

Quarterly Report to 30 June 2009

Exploration Highlights

- ◆ Conquest Mining Limited has appointed Arccon Mining Services (Arccon) to progress the 100% owned Silver Hill Project to a Definitive Feasibility Study (DFS) stage and, in parallel, to complete the Engineering, Development and Procurement of long lead items for the project.
- ◆ A deep drilling programme commenced late May 2009 exploring for additional mineralisation beneath the current resources at the Silver Hill Project.
- ◆ Conquest Mining Limited has appointed an experienced team and, together with Arccon, is confident of producing a high grade gold concentrate with substantial silver and copper credits from Silver Hill beginning in 2011.
- ◆ Metallurgical testwork has entered a more detailed phase to confirm the findings that bio leach assists in recovering a high percentage of the gold and copper from concentrates.

Review of Operations

Conquest Mining Limited remains focused on the expedited development of its 100% owned low cost, high value Silver Hill Project in North Queensland.

In April 2009, the Company completed the Pre Feasibility Study (PFS) at the Silver Hill Project in North Queensland.

The findings of the PFS identified an internal rate of return of over 70% and a net present value (NPV) in excess of A\$300 million.

Following the robust results of the PFS, the company's board commissioned a Definitive Feasibility Study (DFS) for Silver Hill in June 2009.

Arccon Mining Services (Arccon) were appointed to progress the Silver Hill Project to completion of the

DFS with parallel completion of engineering, development and procurement of long lead items for the project.

Drilling re-commenced late May 2009 at Silver Hill with 3,043m RC and 1,183.6m diamond drilling completed for the quarter. This drilling is planned to target deeper mineralisation within a possible porphyry host and/or second occurrence of the host rock which encapsulates the current resource. Programmes this quarter also include targeting grade control, sterilization and geotechnical drilling as part of the DFS.

Two RC rigs and two diamond drill rig are onsite working with assay results to be released to the market as they become available in the coming weeks.

Definitive Feasibility Study

Arccon has been tasked to complete the study to 80% engineering which will allow a more rapid transition to construction, enabling gold production from Silver Hill in the shortest possible timeframe and provide a higher degree of confidence in capital and operating cost estimates. Arccon will act as the supervising and co-ordinating engineer to collect/review all studies which are necessary for completion of the DFS, plus assistance and input into the most practical approach to the process plant design to optimise recoveries.

Diamond Drilling

During the quarter 1,184m of HQ diamond drill core was completed on deep holes targeting mineralisation within a possible porphyry host, conduits or feeders and/or within a second occurrence of the host rock which encapsulates the current Silver Hill Project.

The deep drilling programme is focussed on nine drillholes for total depth in excess of 6,000 metres drill core. Refer to Figure 1 for location of deep drillholes at the Silver Hill Project relative to the

holes already drilled. Assay results will be released to the market in the coming weeks as they become available.

Reverse Circulation Drilling

During the quarter, 3,043m of reverse circulation drilling was completed on pre-collars for the grade control programme at the Silver Hill Project (Figure 2). The grade control programme is close spaced and is planned to better outline the mineralisation for the early production stage.

Assay results will be released to the market in the coming weeks as they become available.

Metallurgy

As part of the DFS, a comprehensive testwork programme commenced to generate the required information to design an efficient processing plant for the Silver Hill Project. The metallurgical testwork laboratories involved in the current programme are hrltesting (Brisbane), Ammtec (Perth), SGS Minerals Services (Perth) and SGS South Africa.

