



ASX RELEASE

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Resource Upgrade for Silver Hill Deposit at Mt Carlton

HIGHLIGHTS

- **Silver Hill Resource increase from 22.8 million tonnes to 25.7 million tonnes.**
- **Total gold ounces increased from 1.17 million ounces to 1.37 million ounces.**
- **Measured tonnes increased from 5.6 million tonnes to 11.1 million tonnes.**
- **Measured plus Indicated tonnes increased from 20.4 million tonnes to 24.2 million tonnes.**
- **Measured plus Indicated gold ounces increased from 1.09 million ounces to 1.29 million ounces.**
- **Resource includes a discrete high grade silver zone, estimated to contain 1.9 million tonnes at 273 g/t silver for 16 million ounces of silver.**
- **Total Mt Carlton Resources, comprising all deposits, now estimated to contained 1.46 million ounces of gold, 40 million ounces of silver and 75 thousand tonnes of copper.**

General Comment on Silver Hill Resource Upgrade

Conquest Mining (ASX: CQT) is pleased to announce a resource upgrade for the Silver Hill Deposit at its Mt Carlton project in northern Queensland, including a significant increase in the overall resource, incorporating Area 39 and V2 (see Figure 1).

Managing Director John Terpu said the resource upgrade, which includes a 19% increase in the Measured plus Indicated Resource tonnes at Silver Hill, validated the Company's belief in the project as one of Australia's most significant new gold and silver projects.

The upgrade follows a 7,250m drilling program designed to improve understanding of both the Silver Hill project and the broader Mt Carlton region.

At Silver Hill, the main deposit, known as V2, is now estimated to contain 23.8 million tonnes at 1.77 g/t gold, 26 g/t silver and 0.28% copper, based on a metal value cut off \$20 per tonne.

In addition, the results have confirmed the presence of a discrete high grade silver zone at Area 39, as announced on 18th September 2009, which is now estimated to contain 16 million ounces of silver, based on a metal value cut off \$20 per tonne.

Area 39 has been identified as a geologically discrete zone amenable to separate treatment in the same flotation plant envisaged for the main zone.

“We are focusing the current Definitive Feasibility Study on the production of high grade concentrate in the most timely manner,” Mr Terpu said.

