
ASX ANNOUNCEMENT

Tuesday 17th September 2013

COMPELLING NEW COPPER-ZINC TARGETS DEFINED AT CONTO'S UDU PROJECT, FIJI

- *Geophysical work recently completed indicates significant target zones both near to existing open pit as well as locally in the region*
 - *Results deliver the potential for substantial increment to Udu resource*
 - *Exploration programme currently being planned for 4Q 2013 to drill targets*
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Conto Resources (ASX: CNO) ("Conto" or the "Company") is pleased to advise that it has recently completed a successful three-dimensional induced polarization (3D-IP) geophysical survey at its Udu Copper-Zinc Project in Fiji, with results indicating a number of robust targets both near to the existing mine site as well as regionally in the local area.

Induced Polarization (or IP) is one of the most powerful tools for metal deposit prospecting. Three-dimensional inversion modeling of the collected IP data at Udu has identified substantial targets for drilling and clearly demonstrates the potential of this Project.

The 3D-IP survey has highlighted several areas of immediate interest for disseminated sulphides, as shown in Figure 1, which will be followed up by the Company in a subsequent drilling programme to commence in 4Q 2013.

High Priority Targets include:

1. **Extensions to the existing resource area, and other priority targets in the immediate surrounds of the mine. In particular IP06 which may represent a large offset mineralised block to the existing mine (see Figure 1 and 2).**
2. **Nagasauva: where high priority targets (IP10 and IP11) encompass a circular feature approximately 700m in diameter, which may represent a porphyry body at depth.**
3. **Mikeles Ridge: hosts two significant IP anomalies (IP01 and IP02), one under ignimbrite cover which may fall along the trend of the mineralisation and another on the edge of the survey area associated with an outcropping gossan and anomalous copper in soil geochemistry.**