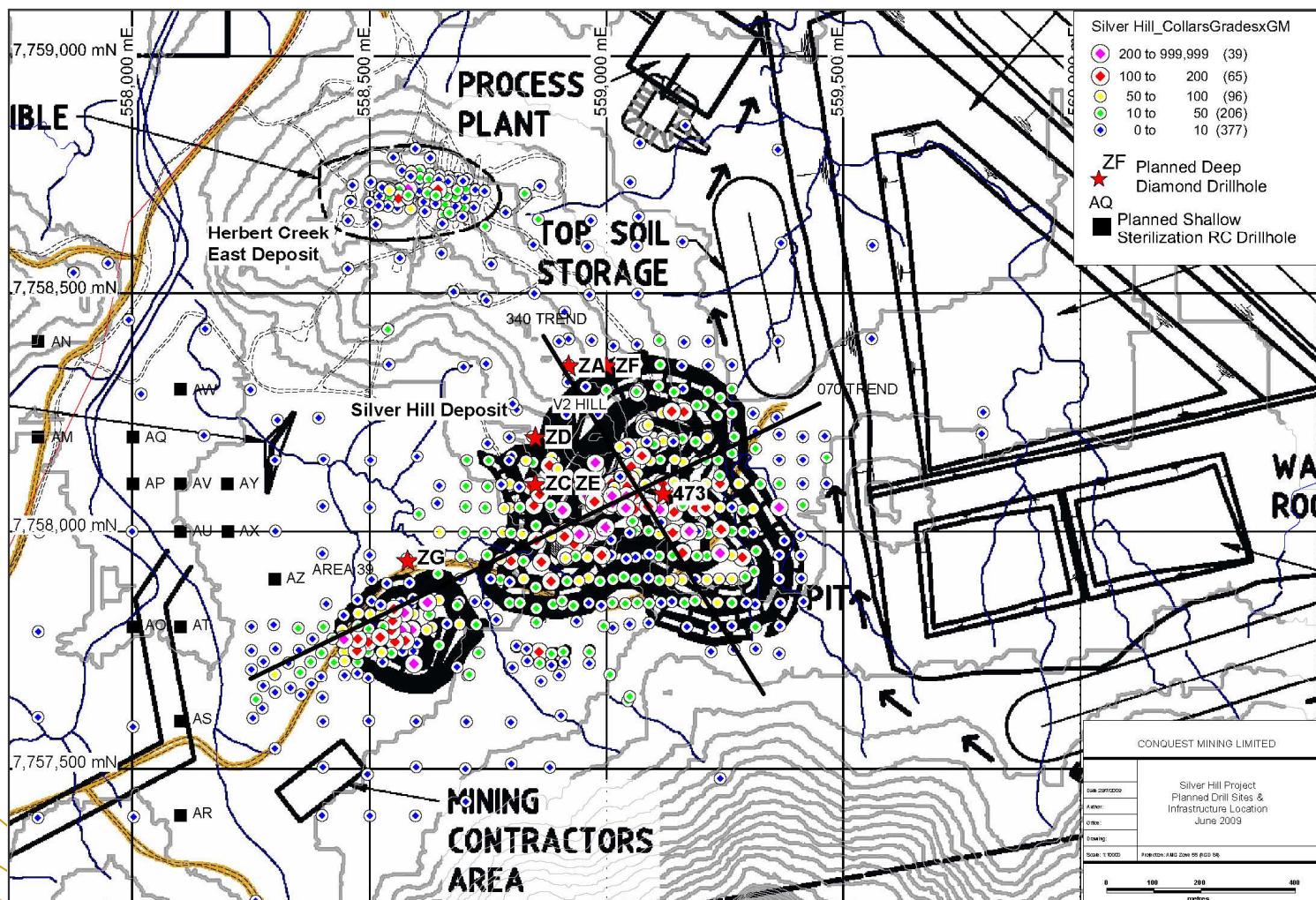


Figure 1: Silver Hill Project planned drill sites & infrastructure location

Metallurgy (continued)

The flowsheet, as proposed in the PFS, incorporates conventional flotation to produce a high grade gold concentrate for direct marketing. A lower grade refractory concentrate will also be produced which will be oxidized using bio-processing to facilitate on-site metal production. The saleable products will include a doré containing gold and silver plus copper sulphate crystals.

A preliminary bio-oxidation testwork programme has been in progress since September 2008. The results indicate that thermophilic (high temperature) bacteria can assist in extracting up to 97.8% of contained copper from the oxidized low grade concentrate into an acidic solution. This copper solution can be purified and concentrated by solvent extraction prior to copper product recovery.

Gold remaining in the bio-oxidation residue is amenable to cyanidation and a gold leach recovery of 92.4% was achieved in the earlier testwork.

The second phase of the bio-oxidation testwork programme is about to commence.

Future Work Programmes - 100% owned Silver Hill Project

Drilling at the Silver Hill Project is expected to continue with two RC rigs and two diamond drill rigs into the final quarter of the 2009 calendar year.

Drilling is targeting a number of objectives including the ongoing deep diamond drilling and close spaced grade control drill pattern. Other objectives include additional infill diamond drilling targeting high grade silver mineralisation at Area 39; sterilization of proposed waste dump, tailings dam and mill/plant infrastructure sites; and a short geotechnical diamond drill programme to confirm pit wall stability plus footings for mill/plant infrastructure.



