

STOCK EXCHANGE ANNOUNCEMENT



22 May 2013

Significant Sulphide Mineralisation intersected at Carachapampa

ASX Release Stock Code: CDB

Highlights

- 137.85 metres of significant sulphide mineralisation has been intersected in drill hole DDH-CP2B at Carachapampa in northern Chile with mineralisation still open at the end of the hole.
- The initial interpretation is that the mineralisation represents a transition zone from high sulphidation epithermal gold-silver mineralisation to porphyry copper mineralisation.
- The mineralisation is hosted in porphyritic dacite and comprises both disseminated sulphides and stockwork veining consisting of pyrite, chalcopyrite and silver sulphosalts (Figure 1).
- The drill rig has been repositioned over Diamond Drill Hole DDH CP1 to deepen this hole to 400 metres with drilling to commence on 23 May after moderate snowfall held up drilling for 4 days.
- The core has been dispatched to the laboratory with initial results expected in approximately 2 – 3 weeks.

Condor Blanco Mines Limited (Condor Blanco) is pleased to announce that significant sulphide mineralisation has been intersected in diamond drill hole DDH-CP2B at the Carachapampa Project in the Maricunga Belt of northern Chile (Figure 2).

The mineralisation has been intersected over a vertical depth of 137.85 metres and remains open at the end of the hole. As reported in the March 2013 Quarterly Report, the current diamond drilling programme is targeting a series of induced polarisation anomalies that are modelled to locate from depths of approximately 150 - 200 metres below surface and which appear to coalesce at depth (Figure 3).

From surface to approximately 98 metres the hole intersected a series of weakly argillically altered dacitic and lapilli tuffs. Pyrite was encountered from approximately 87 metres, increasing in dacitic volcanic breccia from 98 metres to 199.3 metres.

From this depth, 137.85 metres of porphyritic dacite was intersected until the end of the hole at 337.15 metres. The porphyry is characterised by disseminated and chalcopyrite.

Whilst Condor Blanco is not yet able to determine the grades of the sulphide mineralisation intersected, the visual geological findings are encouraging.

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Condor Blanco Managing Director, Mr Glen Darby said, “The Company is excited by the significant sulphide mineralisation encountered from DDH-CP2B and hopes that this could well be the Company Maker that all junior explorers are looking for”.

“Given the number of large gold-copper porphyry deposits in the Maricunga Belt such as Exeter Resources’ Caspiche Project, Kinross Gold’s operating Refugio mine and the Cerro Casale gold-copper deposit, these results from Carachapampa appears significant.

“Condor Blanco has always believed in the potential of the Carachapampa project. While it is early days, if DDH-CP2B has passed through the high sulphidation epithermal zone into the upper parts of a porphyry copper system, there appears to be potential for two mineralised systems at Carachapampa”

“The Company looks forward to the recommencement of drilling on 22 May.”



Figure 1: Fine stockwork veins of pyrite and silver sulphosalts in porphyritic dacite.

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Figure 2: Project Location Plan

Drilling commenced in early January with two diamond drill rigs established on holes DDH-CP1 and DDH-CP2 in the central area of the alteration (Figure 3). Drilling by the initial contractor completed only 136.65 metres on hole DDH-CP1 and 97.25 metres on hole DDH-CP2.

SW Drilling was appointed as the new drilling contractor. SW Drilling commenced reaming out DDH-CP2 but encountered drilling difficulties at approximately 60 metres. It was decided to re-drill this hole as DDH-CP2B approximately 1 metres to the south.

Drill hole DDH-CP2B was concluded at 342.40 metres in favour of moving to DDH-CP1 to try to complete as much of the programme as possible before winter weather closes field work. With a 4 day delay due to snowfall, drilling will recommence on 23 May with DDH-CP1 being deepened to 400 metres from the current depth of 136.65 metres.

