

## QUARTERLY REPORT

For the period ended 30 September 2011

### Highlights

#### CORPORATE

- Conquest shareholders overwhelmingly supported the Merger between Conquest and Catalpa Resources Limited and the concurrent purchase of Newcrest Mining Limited's interests in the Cracow and Mt Rawdon gold mines in Queensland, with 99% of votes cast at the Conquest scheme meeting, on 14 October, being in favour of the Merger.
- The Transaction is due to complete on 2 November.

#### OPERATIONS - PAJINGO

- Gold production totalled 14,049 ounces at a cash operating cost of A\$889/oz. Production was below forecast and cash operating costs were higher than forecast predominantly due to the previously announced mill gearbox breakdown in September. This production is expected to be recovered in the current quarter and FY12 guidance remains at least 70,000 ounces at a cash operating cost of A\$800/oz.
- The Sonia area of the mine continues to deliver high-grade material with 14,000t at 14.2g/t Au extracted during the quarter.
- Gold production from the Janet A pit, to 30 September 2011, has been approximately twice that originally forecast. Venue is the next open pit scheduled and planning is underway to commence in January 2012.

#### DEVELOPMENT – MT CARLTON

- The Mt Carlton Mining Lease has been recommended for approval and is now awaiting final approval from the Queensland Minister for Employment, Skills and Mining.
- Engineering and Procurement phase measured at 80% complete. Conquest is well advanced with negotiations to award the construction management contract for Mt Carlton and expects to be able to mobilise quickly after the granting of the Mining Lease.
- Subject to completion of permitting in late-2011, project commissioning is expected in the second half of 2012.

#### EXPLORATION

- Excellent results from drilling at the Moonlight prospect at Pajingo including 115.5m grading 1.48g/t Au and 116m @ 1.65g/t Au.
- Very encouraging, near-surface results from drilling at Jasper Ridge at Mt Carlton including 15m grading 2.26g/t Au, 19.7g/t Ag and 0.23% Cu from 15m.

#### FINANCE

- Available cash of \$14.5M plus gold and silver available for sale \$4.7M at the end of the quarter.

#### Conquest Mining Limited

ABN: 33 009 232 277

ASX Code: CQT

#### Directors\*

*Jake Klein*

Executive Chairman

*Nicholas Curtis*

Non-Executive Director

*James Askew*

Non-Executive Director

*Richard Krasnoff*

Non-Executive Director

*Douglas Stewart*

Non-Executive Director

*Paul Marks*

Non-Executive Director

\*Nicholas Curtis, Richard Krasnoff and Douglas Stewart resigned as Directors on 18 October 2011 when the Scheme of Arrangement with Catalpa Resources Ltd became effective.

#### Issued Capital\*

601,336,279 ordinary shares

37,749,126 unlisted options

\*as at 26 October 2011

#### Contact

Jake Klein

Executive Chairman

02 8383 2100

Evan Elstein

Company Secretary

02 8383 2100

#### Share Registry

Link Market Services

Level 12

680 George Street

Sydney NSW 2000

[www.linkmarketservices.com](http://www.linkmarketservices.com)

## **CORPORATE**

On 14 October 2011 Catalpa Resources Limited (“Catalpa”) and Conquest announced that shareholders of both companies had approved the creation of a growth focused, asset diversified Australian gold company, to be called “Evolution Mining”, through a merger of equals between Conquest and Catalpa (“Merger”) and the concurrent purchase of Newcrest Mining Limited’s (“Newcrest”) interests in the Cracow and Mt Rawdon gold mines in Queensland (“Asset Purchase”) (collectively, “the Transaction”).

Conquest shareholders overwhelmingly supported the Transaction, with 99 per cent of votes cast at the Conquest scheme meeting being in favour of the Merger.

Catalpa shareholders also overwhelmingly supported the Transaction, with 99 per cent of votes cast at the Catalpa extraordinary general meeting being in favour of the issue of new shares to Newcrest as consideration for the Asset Purchase (“Share Issue”).

