

ASX RELEASE

8 June 2012

COMPANY UPDATE



HIGHLIGHTS

- Company moving forward under the “Inca” banner to develop its Peru assets – which includes the exciting Chanape Au-Ag-Cu Porphyry Project
- Dr Justin Walawski appointed Chairman
- Focussed board of directors
- Lima-based geological consulting firm ExploAndes, led by Dr Miguel Cardozo, commences work at Chanape
- Company with new offices in Perth and Lima

Moving forward with purpose

Condor Metals (ASX code: CNK) will soon be called Inca Minerals. The change of name and ratification of a placement of shares was recently approved at our General Meeting (subject of an ASX announcement of 28 May 2012).

Ross Brown, Condor Metals’ Managing Director is pleased to convey the message that the Company is ready to build on its successes reported earlier in the year. Social, environmental and exploration programs have all advanced in recent months at the Company’s Chanape Au-Ag-Cu Porphyry Project in Peru.

“I am pleased to welcome to the company Dr Justin Walawski as Chairman and Company Secretary. I am also very pleased to report that we have appointed ExploAndes SAC (“ExploAndes”) as geological consultants and Fomper SAC (“Fomper”) as environmental and social consultants to the company. We have enlisted the services of Arce Geofisicos, who have already generated stunning new geophysics targets for us at Chanape, Australian Laboratory Services (“ALS”) for our assaying requirements, and Bramsa (Bradley-MDH), who have a drill rig ready for our use.”

Dr Justin Walawski

Dr Walawski is well known to many in the mining and investment community and brings skill across the corporate spectrum to the Condor board. His experience in successful strategic leadership and negotiation were developed in previous positions some of which include:

- Chairman, Deputy Chairman & Chief Executive of the North West Iron Ore Alliance;
- Chief Executive of the Association of Mining & Exploration Companies Inc. (AMEC);
- Chairman of Special Olympics Australia (WA);
- Director of CPA Australia (WA); *and*
- Member of the Federal Australian Government's Mineral Exploration Action Implementation Committee.

As head of AMEC, Dr Walawski worked with Ambassadors and Trade Commissioners of a number of South American countries (including Peru) to promote mineral exploration by Australian companies in those regions. Having also been heavily involved with the Company's subsidiary in 2011, he has a keen understanding of what is needed to develop Condor's key assets.

Dr Walawski's career commenced as an auditor with Ernst & Young. He also spent time as a member of the ASX Supervisory Liaison Committee, the WA Government's Tax Review Reference Committee and authored a book on tax-effect accounting in Australia. He is currently:

- Chairman of the Finance & Audit Committee and non-executive director with Pindan College Ltd (a public company owned by Rio Tinto, Chevron, Woodside and BHP).
- Chairman of FAB Industries Pty Ltd (a private equity investment firm).
- Chairman of the Nominee Board of IFS Ltd [ASX: IFS]; and
- Facilitates the Financial Literacy / Financial Strategy modules within the AICD's Company Directors course.

He is a member of the AICD, a Fellow with CPA Australia and holds three tertiary accounting/auditing qualifications including a PhD in regulatory financial statement disclosure. Having also been company secretary for a number of public companies, Dr Walawski's financial, governance and commercial acumen is welcomed by the Condor board.

Work begins at Chanape

ExploAndes has been appointed to manage exploration at Chanape and the pre-drilling exploration program has now commenced. The program is primarily designed to generate drill targets to investigate the occurrence of a large porphyry system within the project area. The programs principally include:

- Core re-logging (including petro-mineralogical examination of core) and core assaying to add significantly to the understanding of the formation of the highly mineralised Breccia Number Eight (one of approximately 50 breccia bodies known to occur in the project area). This work has begun.
- Geological, structural, alteration and multi-spectral mineral mapping, surface sampling to fully delineate the porphyry-like characteristics of the project area, occurrence of hydrothermal breccias, occurrence of widespread porphyry-style alteration and mineralisation.
- Target generation, integrating geological, geochemical and geophysical data sets for the purposes of investigating the occurrence of:
 - a large Au/Ag/Cu porphyry system, *and*
 - near-surface vein deposits capable of supporting near-term production.

