

CONDOR METALS

Update on Kallona Program of Work

Date 13 April 2011

ASX Code: CNK

www.condormetals.com

Share Capital

65.4M ordinary shares

Market Capitalisation: A\$13.1M

Current Share Price \$0.20

Board

Laurence Freedman AM, Chairman
Ross Gillon, Non-Executive Director
Robert Schuitema, Company Secretary
and Non-Executive Director

Senior Management

John McKinstry, Chief Operating Officer

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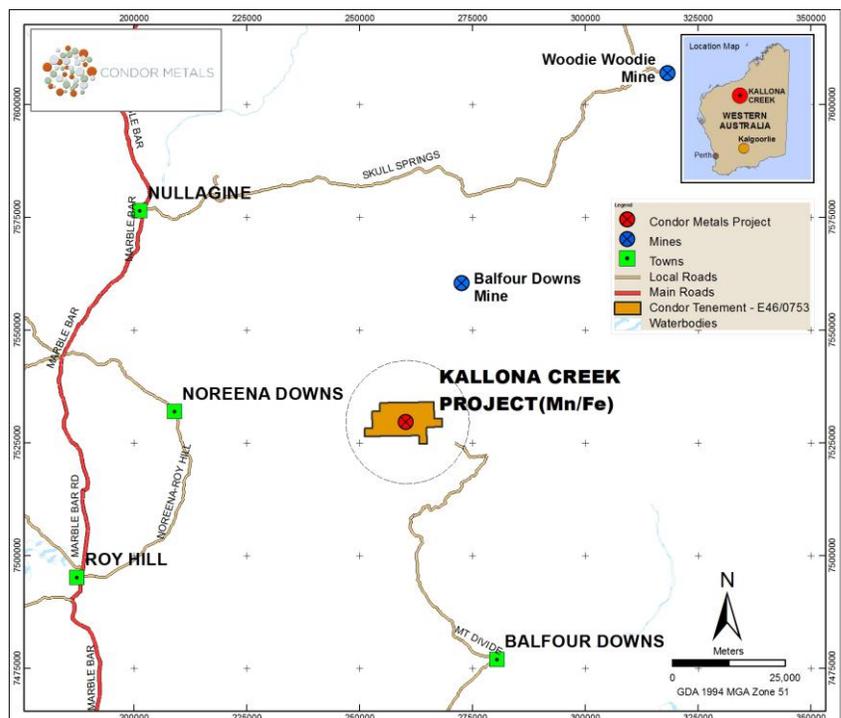
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Mapping sampling and geophysical work completed

Priority on manganese targets

Nickel-copper targets also identified

Near-term 85 hole RC drilling program planned



Introduction

Condor Metal's Kallona Creek project area is approximately 70 km southeast of the Nullagine township in the East Pilbara, Western Australia. The project area contains outcropping Marra Mamba Iron Formation and manganese bearing Carawine Dolomite, largely covered by weathered and transported material, which is why the area had not previously attracted attention.

Rock chip samples taken by Condor from the Carawine Dolomite contained 27-38% manganese. The project area is considered prospective for both iron ore and manganese deposits.

Manganese is a particularly attractive commodity at present due to demand keeping prices high and contracts available. The ease of processing and handling of the metal ensures infrastructure requirements are kept low.

Planned Work Program

In late 2010 Condor Metals commissioned Southern Geoscience Consultants to manage a VTEM survey on the Kallona tenement (see Fig 1). VTEM is an airborne geophysical tool which allows the detection and delineation of shallow to moderate depth conductive ground. It enables the mapping of lithological units and faults that would influence deposits of manganese. Magnetic data was also collected to help with the distribution and structural setting of the bedrock.

Kollana's conductive zones, while similar in nature to other manganese deposits such as Woodie Woodie, cover significantly large areas (see Fig 2). Drill testing of a selection of the higher priority anomalies will be undertaken as part of an initial assessment of the mineralisation of the conductivity zones.

The aeromagnetic survey also identified a substantial and unexpected, strongly magnetic complex occupying the central western portion of the survey area. The source and nature of the complex has not been conclusively identified as yet. The complex, and associated structures, may influence the distribution of manganese mineralisation. If it is part of a large mafic – ultramafic intrusive, it has potential to host nickel – copper sulphide mineralisation (see Fig 3). This will be a secondary objective of the initial exploration program.

A program of 85 reverse circulation holes has been designed and budgeted. Approval of the Program of Work has been received and preparation of site clearance work has commenced.