On 17 October 2011 the Federal Court of Australia made orders approving the scheme of arrangement to give effect to the Merger between Conquest and Catalpa (“Scheme”), with the Scheme becoming effective the following day. Conquest shares were suspended from quotation on ASX at the close of trading on that day. From 19 October 2011, the shares which Catalpa will issue as consideration for the shares in Conquest pursuant to the Scheme (“the New Shares”) have been quoted on ASX under ASX code “CAHN”. Until Implementation, Conquest shareholders can trade the New Shares in respect of their Conquest shares on a deferred settlement basis. Settlement of such trades is expected to take place on 8 November 2011. New Shares will start trading on a normal T+3 basis on the day after Implementation, scheduled to be 3 November 2011.

Conquest is now working with Catalpa and Newcrest to implement the Scheme and Asset Purchase. It is expected that the implementation process will take place as follows:

<b>5pm 25 October 2011</b>	<ul style="list-style-type: none"> <li>• <b>Scheme record date</b> – date for determining Conquest shareholders who will participate in the Scheme (“Scheme Participants”)</li> </ul>
<b>2 November 2011</b>	<ul style="list-style-type: none"> <li>• <b>Implementation of Scheme</b> – Conquest shares transferred to Catalpa and new Catalpa shares issued to Scheme Participants</li> <li>• Completion of Asset Purchase and Share Issue</li> <li>• Despatch of holding statements for new Catalpa shares</li> <li>• Catalpa name change to “Evolution Mining”</li> </ul>
<b>3 November 2011</b>	<ul style="list-style-type: none"> <li>• New Catalpa shares start normal T+3 trading</li> </ul>
<b>8 November 2011</b>	<ul style="list-style-type: none"> <li>• Shares in Evolution Mining start trading under ASX code “EVN”</li> </ul>
<b>Before 16 November 2011</b>	<ul style="list-style-type: none"> <li>• Launch of renounceable entitlement offer by Evolution Mining to raise approximately \$150 million</li> </ul>

Conquest will announce any changes to the above timetable via ASX and its website. The website for Evolution Mining is now live and can be accessed at [www.evolutionmining.com.au](http://www.evolutionmining.com.au).

## **OPERATIONS**

### **Pajingo Operations**

**(100% owned by Conquest)**

Safety performance continued to improve during the quarter. The total injury frequency rate fell from 58.0 at 31 July 2011 to 51.0 at 30 September 2011 however the lost time incident frequency rate increased from 6.9 to 8.1 in the same period, due to two lost time injuries that occurred during the September quarter.

Gold production for the quarter totalled 14,049oz, a slight decrease on the previous quarter, at a cash operating cost of A\$889/oz (before royalties). September quarter production was below expectations because of a failure in the spare primary mill gearbox. This resulted in six days of unplanned downtime. Lost production is expected to be recovered in the current quarter and FY12 guidance remains at least 70,000oz at a cash operating cost of A\$800/oz. The open pit and underground mine performed well, producing mined ore containing 19,200oz.

Full production statistics are provided in the table below.

<b>Pajingo Production Summary</b>	<b>June 2011 Quarter</b>	<b>September 2011 Quarter</b>
Underground Development (m)	1,531	1,380
Underground Ore Mined (t)	88,625	60,782
Underground Grade (g/t Au)	5.5	7.9
Open Pit Ore Mined (t)	40,117	40,243
Open Pit Grade (g/t Au)	2.4	2.9
Mill Production (dry t)	102,019	89,896
Mill Grade (g/t Au)	5.02	4.96
Recovery (%)	95.7	95.6
Gold Sold (oz)	14,580	14,049
Silver Sold (oz)	20,303	23,868
Gold Price Received (A\$/oz)	1,425	1,646
Silver Price Received (A\$/oz)	34.90	37.60
Site Cash Cost (A\$/oz Au) <sup>1</sup>	902	889
Total Site Cost (A\$/oz Au)*	1,315	1,241

1. Before royalties and after silver credits

2. After royalties and silver credits. Includes depreciation, amortisation and interest expense.

The main sources of stope ore during the quarter were Leaping Dog, Bell Vein Sonia 766E and Jandam. The Sonia area of the mine continues to deliver high-grade material with 14,000t at 14.2g/t being extracted during the quarter.