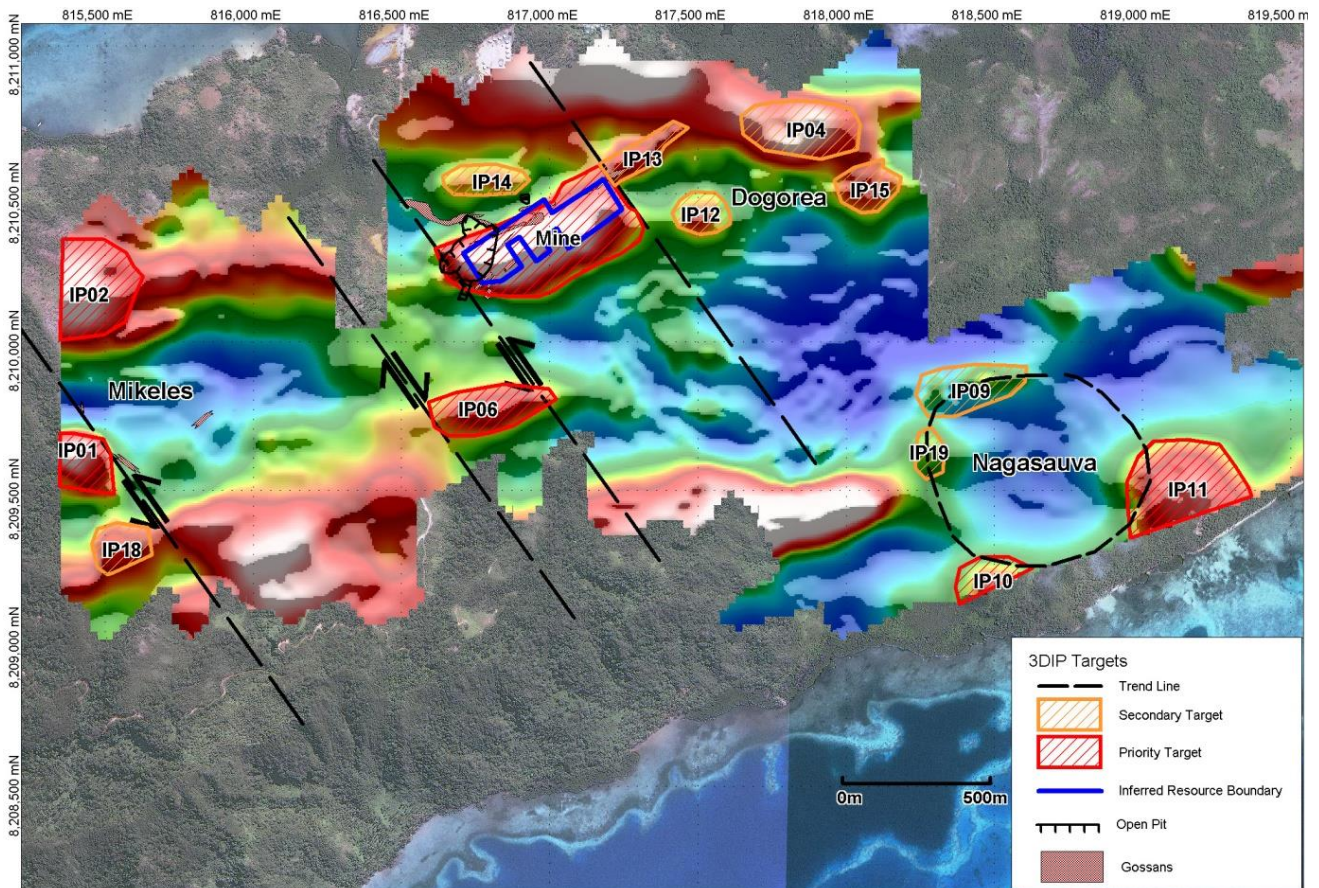


Figure 1: indicating IP priority targets in the regional area near to the existing Udu Mine

In the mine area, the 3D-IP defined the limits of the alteration system and supports substantially expanding the resource with further drilling along the southern flank (Figure 2).

Several chargeability anomalies similar to that associated with the nearby Udu mine were demonstrated in these targets above. The identified high priority IP targets all feature chargeability patterns that persist with depth, and which are potentially indicative of larger alteration systems.

Most of the “lookalike” anomalies to the Udu Mine have never been explored beneath the extensive ignimbrite cover. In addition, several resistivity anomalies define structures that could represent significant mineralising fluid conduits.

High Priority targets in the immediate Mine Area (Figure 2) include:

Mine Anomaly

- The anomaly extends 100m to the south of the inferred resource, under the ignimbrite blanket.
- Drill hole UDH057 intersected 12.5m at 1.4% Cu and 4.34% Zn from 70.5m within the IP anomaly to the south of the inferred resource.

IP06

- Argillic alteration and some oxidised pyrite veining crops out on the eastern margin of IP06, which is interpreted as the faulted offset of the mine mineralisation.
- The anomaly is 400m in length x 130m wide.

IP13

- A sub-vertical IP anomaly, untested by drilling, along strike from the resource.
- The anomaly is 330m in length, and is 90m wide.

IP12

- The discrete, “blind” IP12 anomaly is 180m in diameter. A historical Banno Mining hole (DD351), drilled the southern edge of the anomaly, intersecting 66m of argillic alteration and disseminated pyrite from 101m. A metre logged as “pyrite ore” from 130m. No other drilling has been conducted on this target.

The targets IP04 and IP15 are highly prospective but are covered by ignimbrite and therefore blind to conventional surface exploration. These targets will be drilled in due course.