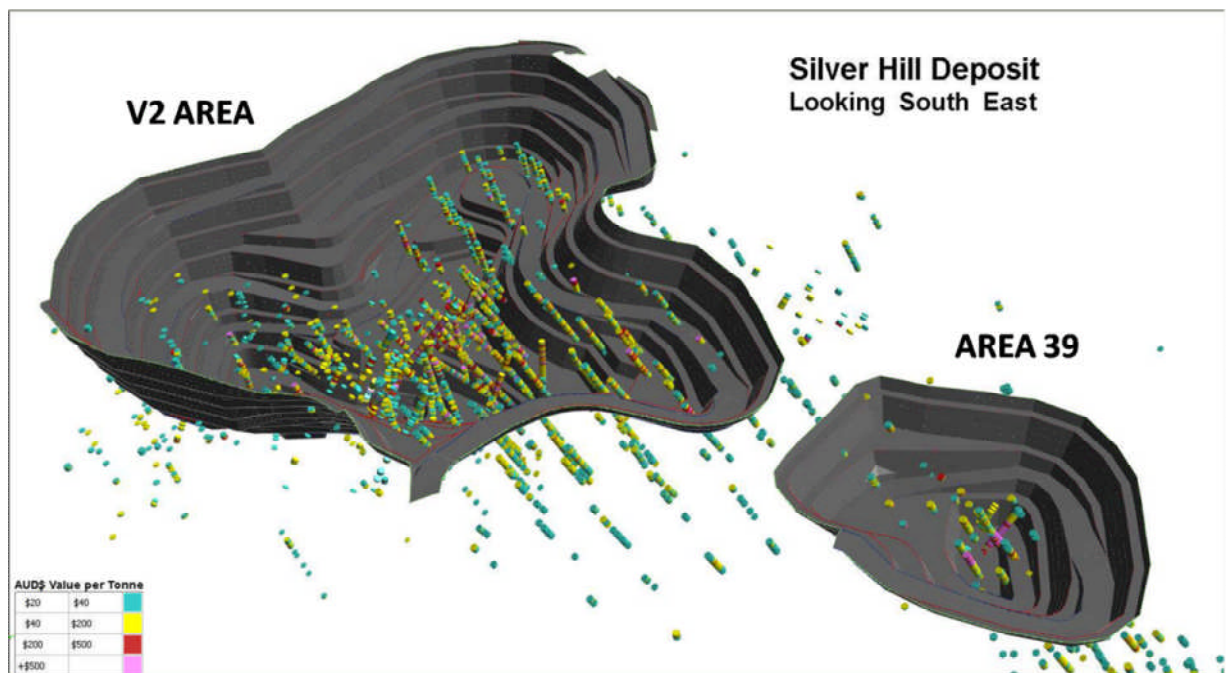


Figure 1 (Current drill hole intercepts and preliminary pit designs from Prefeasibility Study)

Silver Hill Resource Estimate

Based on the drilling completed to September 2009, the resource estimate (Table 1) at the Silver Hill deposit has been updated by independent experts Hellman and Schofield (H&S). This estimate increases confidence over the previous estimate completed in March 2009. At a \$20/t value cut-off grade, the tonnage in the Measured and Indicated categories has increased to 24.2 million tonnes while the Inferred category has reduced to 1.5 million tonnes. Measured plus Indicated resource tonnage has increased by 19% whilst the overall estimated tonnage has increased by 13% (Table 2).

An itemisation of the tonnes and grades for V2 Area and Area 39 is shown in Table 3 where the high silver tenor of Area 39 is evident. The silver grade of 273g/t in Area 39 compares to 26 g/t in V2.

Equivalent Metal prices, exchange rate and metallurgical recoveries used to calculate the value (A\$) variable used in the resource estimation were:

- Gold – US\$868/ounce and 80% recovery
- Silver – US\$12/ounce and 68% recovery
- Copper – US\$5597/tonne and 86% recovery
- Exchange Rate – US\$0.83 to A\$1.00

Table 1: Silver Hill Mineral Resource Estimate

Measured				
Cutoff \$A	Tonnes (million)	Gold g/t	Silver g/t	Copper %
10	16.1	1.2	53	0.24
20	11.1	1.7	70	0.32
25	9.5	1.9	77	0.36
30	8.3	2.2	84	0.39
35	7.3	2.4	91	0.42
40	6.5	2.6	99	0.44
50	5.3	3.0	113	0.50
Indicated				
Cutoff \$A	Tonnes (million)	Gold g/t	Silver g/t	Copper %
10	20.7	1.1	21	0.18
20	13.2	1.6	25	0.25
25	11.1	1.8	26	0.27
30	9.5	2.1	27	0.30
35	8.2	2.3	28	0.32
40	7.2	2.5	29	0.34
50	5.6	2.9	30	0.37
Inferred				
Cutoff \$A	Tonnes (million)	Gold g/t	Silver g/t	Copper %
10	3.6	0.8	22	0.12
20	1.5	1.7	30	0.20
25	1.1	2.2	31	0.24
30	0.9	2.6	31	0.27
35	0.7	3.0	30	0.30
40	0.6	3.5	30	0.32
50	0.4	4.4	29	0.36
Total				
Cutoff \$A	Tonnes (million)	Gold g/t	Silver g/t	Copper %
10	40.5	1.1	34	0.20
20	25.7	1.7	44	0.28
25	21.6	1.9	49	0.31
30	18.6	2.1	53	0.34
35	16.2	2.4	57	0.37
40	14.3	2.6	61	0.38
50	11.4	3.0	69	0.43

Table 2: Comparison with previous Resource at \$20/t value cut-off grade

Mar 2009	Tonnes (Million)	Gold g/t	Silver g/t	Copper %	Gold koz	Silver koz	Copper Tonnes
Measured	5.6	2.10	98	0.37	378	17,644	20,700
Indicated	14.8	1.50	35	0.29	714	16,654	42,900
Meas + Ind	20.4	1.66	52	0.31	1,092	34,298	63,600
Inferred	2.4	1.20	40	0.21	93	3,086	5,000
Total	22.8	1.60	51	0.30	1,173	37,385	68,400