Production from the Janet A open pit was in line with forecast tonnes and grade. Gold production from

the Janet A pit, to 30 September 2011, has been approximately twice that originally forecast. Planning is underway for commencement of mining at the Venue open pit with the start of mining expected to be in January 2012.

In the coming quarter, raise boring of the Sonia to surface ventilation rise will commence, as will a 136m internal ventilation rise. Footings for the surface raise bore hole will be poured in October and raise boring will commence in November. As part of this project, high-voltage power, communications and compressed air will be relocated to the area of the rise where they will be fed down a drill hole to the underground mine. This will provide the mine with ventilation, power and services for at least the next 5 years.

As part of the ongoing upgrade of the equipment fleet the third new 50t Atlas Copco truck was delivered during the quarter. In November the first of the new loaders will arrive with the second due for delivery in May 2012.

At the treatment plant the regrind mill is being re-furbished and will be recommissioned in November. This will allow plant throughput to be lifted to approximately 85tphr early in the new year.

The dam wall on the Scott Lode tailings storage facility will be completed during the coming quarter bringing to a finish stage one of two stages that will give the operation five years of tailings storage capacity.

## DEVELOPMENT

### **Mt Carlton Development** (100% owned by Conquest)

Engineering and Procurement (EP) activities were 80% complete by the end of September 2011. Tenders have been issued for bulk earthworks, concrete civil works and steel fabrication packages. The emphasis of design engineering has now shifted to completing electrical design and all EP is expected to be completed in the December quarter. A preferred Construction Management (CM) group has been identified for the project development.

Procurement orders have been placed for major equipment totalling \$12M and awarded packages are generally within budget. All packages have now been approved for full award.

Revision of the procurement schedule has been completed with emphasis on assessing Required on Site ("ROS") dates. The majority of the process plant design has now been locked-down and the plant Process Flow Diagrams (PFD) have been finalised, allowing the release of the first contract packages for plant construction.

The Construction Schedule is being updated and will be finalised early in the December quarter. Subject to completion of permitting in late-2011, it is expected that mining and other civil earthworks will commence in early-2012 with project commissioning expected in the second half of 2012.

Engineering completed during the quarter included:

- Material take-offs completed for structural steelwork leading to the release of the contract packages for structural steel;
- Update procurement and contract schedule to calculate delivery dates and float based on forecast and actual dates;

- 22kV power line construction package issued; and
- Continuing with procurement documentation for King Creek 132/22kV substation construction package.

Owners engineering works undertaken during the quarter included:

- Design and tendering of access and site roads;
- Tendering of tailings storage facility, waste rock dumps and main water dams;
- Finalisation of accommodation village design and contracts;
- Preliminary Connection Works Contract signed with Ergon Energy for the power connection to facilitate early works.

Statutory public notice for the granting of the Mining Lease and Environmental Authority were completed during the quarter. Conquest has negotiated agreements with land-holders as required and all compensation and environmental matters were finalised early in the December quarter. The Mt Carlton Mining Lease is awaiting final approval from the Queensland Minister for Employment, Skills and Mining. Granting of the Mining Lease is required prior to commencement of site construction activities. Conquest is well advanced with negotiations to award the construction management contract for Mt Carlton and expects to be able to mobilise quickly after the granting of the Mining Lease.

## EXPLORATION

### Pajingo

A series of short drill programs were completed underground:

**Sonia** - drilling the western, down-dip extent of Sonia was completed to upgrade the Mineral Resource classification of this area from Inferred to Indicated. Drilling also confirmed geological continuity in the eastern up-dip extent of Sonia.