Figure 2:
Intensive grade control drilling program



Quarterly Review of Work by Gold Fields Australasia

Gold Fields Australasia has advised that no exploration work has been carried out by it on the regional JV ground during the quarter. However, the following activities were undertaken :

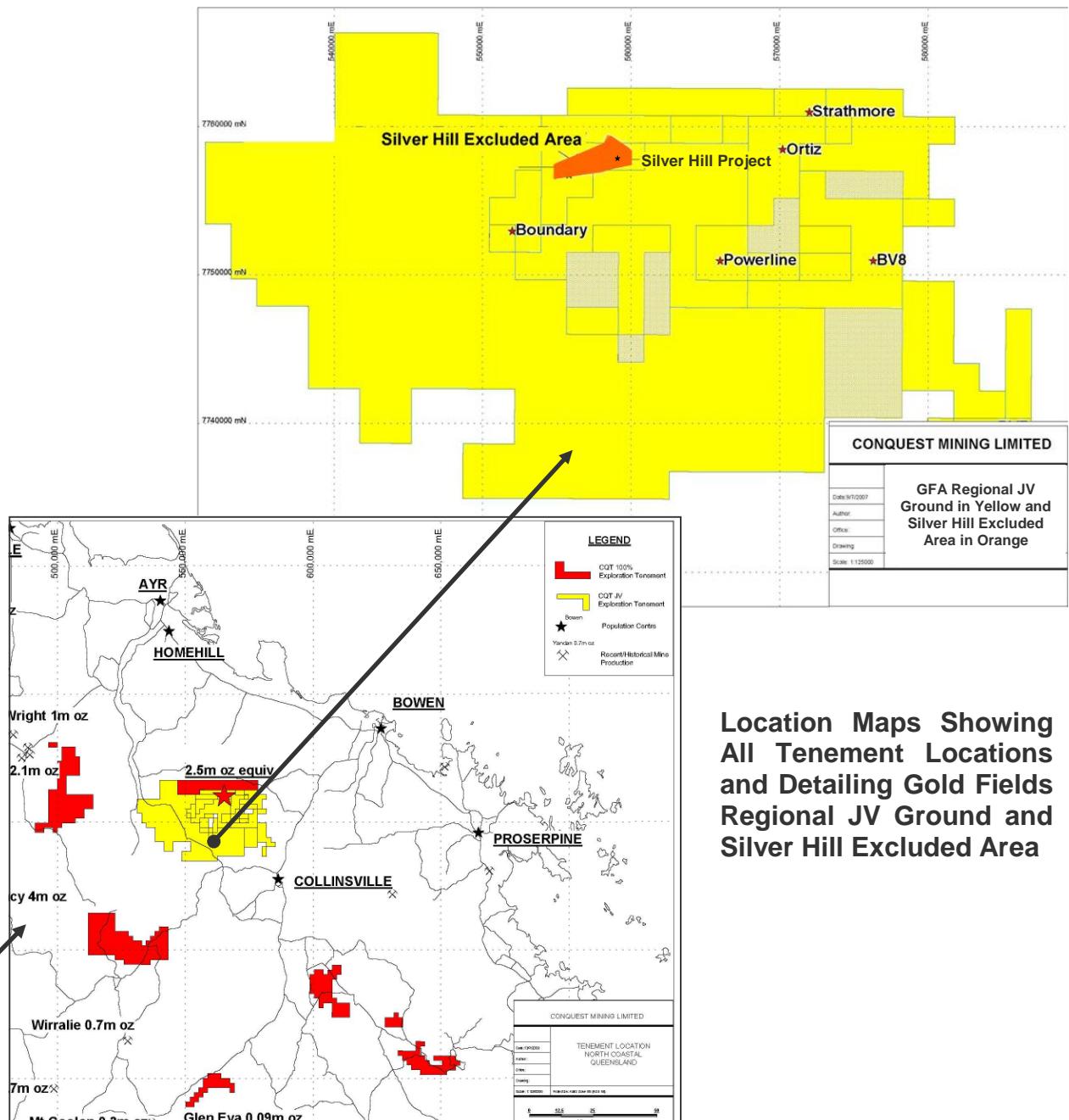
- ♦ Rehabilitation work at Mt Carlton on 2008 drill sites has been completed. Outstanding drill pads have been re-levelled, and collars capped. One drill hole (MCR016D), was overlooked during the rehabilitation program and will be completed at a later date.
- ♦ A proposed 20% reduction in area to accompany the renewal application for EPM 14783 was submitted to Conquest. A less

than 50% reduction was requested to retain coverage of the prospective Lizzie Creek Volcanics, extensions of NE trending structures, the Millaroo Fault Zone and the westerly extension of the Mt Carlton structure from airborne magnetics.

