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KEY INSTITUTIONAL INVESTORS SUPPORT MERGER

AND CAPITAL RAISING

On 15 June 2011, Catalpa Resources Limited (ASX: CAH) and Conquest Mining Limited (ASX: CQT) announced an all scrip merger of equals and concurrent acquisition of Newcrest's Cracow and Mt Rawdon gold mines to create a leading growth-focused Australian gold company.

As part of the proposed transaction, it was also announced that the merged group would undertake a pro-rata renounceable entitlement offer to raise approximately A$150 million to ensure that the combined group is suitably capitalised to realise the full development and exploration potential of its assets and achieve its growth ambitions. The renounceable entitlement issue will take place shortly after the transaction is implemented so that shareholders of both Catalpa and Conquest can participate. At the request of Catalpa and Conquest, Newcrest has agreed not to take up its entitlement (approximately $57million) to allow the merged entity to broaden its investor base.

The Executive Chairman of Conquest, Mr Jake Klein and the Managing Director of Catalpa, Mr Bruce McFadzean have recently completed an investor roadshow in Australia, Asia and Europe and the response to the proposed transaction has been overwhelmingly positive. In this regard, Catalpa and Conquest are pleased to announce that two leading global investors in gold equities, Blackrock Investment Management (UK) ('Blackrock') and Baker Steel Managed Funds ('Baker Steel') have committed to subscribe for a total of $50 million of new shares, representing the vast majority of Newcrest's entitlement it has agreed not to take up under the entitlement offer.

Blackrock and Baker Steel have each agreed to subscribe at the price determined through the institutional bookbuild of renounced entitlements.[1] Their commitment is subject to the entitlement offer being underwritten and to shares being issued under the offer before 31 December 2011.[2] In return, it has been agreed that these institutions will receive a firm allocation up to the dollar amount they have committed.

Jake Klein, Executive Chairman of Conquest and proposed Executive Chairman of the merged group said

"Bruce and I have enjoyed widespread support for the merger since we announced the deal but a number of institutional investors are waiting to review the Scheme documentation and see greater certainty that the deal will be implemented before investing. That being the case, it is especially pleasing to have this early support and endorsement of the deal from global resources investors of the calibre of Blackrock and Baker Steel."

Bruce McFadzean, Managing Director of Catalpa said:

"Like Conquest, we have also had very positive feedback from shareholders and investors alike about the industrial logic of the deal and the potential for the combined group to deliver long term sustainable growth in value. This commitment of investment represents a significant vote of confidence as we progress with this transaction and it is great to see two of the world's most respected investors in gold equities being prepared to endorse the merits of this deal at such an early stage."

The Catalpa Explanatory Memorandum and Conquest Scheme Booklet are expected to be mailed to respective shareholders in late August/early September 2011, with shareholder meetings expected to be held in early October

[1] Commitment subject to an institutional bookbuild price cap of 15% or more than Catalpa's closing share price on the trading day immediately prior to the launch of the entitlement offer.

[2] In the case of Baker Steel only, its commitment is also subject to its funds under management not having fallen by more than 33.3% from the current level as at the day immediately prior to the launch of the entitlement offer.

2011. The Scheme is expected to be implemented in October 2011 and the proposed equity raising will be launched shortly thereafter.

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About Catalpa

Catalpa 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).

The company recently announced an updated high grade underground Mineral Resource at Edna May of 700,000 tonnes at 7.4g/t gold for 166,000 ounces (refer ASX announcement 17 May 2011). 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 is considered to have considerable exploration upside. Catalpa has a pre-emptive right over Newcrest's 70% stake in the asset.

With a combined Mineral Resource of more than two million ounces and a combined Ore Reserve of more than one million ounces of gold, the Cracow (30% Catalpa) 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.

About Conquest

Conquest is an Australian based and ASX-listed mining company with a focus on activities in north Queensland. The company has a 100% interest in the Pajingo gold mine near Charters Towers and a 100% interest in the Mt Carlton gold-silver-copper development project, near Townsville.

Conquest acquired the Pajingo gold mine in November 2010 and immediately commenced a number of performance improvement and production expansion initiatives. Annual gold production from Pajingo totalled 45,054 ounces in CY 2010 and Conquest expects its improvement initiatives to result in an increase in production to more than 70,000 ounces in FY 2012 at cash operating costs of less than A$800/oz.

The Conquest Board approved the A$126.9 million development of the Mt Carlton gold-silver-copper project in December 2010. The project is expected to commence production, subject to permitting, in mid 2012. The project will be mined by open cut methods and will produce a precious metals concentrate for export to specialist smelters. Initial annual production is expected to average 95,000 ounces of gold equivalent. Based on current reserves the project has a 12 year mine life however recent exploration success indicates significant additional potential.

Conquest is a growth-oriented company that has focused on the delivery of an ambitious growth plan to build substantial value for its shareholders and fill a void created by consolidation in Australia's mid-tier gold sector. Conquest seeks to deliver this growth through successful development of its Mt Carlton project and by acting on consolidation opportunities in the relatively fragmented and poorly funded junior gold sector.