



16th March, 2012

Dear Shareholder,

I am pleased to welcome you as a shareholder in Condor Metals. The combined assets, technical and financial expertise resulting from the merger of Inca Minerals and Condor Metals has created a company with significant growth potential.

The combined group offers significant advantages;

- A diversified asset portfolio through the combination of Condor's Australian prospects and Inca's Peruvian projects.
- The advancement of these projects has the potential to materially add to shareholder value.
- The Company is characterised by a strong Board and management, significant technical expertise, skilled operational staff and proven capability.
- Substantially more shares on issue should result in improved share market liquidity.

Below is a short background on the new Board which highlights the depth of international experience and expertise. This puts the Company in a very strong position to realise the growth potential inherent in the combined assets.

Laurence Freedman AM (Non-Executive Chairman)

- Founded Equitilink Limited in 1980, an investment management group which he grew to a global company with operations around the world and over \$3 billion under management.
- In 2000 he sold the Equitilink Group and in 2004 sold out of the Ten Group which he had taken out of receivership, helping to make it the most profitable media network in Australia.
- In 2001 he was awarded The Order of Australia for service to the community, to medical research, the arts, and to business and investment in Australia.
- He is also Chairman of ASX listed companies Carrick Gold Limited and Phoslock Water Solutions Limited and Chairman of The Freedman Foundation, a philanthropic foundation.

Ross Brown (Managing Director)

- A geologist by profession, he has over 25 years of experience in mineral exploration in Australia, Africa and South America.
- He has worked in a broad range of commodities, including gold, base metals, uranium, phosphate and diamonds.
- Co-founder of Inca Minerals

Ross Gillon (Non-Executive Director)

- Is a principal of the legal firm Lawton Gillon.
- He has over 30 years of experience in Australian commercial law.
- He is a director of ASX listed companies Millennium Minerals Limited and Carrick Gold Limited

Robert Schuitema (Non-Executive Director and Company Secretary)

- Is a former Managing Director of investment bank Chase Manhattan Bank and later JPMorgan Chase where he was the Asia-Pacific head of the Mining & Metals group.
- Mr Schuitema is Managing Director of ASX Listed Phoslock Water Solutions, and a Director of ASX listed company Carrick Gold Limited.

Laurence Ziatas (Non-Executive Director)

- Has over 30 years' experience as a legal and corporate advisor to a number of businesses in a diverse range of industries
- He has been involved in the foundation of numerous enterprises in exploration and mining in Australia
- Co-founder of Inca Minerals

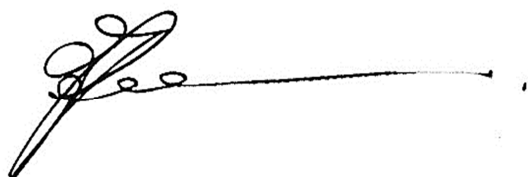
I have attached maps and a brief background on of our projects in Peru and Western Australia.

Substantial activity is planned for 2012. We will be regularly communicating our progress as the exploration programs in both Australia and Peru continue. I have also attached a Shareholder Communication Form which I would like you to complete and return to Condor so that we can add you to our email database.

With an expanded growth appeal and geographic diversification, I believe the merged entity will become attractive to the wider investment community and ultimately deliver increased value to all shareholders.