**Eva** (previously called Jandam J2) - drilling returned promising results and further work is now required to delineate the minable zones within the vein. This area could provide an easily accessible production source for this year.

**Lower Jandam** - drilling tested the area immediately below the JD523 level, currently the lowest ore-drive level in Jandam. It is designed to test the viability of extending the Jandam economic resource to lower depths. Preliminary visual inspections have indicated a substantial thickening of the ore zone, with some down-hole intercepts greater than 5m in width.

**Faith** - drilling of the western, up-dip extent of Faith was completed to increase the Mineral Resource classification of this area from Inferred to Indicated.

**Faith Eastern Extension** - drilling commenced during September and is targeting the eastern extension of the J1/V1 structure. This structure is a significant structure within the Vera-Nancy trend and hosts several of the larger deposits within the Pajingo system (i.e. Jandam, Vera and Faith). Due to inconsistencies with vein geometry identified from previous drilling, this area was not included in the resource modelling completed in June 2011, however with additional drilling, this area has the potential to be included in resources at the next update. Better results are shown in the following table.

Hole ID	Intercept
<b>Sonia</b>	
0785_03_SO	2m @ 43.6g/t Au
0785_01_SO	2m @ 6.19g/t Au
0744_03_SO	1m @ 6.98g/t Au
0744_04_SO	1m @ 109g/t Au
0785_07_SO	1m @ 7.43g/t Au
<b>Faith</b>	
0769_03_FA	1m @ 8.55g/t Au
0744_06_FA	2.7m @ 22.2g/t Au
<b>Eva</b>	
0782_05_JD	2.2m @ 28.19g/t Au
0782_02_JD	1m @ 11.75g/t Au

Regional exploration during the quarter focused on drilling at the Moonlight prospect and along the Starlight corridor. In total 2,309.1m of reverse circulation and diamond drilling was completed during the quarter.

**Moonlight Prospect** - drilling commenced at Moonlight in July with a program of six holes targeting a northwest trending zone of quartz veining and brecciation. Two holes were completed during the quarter. Significant assays are summarised below and full details are provided in Table 1 at the end of this report.

- 115.5m grading 1.48g/t Au from 370m in JMRD3680 including:
  - 33m grading 3.29g/t Au from 430m
  - 4m grading 19.46g/t Au from 457m
- 116m @ 1.65g/t Au from 354m in JMRD3680A including:
  - 3m @ 4.25g/t Au from 382m
  - 6m @ 8.35g/t Au from 396m
  - 3.2m @ 3.95g/t Au from 404.5m
  - 3.7m @ 8.68g/t Au from 420m
  - 4.3m @ 7.74g/t Au from 435.7m

All drill-holes in this phase of drilling have intersected extensive zones of pervasive silicification and localised quartz veining and brecciation hosted within an epiclastic sequence. The mineralisation occurs as a stockwork of veins and breccias that emanate from a steep northeast dipping feeder vein system. The feeder zone is comprised of several narrow (less than 1m wide) quartz veins confined to a corridor that can be traced for at least 200m. The epiclastic sequence includes a prominent sinter horizon which has been intersected by previous drilling over an area extending for at least 500m. It appears to act as a confining layer below which much of the higher grade mineralisation occurs. The distribution of the gold appears to be directly related to the intensity of silicification with the lower grade results corresponding to zones of pervasive silicification and the higher grade intercepts corresponding to sulphide bearing quartz veins.

Mineralisation has been intersected over a strike length of approximately 190m where it remains open to the northwest, southeast and down-dip.



**Starlight Corridor** – drilling intersected significant mineralisation at the Starlight B and Mt Starlight prospects. Significant assays are summarised below and full details are provided in Table 1 at the end of this report.

- 3m grading 6.37g/t Au from 351m in JMRD3659 at Starlight B;
  - including 1m grading 11.60g/t Au from 351m.
- 2m grading 7.49g/t Au from 346m in JMRD3657 at Mt Starlight;
  - including 0.4m grading 21.80g/t Au from 365.5m.