Comment:

Condor’s COO John McKinstry commented, “Kallona has all the hallmarks of a great exploration target. We have done the groundwork in preparation for drilling and expect this to be underway in the latter half of May”

“The urgency of driving the activity has highlighted the need for a high calibre Exploration Manager to ensure that activities at Kallona, as well as Condor’s other project areas, get the attention they deserve. Condor is actively looking for a person to fill this role and we hope to be able to make an appointment in the near term.

“Kollana is the first significant work to be carried out by Condor Metals. Despite informal interest from a number of external parties the Board feels strongly that the first round of evaluation work should be conducted 100% by Condor.”

John McKinstry
COO

About Condor Metals Limited

Condor Metals Limited is an Australian listed company (ASX code: CNK) focused on multi-commodity projects in Western Australia.

The Company’s priority targets are:

- Dingo Creek base metals project
- Grey Dam nickel prospect
- Gundockata Iron Ore Prospect
- Kallona Creek Iron / Manganese project
- Southern Cross gold prospect (application)

The map shows the outline of Western Australia with several project locations marked by colored dots and labeled with yellow boxes. The locations are: Kallona Creek Project (Fe/Mn) in the north-east; Dingo Range Project (Cu/Pb/Zn) in the west; Grey Dam Project (Ni) in the south-east; Gundockata Project (Fe) in the south-east; Southern Cross Project (Au) in the south; and Perth in the south-west. The city of Kalgoorlie is also marked with a green dot in the south-east.

CNK has low overheads and promising exploration ground. The company has an open mandate on commodities and development strategy.

With approximately \$3.5 million in cash and no debt, Condor is well-funded to pursue the exploration and development of its projects.