Yours sincerely,

Laurence Freedman AM

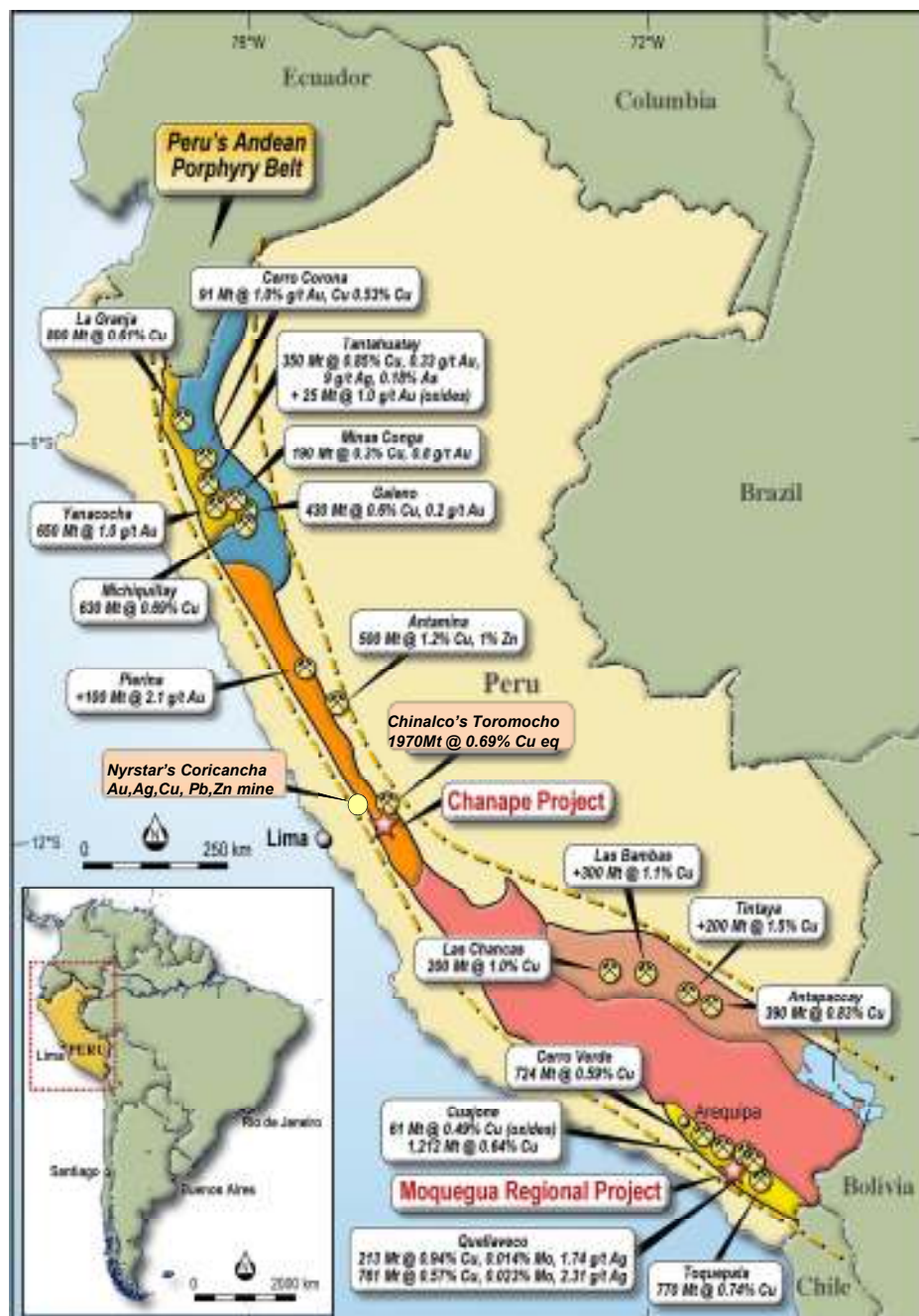
A handwritten signature in black ink, consisting of a stylized 'L' followed by a horizontal line and a small flourish.

**Chairman
Condor Metals Limited**

Condor's Peruvian Projects

Chanape Project – copper/gold porphyry advanced exploration project 90 km from Peru's capital city Lima. The project is 30km south west of the giant >1Billion ton Toromocho porphyry deposit (owned by Chinalco) which is coming into production in 2013 and 15km from the Nyrstar base and precious metal mine which is in production.

Moquegua Project - copper/molybdenum porphyry exploration project located in the south of Peru.