The Starlight corridor is a 2.5km long, curvi-linear zone of quartz veining and brecciation oriented essentially east-west and intersecting the northwest trending Vera-Nancy line of lode near the Jandam deposit. It is manifest as a coincident magnetic low and resistivity high extending for approximately 2.5km from Jandam to Mount Starlight. Historic drilling has intermittently tested the zone to a depth of about 400m below the surface with localised high grade intercepts a feature of several of the earlier drill-holes, particularly in the Mt Starlight area. Recent drilling has targeted historic higher grade intercepts; focusing on areas where previous drilling did not extend deeper than 100m below surface.

### **Mt Carlton**

Field mapping to investigate a significant IP chargeability and resistivity feature, known as the Jasper Ridge prospect, discovered quartz veined and brecciated rhyodacites, similar to the host rock at the V2 deposit. Rock chip sampling identified a broad zone of anomalous gold geochemistry with surface values up to 0.95g/t Au. The area is located approximately 2km east of the V2 and A39 deposits but had limited previous drill testing.

A first phase of drilling returned very encouraging, near-surface results. Significant assays are summarised below and full details are provided in Table 2 at the end of this report:

- 15m grading 2.26g/t Au, 19.7g/t Ag and 0.23% Cu from 15m in HC11RCD992;
- 21m grading 0.25g/t Au and 15.9g/t Ag from 30m in HC11RCD991;
- 5.45m grading 0.21g/t Au and 2.5g/t Ag from 16.55m in HC11DD070;
- 19m grading 0.55g/t Au, 17.6g/t Ag and 0.29% Cu from 5m in HC11RC1000;
- 4m grading 0.15g/t Au, 9.7g/t Ag and 0.18% Cu from 17m in HC11RC1001;
- 4m grading 0.37g/t Au and 1.7g/t Ag from 17m in HC11RC1004; and
- 3m grading 0.26g/t Au, 16.5g/t Ag and 0.10% Cu from 22m in HC11RC1005.

Mineralisation is associated with altered and brecciated rhyodacite capping the microgranite basement with strong clay/silica alteration interpreted as the source of the IP anomaly.

### **Finance**

As at 30 September 2011 Conquest had available cash of \$14.5M plus gold and silver available for sale of \$4.7M totalling \$19.2M (compared to \$31.9M at 30 June) and debt of \$6.835M (a Performance Bond Facility related to environmental performance at Pajingo).

During the quarter Conquest accepted an offer from Macquarie Bank Limited (“Macquarie”) for \$100M of debt funding for the Mt Carlton project. The debt funding offer was structured as three facilities:

- \$50M Project Finance Facility to fund construction and working capital of the Mt Carlton project, which shall be available until 30 September 2012 provided that the first draw down of

- the facility occurs before 31 March 2012 (unless otherwise agreed in writing by Macquarie);
- \$40M Bridge Finance Facility to fund construction of the Mt Carlton project, which shall be available until 31 March 2012 (unless otherwise agreed in writing by Macquarie) but which Conquest may elect to cancel at no cost prior to 31 October 2011; and
- \$10M Performance Bond Facility for the provision of unconditional performance bonds to satisfy the requirements of the Queensland Department of Mines and Energy under the terms and conditions of the tenements for the Mt Carlton project.

Conquest cancelled the Bridge Finance Facility on 17 October following successful completion of the merger with Catalpa Resources. The availability of funding under the remaining facilities is subject to satisfaction of certain conditions precedent, including the execution of formal documentation which is well advanced.

The terms of the Project Finance Facility require Conquest to enter into hedging arrangements in respect of 2.5 million ounces of silver and 3,420 tonnes of copper. No gold hedging is required. A priority for Evolution Mining is to determine the optimal funding structure of the merged group.

