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1 February 2011

CATALPA LAUNCHES A\$23.4 MILLION EQUITY CAPITAL RAISING

Catalpa Resources Limited (“Catalpa” or “the Company”) has launched an institutional share placement seeking to raise A\$23.4 million (“Capital Raising”) to help fund ongoing development at the Company’s Edna May Gold Project in Western Australia.

The Capital Raising will be completed by way of a placement of approximately 15.1 million ordinary shares within Catalpa’s 15% placement capacity (pursuant to ASX Listing Rule 7.1) at \$1.55 per share.

Use of Funds

The proceeds of the Capital Raising, along with the Company’s existing cash resources of approximately A\$30.9 million, will be used to:

- Expand and accelerate exploration drilling program at Edna May Gold Project (A\$7.0 million)
- Commence a mining study and borefield development at Edna May (A\$3.0 million)
- Expand and improve reliability of the processing plant at Edna May (A\$8.0 million)
- Advance studies and trial crushing for increase in plant capacity through secondary crushing (A\$1.5 million)
- Advance studies and test work for the recovery of a tungsten by-product from the Edna May CIL process (A\$1.5 million)
- Provide additional working capital, fund regional acquisition opportunities and fund costs of the offer (A\$2.4 million)

Catalpa’s Managing Director and CEO, Mr Bruce McFadzean, commented that: “the proceeds of the Capital Raising will allow us to significantly enhance and accelerate the value of the Edna May Gold Project as part of Catalpa’s 5 year strategic growth plan. We are excited by Edna May’s underground potential as well as the prospectivity of the region and believe it is prudent to move forward on a number of fronts.”

“The Capital Raising is also expected to broaden the Company’s register by facilitating the introduction of new Australian and international institutions.”

ASX Code: **CAH**

Shares on issue:

162,832,907

Share Price Current:

A\$1.695 (01 February 2011)

12 month range:

A\$2.27 (high) - A\$1.18(low)

Market Capitalisation:

A\$275 million

Board of Directors

Mr Peter Maloney	Non Exec Chairman
Mr Bruce McFadzean	MD and CEO
Mr John Rowe	Non Exec Director
Mr Barry Sullivan	Non Exec Director
Mr Graham Freestone	Non Exec Director
Mr Murray Pollock	Non Exec Director

Senior Management

Erik Palmbachs	CFO & Company Secretary
Stuart Pether	COO
Nick Winnall	Manager Exploration
Adrian Pelliccia	Manager Bus Dev
John Winterbottom	Manager Geology
John Fraser	GM – Edna May
Raelene Wyatt	Manager HR

Indicative Capital Raising Timetable

Event	Date
Trading halt begins (approximately)	4:30pm AEDT, Tuesday 1 February 2011
Lodgement of ASX announcement and investor presentation	Tuesday 1 February 2011
Bookbuild opens	6:00pm AEDT, Tuesday 1 February 2011
Bookbuild closes	3:00pm AEDT, Wednesday 2 February 2011
ASX completion announcement & trading halt lifted	10:00am AEDT, Thursday 3 February 2011
Settlement of Capital Raising	Tuesday, 8 February 2011
Allotment of Capital Raising Shares	Wednesday, 9 February 2011

All times and dates above are indicative only and subject to change.

The Capital Raising is subject to a trading halt which is expected to remain in place until the markets resume trading on the Australian Securities Exchange on Thursday, 3 February 2011.

For further enquiries contact:

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About Catalpa Resources Limited

Catalpa Resources Limited (ASX: CAH) is a fast growing mid tier gold producer with two exciting gold assets; a 100% interest in the 100,000 ounces per annum Edna May Gold Project in Western Australia and a 30% interest in the 100,000 ounces per annum Cracow Gold Project in Queensland (70% Newcrest Mining Limited).

Catalpa's flagship Edna May Gold Project boasts an impressive forward sold position of 318,000 ounces of gold at A\$1,557.50 per ounce. At a hedge book/spot weighted average gold price of A\$1,460 per ounce Catalpa expects to realise an average cash operating margin of A\$72 million per annum from the Edna May Gold Project alone.

The Cracow Gold Project has a history of steady underground gold production of over 100,000 ounces per annum for the past five years and it is considered to have considerable exploration upside. Catalpa has a pre-emptive right over Newcrest's 70% stake in the asset.

With a combined Mineral Resource of 2.2 million ounces and a combined Ore Reserve of more than one million ounces of gold, the Cracow and Edna May Operations provide a sustainable long life cash flow to fund Catalpa's growth strategy and provide shareholder returns.

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

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

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