Western Australian Projects

Current Western Australian projects are:

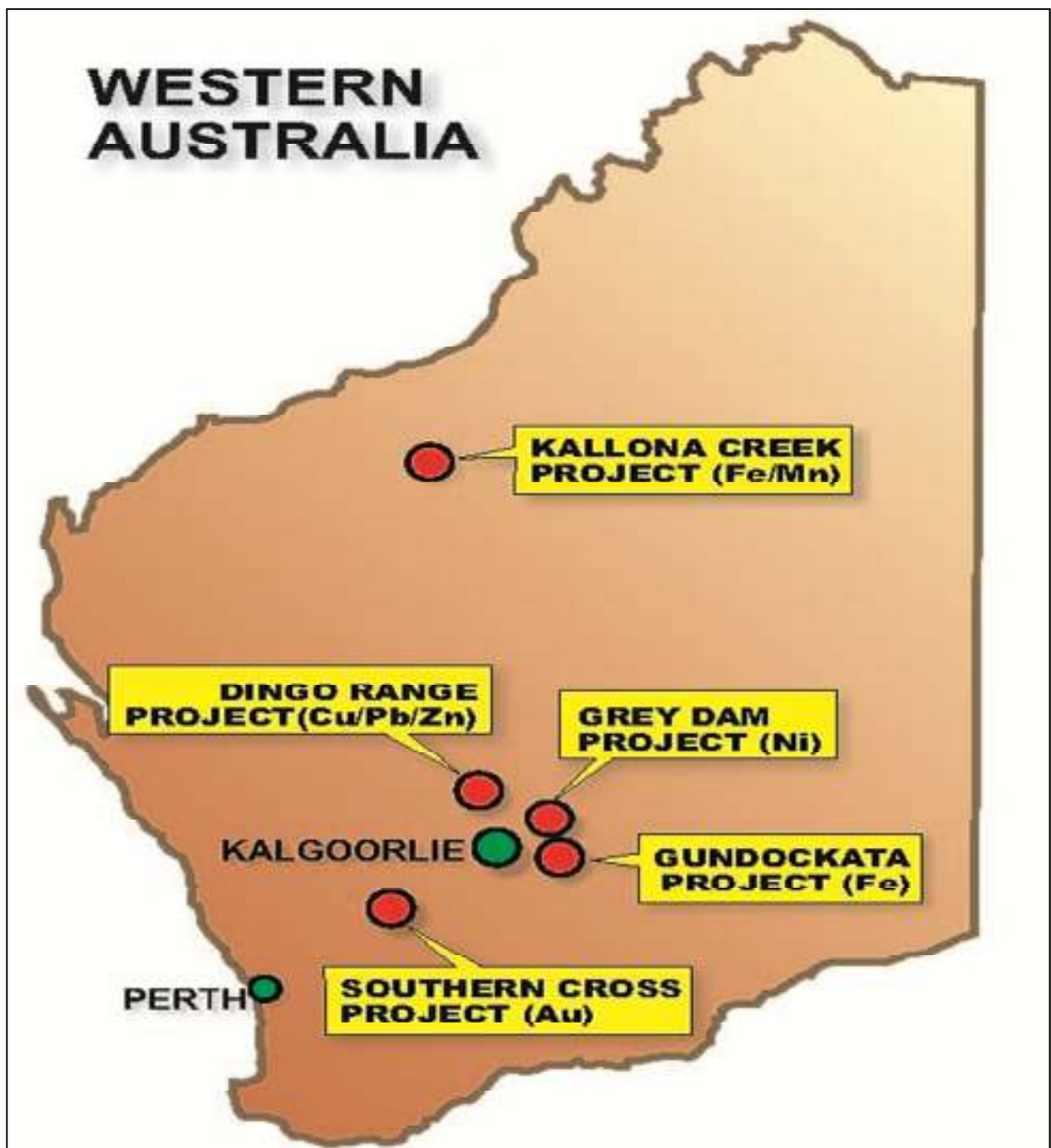
Grey Dam - Kambalda-style Nickel project

Wyo Well - Copper/Zinc project

Dingo Range - Copper-Rare Earths/Nickel, Gold project

Southern Cross - Gold/Nickel project

This portfolio is currently being assessed in terms of where Condor should best spend its exploration expenditure.





Shareholder Email Notifications

In order to better communicate with you, our Shareholders, the Company would like to invite you to provide your email address so that Company Announcements can be emailed to you on the date of release.

If you wish to be added to the Condor email database please complete the information below.

Name:

Registered Name of Shareholding:
(if different to Name)

Email Address:

Please either email or post this form to:

email: maree.rostron@condormetals.com.au

or

Post to: *Condor Metals Limited*
PO Box 2567
Perth WA 6000