



ASX RELEASE

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SILVER HILL DEFINITIVE FEASIBILITY STUDY UPDATE

- **Advanced DFS to focus on near term production of high grade gold and silver concentrate from 100% owned Silver Hill project**
- **Recent drilling has identified potential discrete high grade silver concentrate pit and encouraging gold exploration results at Silver Hill**
- **Review of potential secondary recovery process options (including Geocoat®) being undertaken outside scope of current DFS**
- **Economics of Silver Hill Project remain very attractive**

The Board of Conquest Mining (ASX Code: CQT) advises that it continues to progress the Definitive Feasibility Study (DFS) for the Silver Hill project in northern Queensland for the production of high grade gold and silver concentrate.

Conquest Managing Director John Terpu said the Company's main focus has been and continues to be on high grade concentrate production.

The scope of the DFS is restricted to evaluation of the technical plus economic feasibility of mining the currently defined Silver Hill resource¹, and processing to produce a high grade sulphide concentrate, with potential additional processing at some future stage to access gold/copper locked up in a minor portion of the tailings stream.

The Company considers that the economics of this sulphide concentrate are likely to be enhanced based on the recent discovery of a potential high grade silver pit at Silver Hill and encouraging grade control drilling results (as detailed in ASX announcements released on 4 September 2009 and 18 September 2009).

"The recent grade control drilling results indicate that the greatest near-term upside and optimised shareholder value lies in the production of high grade concentrate from the project," Mr Terpu said.

"For a number of months, we've been undertaking various drilling programs underway to quantify the potential upside to the existing Silver Hill resource. As part of that program, trial grade control pattern and reverse circulation drilling has detected spectacular and wide zones of high grade gold mineralisation, confirming the robust and consistent nature of the deposit. Combined with the recent identification of what we believe could be a stand-alone silver pit with potential production of 4.5-5 million oz of silver in the first three months, this work provides us with the basis to focus the DFS on near term production of high grade concentrates," said Mr Terpu.

The Silver Hill DFS continues on schedule for completion in November 2009, including the engineering, development and procurement of long lead items for the project, with the aim of enabling gold production from Silver Hill in the shortest possible timeframe.

Planning for the mine will be completed later this month and metallurgical testwork on the float plant has now been completed, with encouraging results.

“The progress of the DFS, as well as advanced off-take and funding negotiations, means we are well placed to take advantage of the high grade resource at Silver Hill and the positive pricing environment for gold and silver,” Mr Terpu said.

Additional to the current focus on high grade sulphide concentrate production, the Company continues to assess options for potential secondary production processes.

“We’re undertaking initial testwork on secondary processing options but this is only at an evaluation stage and a decision to proceed with any recovery methods will only be made following consideration of economic and operational factors. This work, which is being undertaken outside the scope of the current DFS, is expected to be completed in early-mid 2010.” Mr Terpu said.

“Accordingly the decision on any secondary processing steps is not one that will be made until the testwork evaluating various options is complete. Our focus now is the timely production of high grade gold and silver concentrate from the Silver Hill project and we’re on track to deliver on that objective. The economics of a high grade sulphide only production remain extremely attractive,” added Mr Terpu.

About Conquest Mining

Conquest Mining is a Perth-based mining exploration company focused on discovering low cost gold and silver resources. Exploration at its Mt Carlton project in Queensland has delivered resources at a cost of \$10 per ounce of gold compared with an Australian average of \$60 to \$70 per ounce for grass-roots exploration.

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 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. 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.

¹*Total Silver Hill Inferred, Indicated and Measured Resource of 1.17moz gold, 37.39moz silver and 68.4kt copper per resource estimate announced 26 March 2009.*