ExploAndes' experience

Founded in 2003, ExploAndes is a Lima-based, independent consulting group that provides expert planning, execution and reporting for exploration and mining projects in Peru. It's past and present client base includes: Quellaveco, Sociedad Minera Cerro Verde, Barrick Gold, Newmont, Sumitomo, BHP Billiton, Carboandes, Magma Energy, Golden Alliance, Aruntani, Ferrobamba, Anglo Gold, Petaquilla Minerals, Norsemont, Chariot Resources, Solex Resources, Strike Resources, Zincore Metals, Kingsgate Consolidated, Reliant Resources, Magma Energy Corp, among others.

Read more about ExploAndes in the following pages

CONDOR METALS LIMITED
ASX CODE: CNK

Ross Brown
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr. Ross Brown, Managing Director, Condor Metals Ltd., who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Brown is a full time employee of Condor Metals Ltd.. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Brown consents to the report being issued in the form and context in which it appears.

Applying ExploAndes' expertise at Chanape

Dr Miguel Cardozo

ExploAndes' principal, Dr Miguel Cardozo, has had nearly 40 years' experience as a global geologist. He has served as technical advisor for the Ministry of Energy and Mines of Peru and has served as Director of the Peruvian Geological Survey (INGEMMET). He has particular expertise in vein and bulk-tonnage ore bodies in Andean terrains and was the author of the seminal publication "Peruvian Andes: Geology and Mineral Potential".

Dr Cardozo held local and regional managerial positions in various large mining companies, including Newmont, North Limited and Teck Resources. He led the team that discovered the Yanacocha gold district in 1985 and of the Galeno copper-gold porphyry deposit in 1994. Dr Cardozo is the author of the seminal publication "Peruvian Andes Geology and Mineral Potential". This work has been used by many exploration and mining companies and its centrepiece, the mineral map of Peru (Figure 1) has been adapted to numerous widely distributed publications.

Dr. José Macharé

Dr. José Macharé, who has been designated as the consultant Project Manager for Chanape, is a geologist with 32 years' experience and has been working in senior positions in various international companies, including Newmont, North Limited and Barrick for several years. He has also been the Executive Director of the Peruvian Geological Survey (INGEMMET). His experience is particularly pertinent at Chanape.