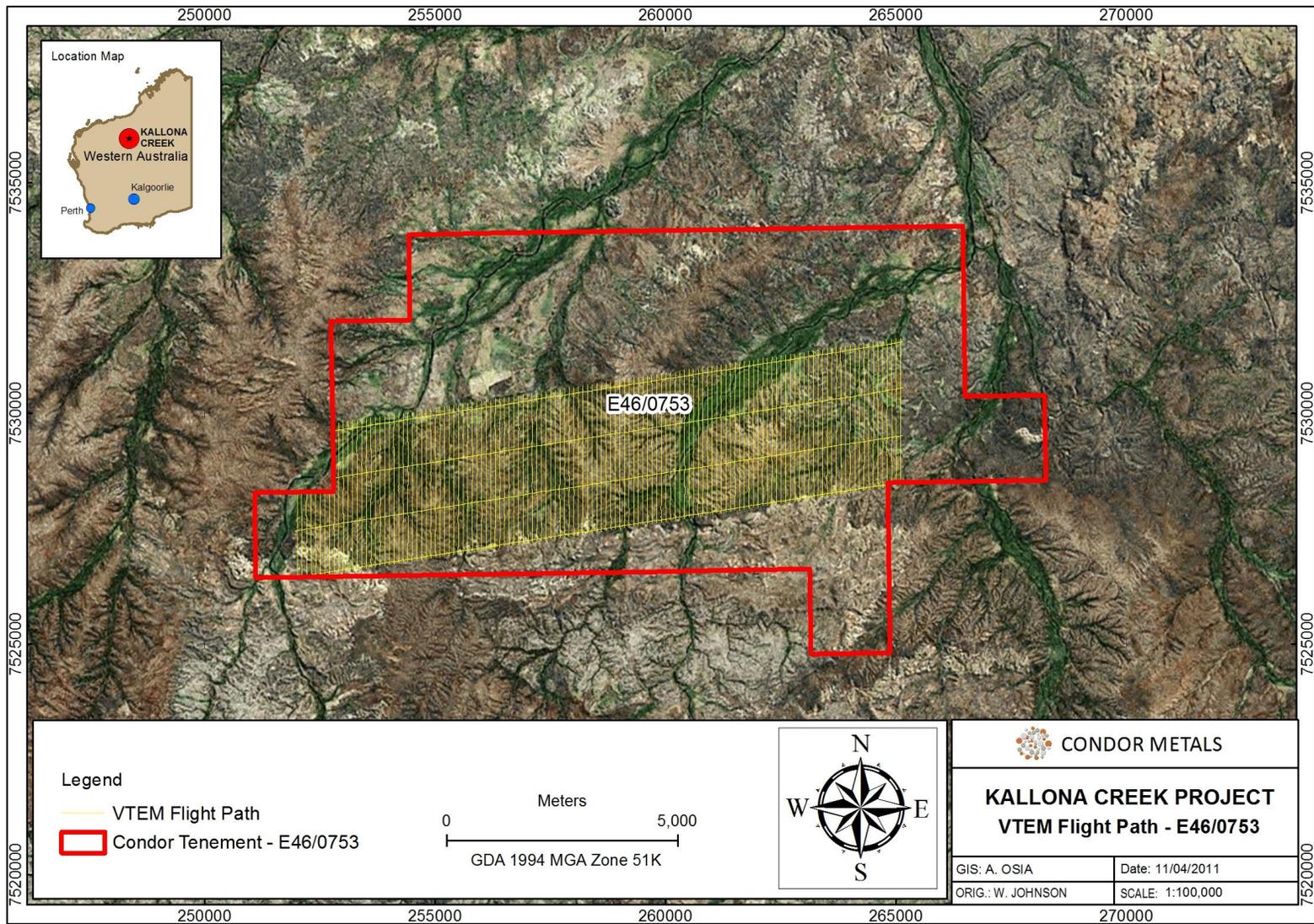


Figure 1 VTEM flight path

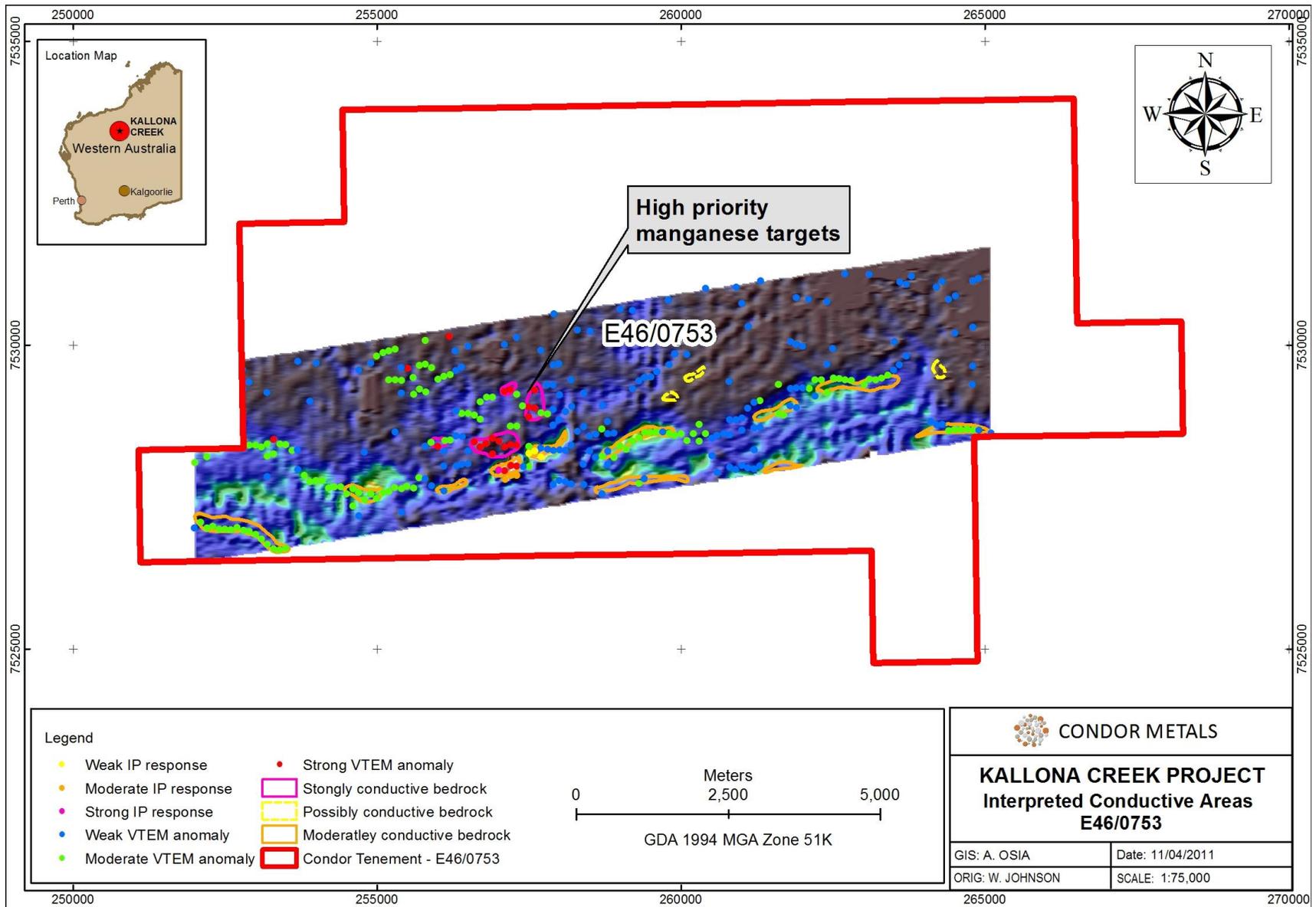


Figure 2 Highlighting conductive features