- ♦ Three hired transportable accommodation units were demobilised from site.

Gold Fields Australasia has reported that there is no work currently planned for the September 2009 Quarter.

Conquest is working towards an optimal path for regional exploration to complement the Silver Hill Project.



Other Exploration

Conquest has also allocated \$1 million for regional exploration and will be re-deploying personnel to the broader area to maintain momentum.

Throughout, Conquest's objective remains to maintain a robust exploration program.

About Conquest Mining Limited

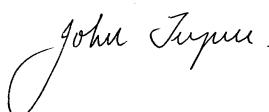
Conquest Mining Limited is a Perth-based mining exploration company with two clear objectives - to bring the Silver Hill Project into production and to continue discovering low cost gold and silver resources. Conquest remains convinced expediting production and further exploration at Silver Hill as a primary focus will deliver superior value for all shareholders.

Exploration at the Project has delivered resources at a cost of \$10 per ounce of gold equivalent compared with an Australian average of \$60 to \$70 per ounce for grass-roots exploration.

Expenditure

Expenditure by Conquest Mining Limited during the June 2009 quarter was \$864,000.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with Listing Rule 5.3.



John Terpu
Managing Director

This report is based on and accurately reflects information compiled by Mr Martin Male, BSc (Hons), MAIG, who is a full time employee of the Company. Mr Male has sufficient experience which is relevant to the style of mineralization 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. Mr Martin Male consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Conquest Mining Limited

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Directors and Executive Management

John Terpu
Managing Director

Bruno Firriolo
Director/Company Secretary

Richard Krasnoff
Chairman

Joseph Radici
Non-executive Director

Douglas Stewart
Non-executive Director

Jeff Innes
Chief Operating Officer

Share Registry

Link Market Services
Level 12
680 George Street
SYDNEY NSW 2000

If you wish to view your holdings online please click on the following link:

<https://www.linkmarketservices.com.au/public/investors/login.html?issuer=CQT>

Issued Capital

As at the date of this report

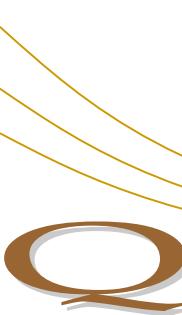
Issued Capital
271,949,181 shares

Unlisted Options
800,000 options

Latest News

To view the company's latest news and media articles please visit our website:

<https://www.conquestmining.com.au>



Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Conquest Mining Limited

ABN

33 009 232 277

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	4
1.2	Payments for		
	(a) exploration and evaluation	(864)	(5,594)
	(b) development		
	(c) production	(374)	(1,566)
	(d) administration		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	284	2,022
1.5	Interest and other costs of finance paid		
1.6	Income taxes refunded / (paid)	-	353
1.7	Other (provide details if material)		
	Tenement Bonds refunded/(paid)	-	-
Net Operating Cash Flows		(936)	(4,781)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(9)	(96)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(9)	(96)
1.13	Total operating and investing cash flows (carried forward)	(945)	(4,877)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(945)	(4,877)
1.14	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	40	40
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
	Other (provide details if material)		
	Share issue costs		
	Net financing cash flows	40	40
	Net increase (decrease) in cash held	(905)	(4,837)
1.20	Cash at beginning of quarter/year to date	27,594	31,526
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	26,689	26,689

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	199
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	
	N/A	

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

N/A

+ See chapter 19 for defined terms.

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development – feasibility/engineering studies	6,000
Total	6,750

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	46	374
5.2 Deposits at call	26,643	27,220
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item 1.22)	26,689	27,594

Changes in interests in mining tenements

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter (continued)

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	271,949,181	271,949,181		
7.4 Changes during quarter (a) Increases through issues (b) Exercise of options (c) Decreases through return of capital, buy-backs (d) Increase pursuant to underwriting of options	200,000	200,000	\$0.20	\$0.20
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	400,000	Nil	\$0.50	22 June 2010
	400,000	Nil	\$0.60	22 June 2011
7.8 Issued during quarter	400,000	Nil	\$0.60	22 June 2011
7.9 Exercised during quarter	200,000	Nil	\$0.20	22 June 2009
7.10 Expired during quarter				
7.11 Debentures (totals only)				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

7.12 Unsecured notes (totals only)		
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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 ~~/does not*~~ **(delete one)** give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2009
(Director)

Print name: John Terpu

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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+ See chapter 19 for defined terms.