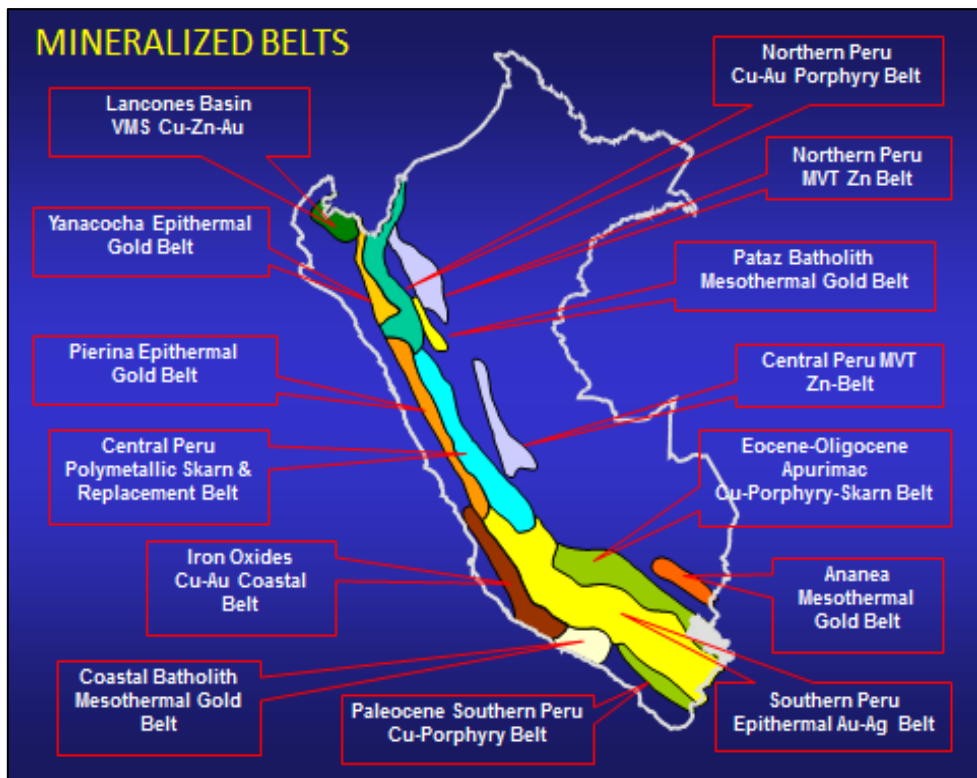


Figure 1: The mineralised belts of Peru by Dr Cardozo

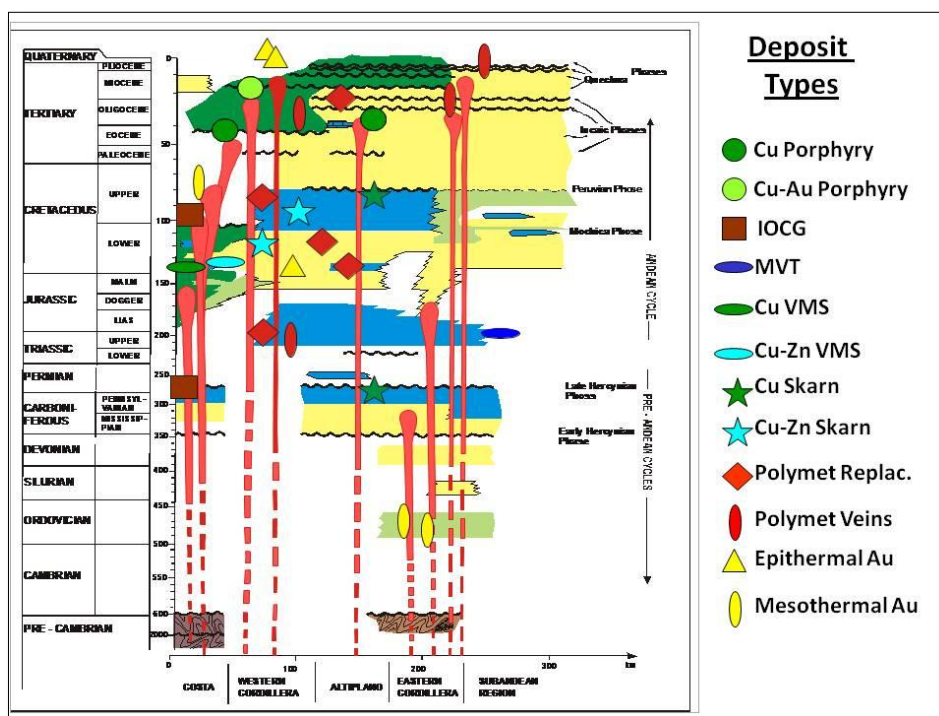


Figure 2: Schematic geological section across the Peruvian Andes showing dominant lithological units, main intrusive phases and associated deposit types, by Dr Cardozo

ExploAndes draws from a team of 30 geologists who are familiar with and follow the guidelines of the Australian JORC code. It should be highlighted that a slightly modified version of the JORC code has been adopted as the official reporting guideline by the Lima Stock Exchange. These geologists are seen working in figures 3 and 4 (not Condor projects).



Figure 3: Core logging by an ExploAndes geologist and supervisor (photo not of Condor's Project)



Figure 4: ExploAndes' team assisting drill efforts (picture not of Condor's project)