Conquest Mining Limited: Preliminary Response To Heemskirk Offer For North Queensland Metals

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Perth, Australia (ABN Newswire) - Conquest Mining Limited(ASX: CQT) (PINK: CQMLF) notes the announcements today by North Queensland Metals Limited (ASX: NQM) and Heemskirk Consolidated Limited (ASX: HSK) in relation to Heemskirk's proposed takeover offer for NQM.

The bid offers 1.2 Heemskirk ordinary shares for each NQM share, with no cash component.

Conquest is currently reviewing the proposed offer and makes the following preliminary observations in relation to the competing offer:

- The Heemskirk offer consists entirely of Heemskirk shares. Unlike the CQT offer for NQM, there is no cash component.

- Heemskirk has A$29.1 million of convertible notes maturing in April 2011 and limited cash resources to redeem these notes.

- The Heemskirk announcement refers to the offer providing NQM shareholders with a 56% premium to the closing price of NQM shares of A$0.27 on 2 July 2010, being the last trading day prior to the date of the Heemskirk announcement. However, using the 60 day VWAP for Heemskirk to calculate the implied value of the offer rather than the Heemskirk closing price on 2 July 2010, the premium is 32%. Similarly, using today's closing price of Heemskirk shares compared to the closing price of NQM shares on 2 July, the premium would be 36%.

- The Heemskirk offer does not currently have the support of NQM's founder, director and major (21%) shareholder, Mr Don Walker. Mr Walker has previously entered an agreement with CQT under which he has agreed to accept the CQT offer for a 19.9% shareholding in NQM, in the absence of a higher offer. Without Mr Walker's support, the 90% minimum acceptance condition in Heemskirk's offer cannot be satisfied.

Conquest has today completed despatch of its Bidder's Statement to security holders in NQM. A Notice of Despatch and the Replacement Bidder's Statement in the form despatched to NQM security holders have today been lodged with ASIC, provided to NQM and released to the ASX.

About Conquest Mining Limited:

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. Work to optimise the project and a review of the proposed process flowsheet is underway.

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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