill Intercepts									
Hole	Mine East	Mine North	RL	Dip	Azi Mine Grid	From (m)	To (m)	Interval Width	Au (g/t)
EMD042	11344	9705	1340	-71	093	473.10	474.30	1.20	13.5
EMD042	11344	9705	1340	-71	093	487.50	488.70	1.20	20.8
EMD042	11344	9705	1340	-71	093	515.40	517.25	1.85	5.2
EMD042	11344	9705	1340	-71	093	524.15	525.30	1.15	6.0
EMD042	11344	9705	1340	-71	093	542.95	544.10	1.15	8.5
EMD043A	11340	9686	1340	-68	094	482.20	483.25	1.05	6.7
EMD043A	11340	9686	1340	-68	094	485.50	486.20	0.70	14.0
EMD043A	11340	9686	1340	-68	094	493.80	494.95	1.15	10.3
EMD069	11308	9968	1338	-74	110	621.00	622.20	1.20	11.2
EMD069	11308	9968	1338	-74	110	641.40	642.60	1.20	22.2
EMD069	11308	9968	1338	-74	110	664.10	665.20	1.10	78.8
EMD069	11308	9968	1338	-74	110	669.90	670.97	1.07	7.1
EMD069	11308	9968	1338	-74	110	677.40	683.55	6.15	8.5

Note: Sampling conducted between geological features or 1 metre intervals down hole. All samples assayed using a total digest of a 50 gram charge by fire assay method with AAS finish.

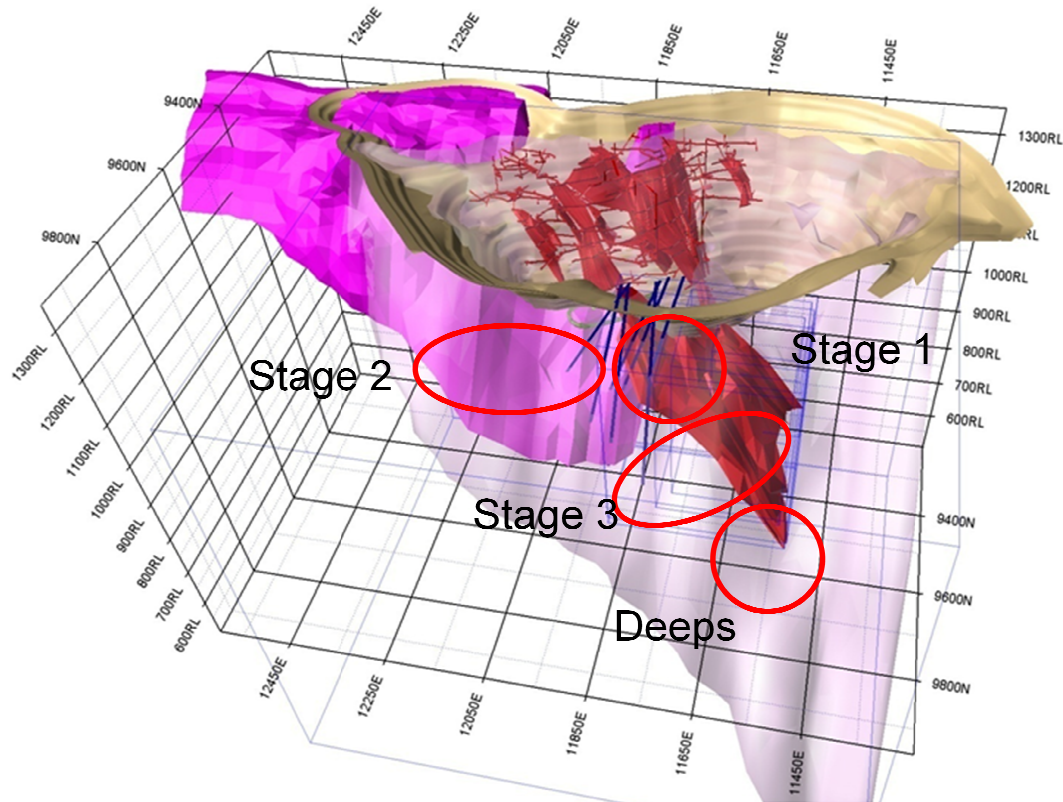
### Drilling Strategy 2011

Following the successful completion of Stage 1 drilling, Stage 2 and Stage 3 infill and Resource expansion drilling at Edna May commenced in the March quarter 2011 and is planned to continue throughout 2011 (Figure 4). Programmes include 36 holes for approximately 24,000 metres and comprise:

- Stage 2 drilling - targeting north-east trending lateral extensions below the current underground resource. The programme consists of 7 holes for 2,655 metres drilled through the Edna May Gneiss, hosting the known mineralised high grade zones, and through into the Golden Point Gneiss, as yet relatively untested at this depth;
- Stage 3 drilling - targeting an upgrade to the Inferred category Underground Mineral Resource down to 500 metres below surface. This programme consists of 20 holes for 12,000 metres; and
- Deeps drilling – testing for extensions to high grade mineralisation beneath the Underground Mineral Resource to 700 metres below surface. The Deeps programme consists of approximately 7 holes for 4,800 metres. A single deep exploratory hole to 1,150 metres depth will also be drilled at the conclusion of the Deeps programme to test the mineralisation presence below the Deeps drilling area.

A drilling programme at Greenfinch, west of Edna May pit, is planned for late 2011. The programme will consist of 28 Reverse Circulation holes for 5,800 metres, predominantly testing westerly extensions to mineralisation from the Greenfinch planned open pit design. A further 9 diamond holes for 3,800 metres will test mineralisation at depth below the pit design.

**Figure 4: Edna May Diamond Drilling Targets for 2011**



Stage 1 drilling (A\$3.2M)	Conversion of Inferred Resources to Indicated (completed)
Stage 2 drilling(A\$1.0M)	Resource extension (lateral)
Stage 3 drilling (A\$5.1M)	Conversion of Inferred Resources to Indicated (depth)
Deeps drilling (A\$2.0M)	Resource extension (depth)

### **Competent Person Statement**

*The reported exploration results have 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.*

## About Catalpa Resources Limited

**Catalpa Resources Limited (ASX: CAH)** is a fast-growing mid-tier gold producer with two exciting gold assets; a 100% interest in the 100,000 ounces per annum Edna May Gold Operations in Western Australia and a 30% interest in the 100,000 ounces per annum Cracow Gold Operations in Queensland (70% Newcrest Mining Limited).

The Company recently announced an updated high grade underground Resource of 700,000 tonnes at 7.4g/t gold for 166,000 ounces. Mining studies are in progress with a view to establishing an underground operation concurrent with existing open pit operations in 2012. Resource definition and expansion drilling programmes are fully funded and on-going through 2011.

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

With a combined Mineral Resource of more than 2 million ounces and a combined Ore Reserve of more than one million ounces of gold, the Cracow and Edna May Gold Operations provide a sustainable long life cash flow to fund Catalpa's growth strategy and provide shareholder returns.

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

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



### For further enquiries contact:

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