Subsequent to the end of the quarter Conquest announced that Mr Tim Churcher will join the company as Chief Financial Officer commencing on 24 October 2011. Mr Churcher will also be appointed Chief Financial Officer of Evolution Mining once the transaction involving Catalpa and Newcrest is implemented.

Mr Churcher is a highly respected and accomplished finance executive with considerable experience in the gold mining sector. He has 25 years of experience in a range of technical and financial disciplines both locally and internationally within the gold sector, most recently as Chief Financial Officer and Company Secretary of Australian gold producer Unity Mining Limited (“Unity”). At Unity, Mr Churcher led the company’s finance function, strategy, planning, business development and investor relations.

**Jake Klein**  
Executive Chairman



**Table 1. Pajingo Exploration Drilling and Assay Data – September Quarter 2011**

Drill Hole	Coordinates				Significant intersections
	AMG N	AMG E	Set up	Depth	
	m	m	Dip/Azi (TN)	m	
<b>Starlight Corridor</b>					
JMRD 3657	7726663	446830	-46/009	432.30	31m @ 1.47g/t Au from 282m
JMRD 3657					includes 3m @ 3.02g/t Au from 282m
JMRD 3657					and 8m @ 3.06g/t Au from 304m
JMRD 3657					2m @ 7.49g/t Au from 346m
JMRD 3657					0.4m @ 21.8g/t Au from 365.5m
JMRD 3657					1.7m @ 2.37g/t Au from 367.3m
JMRD 3659	7726905	445589	-62/165	485.80	2m @ 2.65g/t Au from 218m
JMRD 3659					2m @ 3.88g/t Au from 239m
JMRD 3659					3m @ 6.37g/t Au from 351m
JMRD 3659					Includes 1m @ 11.6g/t Au from 351m
JMRD 3659					1.1m @ 3.59g/t Au from 449m
<b>Moonlight</b>					
JMRD3679	7724884	445681	-70/225	65.00	Pre-collar Abandoned
JMRD3680	7724884	445681	-70/225	527.80	115.5m @ 1.48g/t Au from 370m
JMRD3680					Includes 33m @ 3.29g/t Au from 430m
JMRD3680					Includes 4m @ 19.46g/t Au from 457m
JMRD 3680A	7724884	445681	-70/225	569.80	116m @ 1.65g/t Au from 354m
JMRD 3680A					Includes 3m @ 4.25g/t Au from 382m
JMRD 3680A					And 6m @ 8.35g/t Au from 396
JMRD 3680A					And 3.2m @ 3.95g/t Au from 404.5m
JMRD 3680A					And 3.7m @ 8.68g/t Au from 420m
JMRD 3680A					And 4.3m @ 7.74g/t Au from 435.7m
<b>Moonstar</b>					
JMRD3678	7726009	444995	-62/050	747.80	NSR