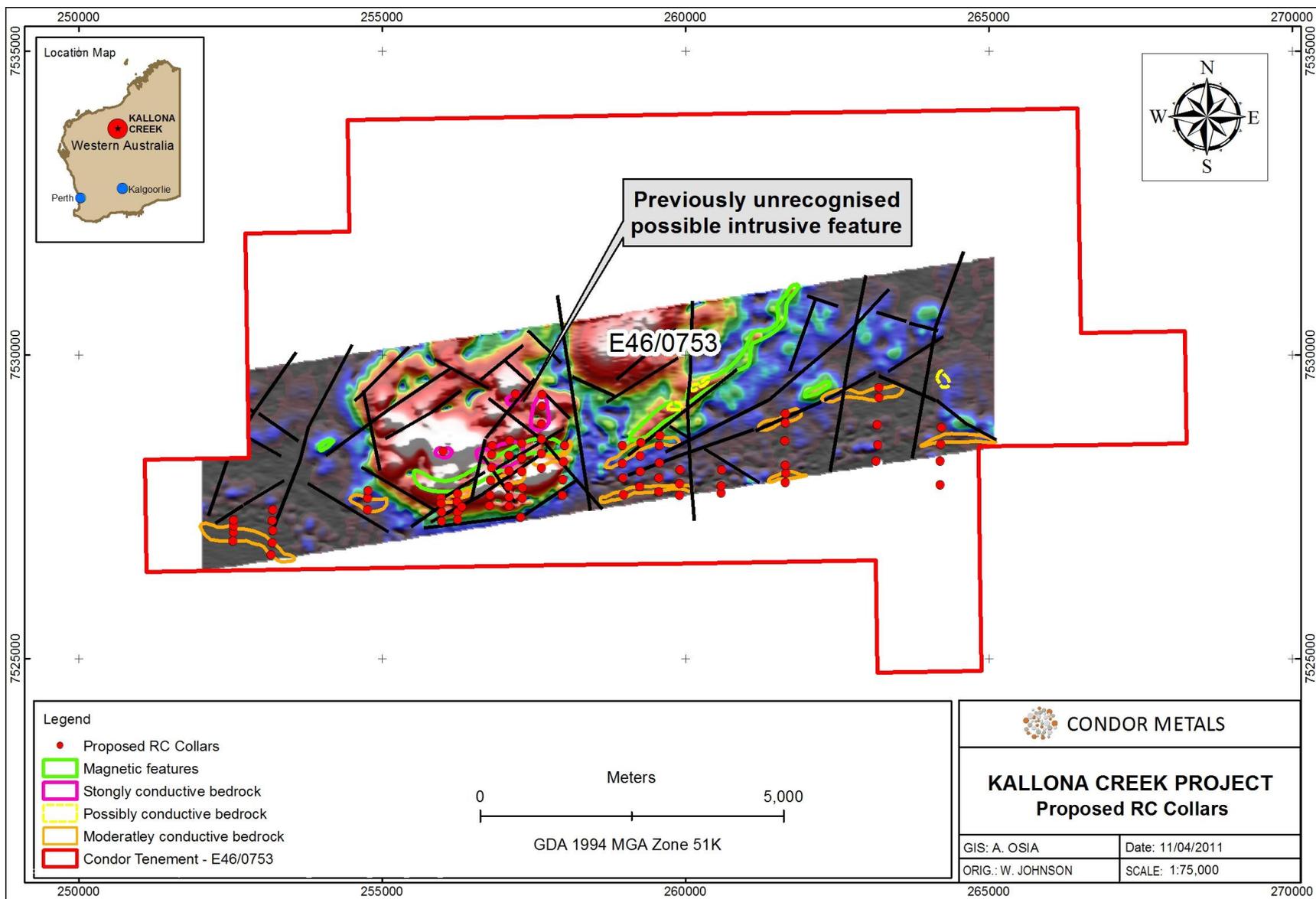


Figure 3 Magnetic image showing proposed drilling and possible intrusive feature