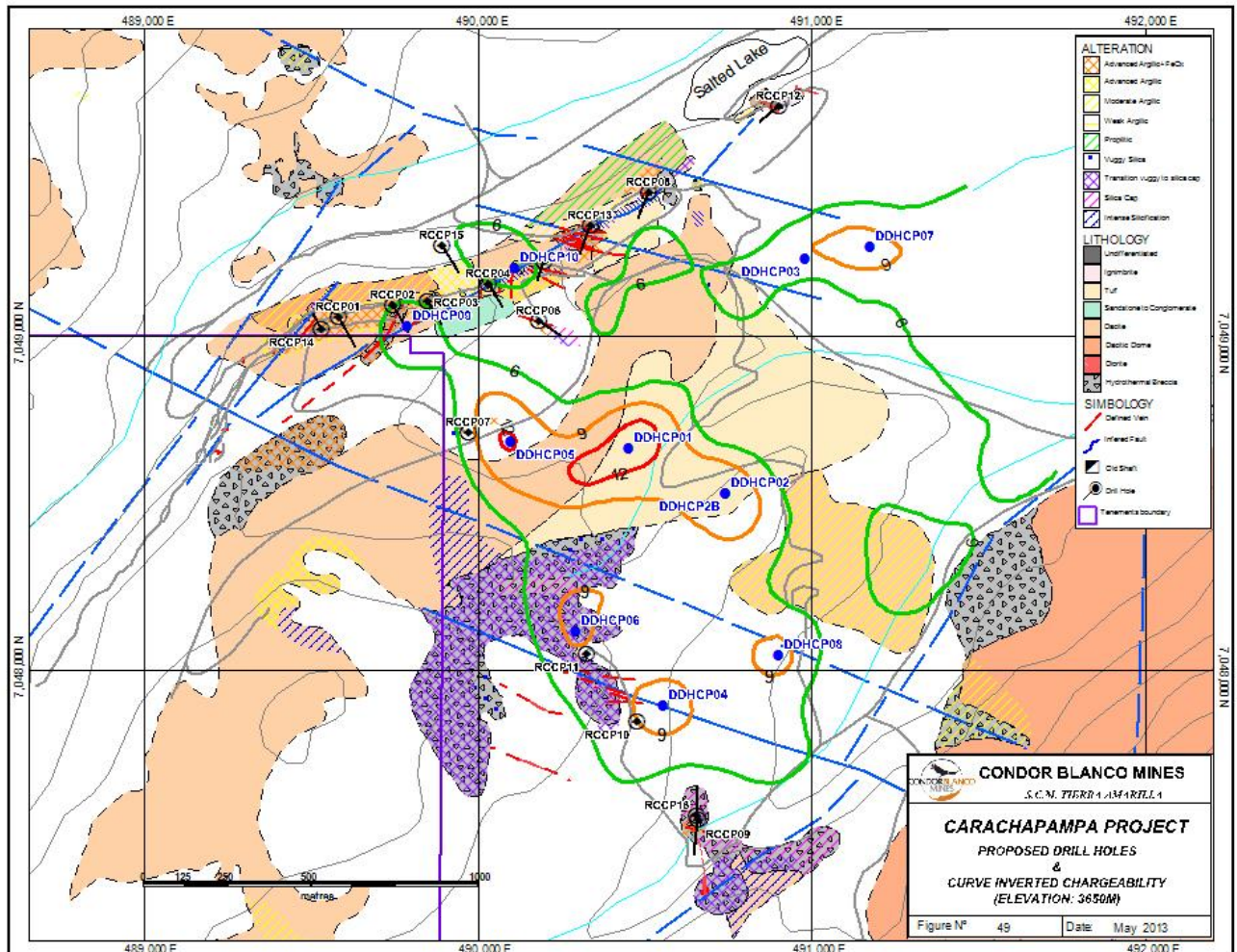


Figure 3: Location of existing and proposed drill holes with the location of the Induced Polarisation chargeability anomalies

Geological Interpretation and Results Diamond Drill Hole DDH-CP2B

The summary drill log for the hole is presented in Table 1. From surface to approximately 98 metres the hole intersected a series of weakly argillically altered dacitic and lapilli tuffs. Pyrite was encountered from approximately 87 metres, increasing in dacitic volcanic breccia from 98 metres to 199.3 metres.