**Table 2. Mt Carlton Exploration Drilling and Assay Data – September Quarter 2011**

Drill Hole	Coordinates		Set up		Significant intersections
	AMG N	AMG E	Dip/Azi (TN)	Depth	
	m	m		m	
<b>Jasper Ridge</b>					
HC11RCD990	7757380	556740	-60/130	267.10	14.7m @ 9.8g/t Ag from 41.3m.
HC11RCD991	7757390	556800	-60/180	270.30	21m @ 0.25g/t Au, 15.9g/t Ag from 30m.
	including				8m @ 0.47g/t Au, 26.3g/t Ag from 36m.
HC11RCD992	7757432	556936	-60/180	249.00	15m @ 2.26g/t Au, 19.7g/t Ag, 0.23% Cu from 15m.
HC11DD070	7757437	556935	-60/180	66.00	5.45m @ 0.21g/t Au, 2.5g/t Ag from 16.55m.
HC11RC1000	7757410	556936	-60/180	92.00	19m @ 0.55g/t Au, 17.6g/t Ag, 0.29% Cu from 5m.
HC11RC1001	7757385	556936	-60/180	92.00	4m @ 0.15g/t Au, 9.7g/t Ag, 0.18% Cu from 17m.
HC11RC1001					4m @ 0.01g/t Au, 21.4g/t Ag, 0.35% Cu from 31m.
HC11RC1001					4m @ 0.57g/t Au, 2.3g/t Ag from 62m
HC11RC1002	7757335	556936	-60/180	127.00	3m @ 0.20g/t Au, 11.1g/t Ag from 63m.
HC11RC1002					2m @ 0.20g/t Au, 21.1g/t Ag, 0.42% Cu from 101m
HC11RC1003	7757482	556940	-60/180	116.00	2m @ 0.18g/t Au, 2g/t Ag from 10m.
HC11RC1004	7757470	556985	-60/180	110.00	4m @ 0.37g/t Au, 1.7g/t Ag from 17m.
HC11RC1005	7757406	556974	-60/180	116.00	3m @ 0.26g/t Au, 16.5g/t Ag, 0.10% Cu from 22m.
HC11RC1005					1m @ 0.79g/t Au, 3.0g/t Ag from 44m.
HC11RC1005					2m @ 0.35g/t Au, 2.0g/t Ag from 54m.
HC11RC1005					4m @ 0.20g/t Au, 1.7g/t Ag from 64m.
HC11RC1005					4m @ 0.20g/t Au, 3.4g/t Ag from 90m.
HC11RC1006	7757370	556985	-60/180	110.00	2m @ 0.30g/t Au, 2.0g/t Ag from 47m.
HC11RC1006					9m @ 0.27g/t Au, 5.0g/t Ag from 58m.
HC11RC1006					5m @ 0.46g/t Au, 6.0g/t Ag from 79m.
HC11RC1006					4m @ 0.54g/t Au, 4.45g/t Ag from 106m.
HC11RC1007	7757320	556985	-60/180	110.00	1m @ 0.13g/t Au from 67m.
HC11RC1007					6m @ 0.17g/t Au, 10.9g/t Ag from 91m.
HC11RC1007					1m @ 0.15g/t Au, 6.9g/t Ag from 100m.
HC11RC1008	7757333	556884	-60/180	98.00	2m @ 0.22g/t Au from 10m.
HC11RC1008					1m @ 0.21g/t Au, 6.7g/t Ag from 29m.
HC11RC1008					2m @ 0.30g/t Au, 4.9g/t Ag from 62m.
HC11RC1008					6m @ 0.23g/t Au, 7.3g/t Ag from 75m.
HC11RC1009	7757384	556889	-60/180	98.00	22m @ 0.28g/t Au, 41.4g/t Ag, 0.1% Cu from 5m.
HC11RC1010	7757402	556887	-60/180	116.00	10m @ 0.34g/t Au, 13.3g/t Ag from 7m.
HC11RC1010					2m @ 0.49g/t Au, 11.7g/t Ag from 20m.
HC11RC1011	7757385	557150	-60/180	110.00	6m @ 0.18g/t Au, 7.2g/t Ag from 74m.

### Competent Person Statement

Information in this report that relates to Mt Carlton exploration results is based on and accurately reflects information compiled by Mr David Hewitt B ApplSc (Geology), MSc, MAIG who is a full time employee of Conquest. Mr Hewitt 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 Hewitt consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this report that relates to Pajingo near-mine and regional exploration results is based on and accurately reflects information compiled by Mr Brentan Grant BSc (Hons), MAIG who is a full time employee of Conquest. Mr Grant 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 Grant consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this report that relates to Pajingo mine exploration results is based on and accurately reflects information compiled by Mr Jamie Brown BSc (Geology), MAIG who is a full time employee of Conquest. Mr Brown 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 Brown consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**Conquest Mining Limited and related entities\***

\* Includes results of Pajingo gold mine since acquisition in September 2010

ABN

**33 009 232 277**

Quarter ended ("current quarter")