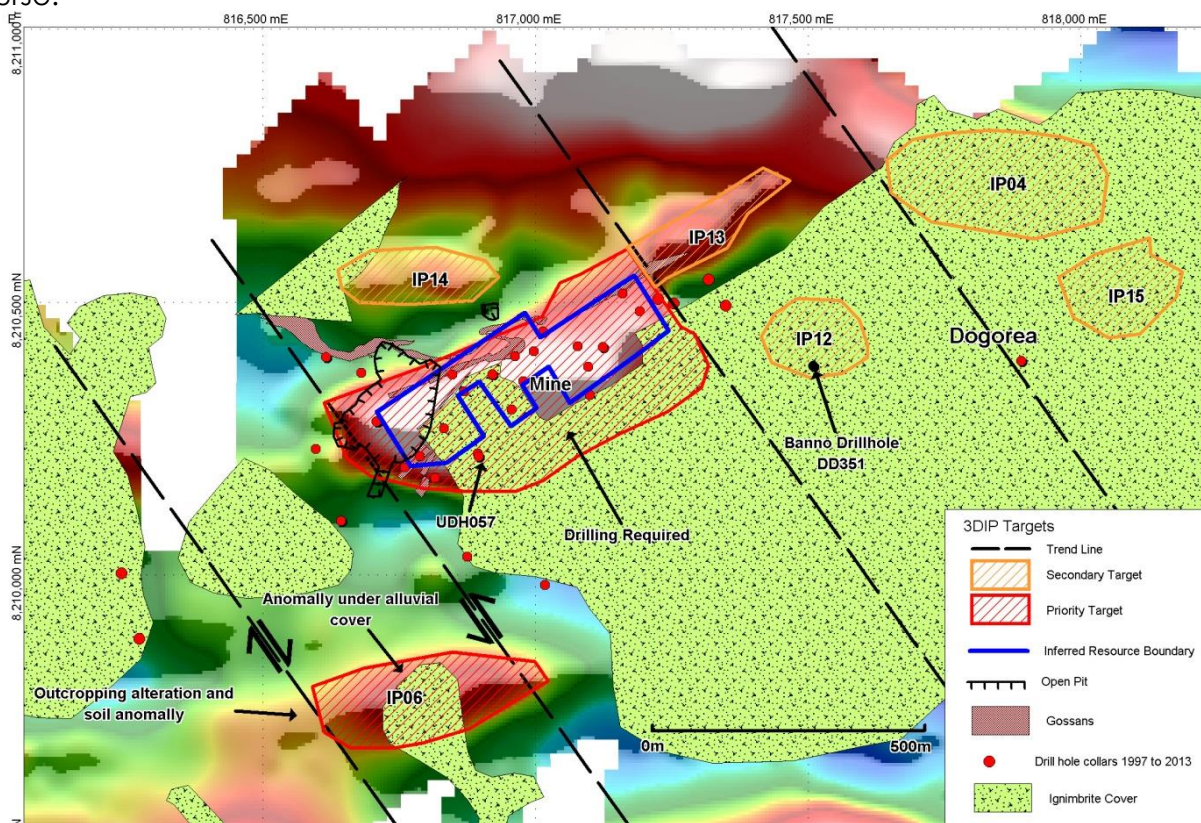


Figure 2: Priority IP targets near to the existing Udu Mine itself (detail from Figure 1).

Conto is presently earning into 100% of the Udu Project via a deal that will merge Dateline Resources (the current owner of the Udu Project) with the Company over the near term. The merger of these companies is subject to Conto gaining confidence in the upside potential within the Project, and these results significantly enhance that position.

The Udu deposit is a hybrid VMS (volcanic massive sulphide) system located in Fiji that has an existing JORC Inferred Mineral Resource of 4.5 million tonnes at 1.2 % copper (Cu), 3.9% zinc (Zn), 29g/t silver (Ag) and 0.3g/t gold (Au). Conto and Dateline have already identified a number of high-grade intersections within or near to the historical open pit, which present further exciting targets for the next drill programme (see ASX announcement 10 April 2013), and these 3D-IP results now deliver additional options.

Conto Chairman, Mark Johnson stated “the survey identified numerous anomalies with lithological and structural similarities to the historical Udu Mine, consistent with the potential for a clustering of mineralised centers as seen at many VMS deposits.”

He added “The Company believes that there is the potential for another deposit of similar size and scale to the existing resource and we will immediately start to plan our next drilling programme to test all of these targets with the ultimate goal to substantially increase the overall tonnage of contained metal at Udu”.

Mark Johnson
Chairman

Competent Person Statement

Technical information in this report has been prepared under the supervision of Mr Jonathan King, a member of the Australian Institute of Geoscientist (AIG). Mr King is a Director of Conto Resources Limited and has sufficient experience which is relevant to the styles of mineralisation 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code). Mr King consents to the inclusion in this report of the Information, in the form and context in which it appears.

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About Conto Resources Limited:

Conto Resources Limited is an Australian-based exploration company with exploration projects in Australia and the Republic of Fiji. The Company's two projects are its 100% owned Lone Wolf Project, in Western Australia and the Udu Polymetallic Project, a joint venture with Dateline Resources Ltd, a privately company with advanced exploration projects in the Republic of Fiji.

Dateline's 99.5% wholly owned subsidiary Matai Holdings Ltd is the owner of the Udu Polymetallic Project which contains an Inferred Resource of 4.5 million tonnes at 1.2% Cu, 3.9% Zn, 29g/t Ag & 0.3g/t Au in accordance with JORC 2004 Guidelines.

As outlined in the Company's Prospectus, the Company continues to pursue new projects in the resources sector, both in Australia and overseas, by way of acquisition or investment. These projects may include other types of minerals including, without limitation, coal, iron ore, copper, gold, manganese, tin, nickel, potash and tungsten.

For more information, visit www.contoresources.com

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