

Conquest Mining Limited: Update Information On Concentrate Offtake Agreement With Shandong Guoda Gold

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Sydney, Australia (ABN Newswire) - Conquest Mining Limited (ASX: CQT) (PINK: CQMLF) refers to its announcement on 16 September 2010 that it has entered into a long-term concentrate offtake contract with Shandong Guoda Gold Co. Limited for the sale of gold-silver-copper concentrate from Conquest's V2 deposit at the Mt Carlton project in north Queensland.

The announcement stated that the offtake agreement is a life-of-mine contract for the sale of 490,000 wmt of concentrate and that the sales revenue under the contract for that quantity of concentrate is projected to be approximately \$1 billion on the basis that V2 concentrate is sold at the average expected specification, contract payability terms, and commodity prices of US\$1200/oz Au, US\$18.40/oz Ag and US\$3.00/lb Cu.

As advised in previous announcements, metallurgical testwork and optimisation studies indicate that the currently defined V2 Ore Reserve can be processed via conventional crush-grind-float processing to produce approximately 490,000 wmt of concentrate (a mass pull ratio of approximately 7%) at a rate of approximately 4,500 wmt per month over 9 years. The testwork indicates an average concentrate grade in the range of 40-45g/t Au, 350-450g/t Ag and 5-6% Cu (see 20 July 2010 and 22 July 2010 announcements).

Although Conquest's 16 September announcement referred to an estimated \$1 billion in sales revenue under the contract, Conquest wishes to reiterate that this is simply a calculation based on the previously indicated concentrate production and average grades, together with the commodity prices referred in the announcement. The actual sales revenue under the contract may differ materially from this amount, for a number of reasons.

Firstly, as stated in previous announcements, Conquest has not made a development decision in relation to the Mt Carlton project, and any such decision is not expected to be made until the December quarter of 2010. Factors which will be relevant to that decision include return on capital employed, gross profit margin and availability of funding. Signing of the Shandong Guoda Gold Co. contract will assist in discussions with potential equity providers and project financiers, but funding for the project is not guaranteed. If the Mt Carlton mine is not developed, there will be no sales revenue under the Shandong Guoda Gold Co. contract. Similarly, if the Mt Carlton mine is developed at a later date or at a different scale than currently expected the sales revenue under the contract will vary accordingly.

Secondly, if the mine is developed, production is not scheduled to commence until 2012 (see 6 August 2010 investor presentation) and actual sales revenue under the contract will depend on the volume and grade of concentrate produced from the V2 open pit; prevailing commodity prices and exchange rates over the life of the mine.

About Conquest Mining Limited:

Conquest Mining Limited (ASX:CQT) (PINK:CQMLF) 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.

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