

## ASX RELEASE

9 AUGUST 2010

### Conquest Acquires SAG Mill for Mt Carlton

The Board of Conquest Mining (ASX: CQT) is pleased to announce that it has agreed to acquire a new SAG mill from Hillgrove Resources Limited (ASX: HGO) ("Hillgrove") for a cash price of \$6.95 million. The purchase includes:

- Outotec 3.6MW Grate Discharge SAG Mill with major spares:
  - main electric motor;
  - girth gear;
  - gearbox;
  - pinion and pinion bearings; and
- Russell (RME) 7-Axis Mill Re-lining Machine

All equipment is new, complete and in original packing. The mill shell is still at Dorbyl works in South Africa and all other items are warehoused at Hillgrove's Kanmantoo project in South Australia.

The SAG mill and ancillary equipment were originally purchased by Hillgrove prior to Hillgrove's purchase of the process plant and associated equipment of the Lennard Shelf Pillara mine for use at its Kanmantoo project. As a result of that purchase, this SAG mill is now surplus to Hillgrove's requirements.

A review of the mill, conducted by specialist consultants on behalf of Conquest, has shown that it is ideally suited to Conquest's Mt Carlton project and is capable of achieving the expected design throughput rate and product size (800,000tpa with  $P_{80}$  of 106 $\mu$ m).

Commenting on the acquisition, Conquest Executive Chairman, Jake Klein said:

"The acquisition represents a significant cost saving for the Mt Carlton project. The acquisition cost of \$6.95 million compares with an original procurement cost of \$9.1 million and the Mt Carlton definitive feasibility study capital cost estimate of \$8.7 million. The acquisition also secures what is ordinarily one of the longest lead-time items for a mining project."

The acquisition cost will be funded from current cash reserves (\$56.1 million as at 30 June 2010) and is expected to be completed by mid September 2010.

#### For more information:

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### **About Conquest**

Conquest is an Australian based and listed mining company with a focus on activities in north Queensland. The company has a 100% interest in the Mt Carlton gold-silver-copper project, near Townsville, that is being advanced towards development. Optimisation studies and a review of the proposed process flowsheet are underway and a development decision is expected in the December quarter of 2010.

Conquest is a growth oriented company that has the focus and ability to deliver a growth plan to achieve mid-tier market status and to take advantage of the benefits available to a company of this status. Conquest will seek 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 market sector.