

29 April 2010

CATALPA ACHIEVES FIRST GOLD POUR AT EDNA MAY

Australian gold producer, Catalpa Resources Limited (ASX: CAH) is pleased to announce first gold production at its Edna May Gold Project in WA, within budget and two months ahead of schedule.

The first production gold was poured yesterday at the Edna May Gold Project processing plant near the Wheatbelt town of Westonia just nine months after Project approval, and firmly positions the Company as one of Australia's fastest-emerging mid-tier gold producers.

The gravity and carbon recovery circuits were commissioned last week, resulting in the first production gold pour of 414 ounces of dore. The dore is an alloy of gold, silver and other metals and is expected to refine to approximately 85% pure gold.



Managing Director, Bruce McFadzean said ramp-up to full production capacity of 2.8Mtpa is underway and will see Catalpa producing gold at a rate of more than 130 000 ounces per annum by July this year from Edna May and 30% Cracow.

"This is a significant milestone in Catalpa's history, and an achievement that all of our contractors and employees can take pride in. We delivered this milestone ahead of schedule, but more importantly, with zero lost time injuries throughout the construction and commissioning period. The safety of people is paramount at Catalpa, and will remain our highest priority," Mr McFadzean said.



First gold pour from Edna May

ASX Code: **CAH**

Shares on issue:

161,202,440

Share Price Current:

\$1.58

12 month range

\$1.98 (high) - \$0.76 (low)

Board of Directors

Mr Peter Maloney	Non Exec Chairman
Mr Bruce McFadzean	Managing Director
Mr John Rowe	Non Exec Director
Mr Murray Pollock	Non Exec Director
Mr Barry Sullivan	Non Exec Director
Mr Graham Freestone	Non Exec Director
Mr Graham Anderson	Company Secretary
Mr Leonard Math	Company Secretary

Senior Management

Erik Palmbachs	CFO
Stuart Pether	GM Operations
Nick Winnall	Manager Exploration
Adrian Pelliccia	Manager Geology

“This occasion marks the fourth mining episode in Edna May’s 100-year history, which fittingly, coincides with Westonia’s Centenary celebrations in coming months.”

“While the successful commissioning of the Edna May Gold Project firmly establishes Catalpa as a successful gold developer, our aim now is on reaching steady-state production in coming months.”

“Following the successful \$20 million equity raising as announced on 22 April, Catalpa is well funded during the production ramp up phase and in a position where we can focus on company growth.”

“The funds from the equity raising will also be used to expedite our ongoing exploration program at Edna May. We are very confident in the Project’s exploration upside potential, and in particular, will be fast-tracking programs at the Greenfinch, Golden Point and Edna May Underground targets with a view to extending the Edna May life of mine beyond its current 9 years.”

“With our exceptional forward-sold gold price of \$1557.50 for 352,316 ounces of Edna May’s production, we expect to realise excellent cash operating margins to retire debt and fund Catalpa’s future growth.” Mr McFadzean said.



First Catalpa gold bar produced at Edna May

ENDS



ABOUT CATALPA RESOURCES

Catalpa Resources Limited (ASX: CAH) has two exciting gold assets; a 30% interest in the 100,000 ounce per annum Cracow Gold Operations - a producing gold mine in Queensland (70% Newcrest Mining Limited); and the 100,000 ounce per annum Edna May Gold Project in Western Australia (100%) - an advanced gold project ahead of schedule to commence production in a month early in May 2010.

The A\$92 million Edna May Gold Project is fully funded, and, as part of the finance facility, Catalpa has sold forward 352,316 ounces of gold at A\$1,557.50 per ounce. At an average gold price of A\$1,400 per ounce Catalpa will realize an average cash operating margin of A\$72 million per annum from the Edna May Gold Project alone.

With a combined Mineral Resource of more than 1.9 million ounces and a combined Ore Reserve of more than a million ounces of gold (refer announcement dated 2 December 2009), the Cracow and Edna May Operations will provide a sustainable cash flow to fund Catalpa's growth strategy.

Catalpa is confident that both the Cracow and Edna May Gold Project offer further Reserve and Resource growth potential, with ongoing exploration programmes at both operations. In parallel, the Company continues to proactively identify and assess other production growth opportunities.

The Company has a committed and technically accomplished management team and a highly-experienced and supportive Board, committed to realising shareholder value from the Company's growing asset portfolio.

Catalpa has adopted best practice standards across all its activities, including health and safety, environmental management, corporate governance and social responsibility.

EDNA MAY OPERATIONS (100%)

Catalpa's wholly-owned Edna May Gold Project is conveniently positioned just two kilometers from the infrastructure of Westonia, on the eastern edge of WA's Wheatbelt region. The mine is half way between Perth and Kalgoorlie and ideally situated to be serviced by either of these major mining centres.

With its robust economics, geologically and metallurgically well defined ore-body, high Ore Reserve confidence and excellent recovery rate of more than 92%, Catalpa's Edna May Gold Project offers an attractive, long-term platform to grow a mid tier gold producer.

Catalpa's mine and processing schedule demonstrate average gold production at Edna May in excess of 100,000 ounces of gold recovered per annum for a life of mine of more than nine years, with production planned to commence in June 2010.

CRACOW GOLD OPERATIONS (30%)

Catalpa owns 30% of the Cracow Gold Operations in Queensland with Newcrest Mining Limited, and also has a pre-emptive right over Newcrest's 70% stake in the asset. The Cracow Gold Project is well managed and operated by Newcrest, allowing Catalpa to remain focused on constructing the Edna May Gold Project on time and within budget.

The Cracow Gold Project has a history of steady gold production of over 100,000 ounces per annum for the past four years and it is considered to have considerable exploration upside.

For further enquiries contact:

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