**30 September 2011**

#### Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	25,057	25,057
1.2 Payments for		
(a) exploration & evaluation	(2,344)	(2,344)
(b) development	(14,778)	(14,778)
(c) production	(12,988)	(12,988)
(d) administration	(5,329)	(5,329)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	380	380
1.5 Interest and other costs of finance paid	(81)	(81)
1.6 Income taxes received – R&D claim	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(10,083)</b>	<b>(10,083)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments (net of cash acquired)	-	-
(c) other fixed assets	(1,377)	(1,377)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	400	400
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - repayment of capital leases	(335)	(335)
<b>Net investing cash flows</b>	<b>(1,312)</b>	<b>(1,312)</b>
1.13 Total operating and investing cash flows (carried forward)	-	-
1.13 Total operating and investing cash flows (brought forward)	-	-

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – debt facility fees	(500)	(500)
<b>Net financing cash flows</b>		(500)	(500)
<b>Net increase (decrease) in cash held</b>		(11,895)	(11,895)
1.20	Cash at beginning of quarter/year to date	26,370	26,370
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	14,475	14,475

**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	255
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries and Director Fees
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**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

None
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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

None
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### 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	6,835	6,835
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,664
4.2 Development	31,054
4.3 Production	24,870
4.4 Administration	5,720
<b>Total</b>	<b>64,308</b>

### 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	10,792	10,792
5.2 Deposits at call	3,685	3,685
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>14,477</b>	<b>14,477</b>



### Changes in interests in mining tenements

	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	n/a	n/a	m/a
6.2	Interests in mining tenements acquired or increased	n/a	n/a	n/a

### Issued and quoted securities at end of current quarter

*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	<b>Preference securities</b> <i>(description)</i>	Nil	Nil	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	-
7.3	<b>+Ordinary securities</b>	583,241,478	583,241,478	-
7.4	Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	Nil  Nil	Nil  Nil	-  -
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	Nil	Nil	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil  Nil	Nil  Nil	-  -

Appendix 5B  
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7	<b>Options</b> <i>(description and conversion factor)</i>		<i>Exercise price</i>	<i>Expiry date</i>
	5,500,000	Nil	60.0cps	19-Oct-12
	2,000,000	Nil	93.0cps	26-Feb-13
	4,050,000	Nil	38.0cps	1-Jun-15
	1,050,000	Nil	42.0cps	6-Oct-15
	311,908	Nil	55.8cps	25-Nov-15
	3,882	Nil	54.6cps	25-Nov-15
	9,366	Nil	56.9cps	25-Nov-15
	280,646	Nil	59.2cps	25-Nov-15
	391,772	Nil	57.5cps	25-Nov-15
	214,114	Nil	63.3cps	25-Nov-15
	1,333,612	Nil	55.2cps	25-Nov-15
	359,346	Nil	45.3cps	25-Nov-15
	2,450,000	Nil	64.0cps	25-Nov-15
	1,850,000	Nil	56.5cps	1-Apr-16
	1,684,302	Nil	55.8cps	25-Nov-16
	20,968	Nil	54.6cps	25-Nov-16
	50,574	Nil	56.9cps	25-Nov-16
	1,515,484	Nil	59.2cps	25-Nov-16
	2,115,572	Nil	57.5cps	25-Nov-16
	1,156,217	Nil	63.3cps	25-Nov-16
	2,201,501	Nil	55.2cps	25-Nov-16
	1,940,470	Nil	45.3cps	25-Nov-16
	16,000,000	Nil	28.0cps	1-Jun-15
	16,000,000	Nil	32.0cps	1-Jun-16
7.8	Issued during quarter	Nil	Nil	Nil
7.9	Exercised during quarter	Nil	Nil	Nil
7.10	Expired during quarter	250,000 450,000	Nil Nil	42.0cps 64.0cps
7.11	<b>Debentures</b> <i>(totals only)</i>	Nil	Nil	
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil	Nil	

**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 give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 27 October 2011

Print name: Evan Elstein

## 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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