From this depth, 137.85 metres of porphyritic dacite was intersected until the end of the hole at 337.15 metres.

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FROM	TO	WIDTH	LITHOLOGY	ALTERATION	MINERALISATION	COMMENTS
0.00	61.75	61.75	Lapilli dacitic tuff			Grey dacitic and lithic tuff, unconsolidated
61.75	65.95	4.20	Lapilli dacitic tuff		sulphur	Lapilli dacitic tuff, unconsolidated, sulfur in patches.
65.95	69.35	3.40	Lapilli dacitic tuff		oxides	Lapilli dacitic tuff, lateritic, some fragments of porphyritic dacite with weak silicification
69.35	72.00	2.65	Dacitic Tuff	Argillic weak	oxides	Lapilli dacitic tuff, limonitic, argillic
72.00	74.65	2.65	Dacitic Volcanic Breccia	Argillic weak	oxides	Fragments with sizes of 5 - 20mm
74.65	87.25	12.60	Dacitic Tuff	Argillic weak	oxides	
87.25	98.20	10.95	Dacitic Tuff	Argillic weak	Sulphides: pyrite	Grey dacitic tuff. disseminated fine pyrite some veinlets 1mm, 89.00 to 89.55 mod fractures, pyrite cubic.
98.20	199.30	101.10	Dacitic Volcanic Breccia	Mod Chloritic	Sulphides: pyrite	Mod to strongly chloritic, fragments silicified with finer disseminated pyrite.
199.30	337.15	137.85	Porphyritic Dacite	Mod Chloritic	Sulphides: pyrite chalcopyrite silver sulphosalts	Finer pyrite disseminated and as aggregates. In some sections veinlets with of finer pyrite, secondary copper minerals, chalcopyrite and silver sulphosalts.

Table 1 Summary Drill Log DDH-CP2B

The porphyry is characterised by disseminated pyrite and chalcopyrite. The core is strongly veined by fine silica-pyrite veins and grey minerals interpreted by the geologist as silver sulphosalts (Figure 1, 4 and 5).

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Of interest is that the alteration mineralogy transitions from weak argillic (high sulphidation epithermal) to strongly chloritic in the porphyry. The presence of silver sulphosalts is diagnostic of an epithermal environment but the presence of chalcopyrite and chlorite is diagnostic of a porphyry copper mineralisation.

While a more robust interpretation awaits assay results and the results of the other holes, the initial interpretation is that DDH-CP2B has passed through the high sulphidation epithermal zone into the upper parts of a porphyry copper system.

If this interpretation is correct, there appears to be potential for two mineralised systems at Carachapampa as is the case at a number of deposits in the Maricunga Belt such as Exeter Resource Corporation's (TSX: XRC) Caspiche Project.

Caspiche is a gold-copper porphyry system, a type of orebody common to many of the world's largest open pit gold-copper mines located in the prolific Maricunga mineral belt which is currently undergoing large expansion and investment in mineral projects from some of the world's largest gold miners including Kinross Gold's operating Refugio mine (+6 million ounce gold reserve), the Cerro Casale gold-copper deposit (23 million ounces of gold reserves), owned by Kinross Gold (25%) and Barrick Gold (75%).

The Company is highly encouraged and excited by the results from DDH-CP2B and eagerly awaits the assay results which are expected in the next 2 - 3 weeks and looks forward to the information gleaned from hole DDH-CP1 which should be completed over a similar period.



Figure 4: Porphyritic dacite with fine calcite and fine pyrite veining and disseminated pyrite 216-223.35m



Figure 5: Porphyritic dacite with pyrite-filled fractures, grey-black veinlets of silver sulphosalts and chalcopyrite.

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Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Carl Swensson is a director of Condor Blanco Mines Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Report of Exploration Results, Mineral Resources and Ore Reserves". Carl Swensson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.