Oct 2009	Tonnes (Million)	Gold g/t	Silver g/t	Copper %	Gold koz	Silver koz	Copper Tonnes
Measured	11.1	1.72	70	0.32	610	24,764	35,600
Indicated	13.2	1.60	25	0.25	679	10,474	32,700
Meas + Ind	24.2	1.65	45	0.28	1,289	35,238	68,300
Inferred	1.5	1.67	30	0.20	79	1,417	2,900
Total	25.7	1.65	44	0.28	1,368	36,655	71,200

Table 3: Area 39 and main V2 Area breakdown of Measured + Indicated + Inferred category

Cutoff \$A*	Tonnes (Million)	Gold g/t	Silver g/t	Copper %	Gold koz	Silver koz	Copper Tonnes
Area 39	1.9	0.20	273	0.28	12	16,541	5,200
V2	23.8	1.77	26	0.28	1,355	20,114	66,000
Total	25.7	1.65	44	0.28	1,368	36,655	71,200

* Resources reported using a cutoff A\$ 20/t:

Comments on Mt Carlton Project Area

Mr Terpu said the value of the broader Mt Carlton project – spanning an area 20 times that of Silver Hill – is also starting to emerge.

The total Mt Carlton Resource, comprising Silver Hill, Mt Carlton-Main Hill, Mt Carlton-Western Lodes and Herbert Creek East - is now estimated to contain 1.46 million ounces gold, 40 million ounces silver and 75,000 tonnes copper (see Table 4).

Table 4: Mt Carlton Project Total Resources – October 2009							
Deposit	Tonnes	Grade g/t Au	Gold Ounces	Grade g/t Ag	Silver Ounces	Grade % Cu	Copper Tonnes
Silver Hill Deposit	25,710,000	1.7	1,367,600	44	36,655,000	0.28	71,200
Mt Carlton - Main Hill	966,000	1.4	42,000	38	1,090,000	0.35	3,400
Mt Carlton - Western Lodes	558,000	1.5	26,700	120	2,100,000	n/a	0
Herbert Creek East	351,000	2.2	24,500	4	47,000	n/a	0
Total Resources	27,585,000	1.6	1,460,800	45	39,892,000	0.27	74,600

Notes: Mt Carlton Western Lodes Resource was estimated by sectional polygonal methods. Herbert Creek East and Mt Carlton were estimated by Kriging. A cutoff of 1g/t gold equivalent was used for these deposits. Silver Hill Deposits were estimated using Multiple Indicator Kriging by Hellman & Schofield.

“While our objective has been on defining the full resource at Silver Hill, which is our production focus, we are also undertaking a drill program in adjacent areas which feature similar geology,” Mr Terpu said.

John Terpu
Managing Director

For more information

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Estimation Details

Metal grades and value have been estimated into horizontal panels with dimensions 25m by 25m (east, west) by 5m (elevation). The resource model, estimated using GS3m multi-metal Multiple Indicator Kriging software of H&S, and is a “mine-recoverable” model. It assumes that a grade control pattern of 10m x 10m x 2.5m elevation will be used during mining with a Selective Mining Unit (SMU) of 5x5x2.5m. The main portion of the resource dips shallowly to the north, begins at approximately 20 m below surface and extends to a depth of approximately 200m.

Search distances for Measured, categories are 30m East 30 North and 10m RL, minimum and maximum data points 16 and 32 respectively. Indicated Resources and Inferred Resources have search radii of 45 East 45 North and 15 RL. Measured and Indicated Resources require data in to be in 4 octants, Inferred requires 2. Increased drilling density has increased the tonnage of Measured in parts of the mineralization.

Data quality has been assessed and found to be in reasonable order by H&S.

Attributions:

The information in the report to which this statement is attached that relates to the mineral resource estimation of Main Hill, Western Lodes, Herbert Creek East and Conquest Mining Limited comments on the Hellman & Schofield estimates is based on information compiled by Martin Male BSc (Hons), MAIG who is a full time employee of Conquest Mining Limited. Martin Male has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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’ and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the mineral resource estimation of the Silver Hill deposit is based on work completed by Mr Nic Johnson who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Johnson 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 Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.