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ASX Code: CNK

www.condormetals.com

Share Capital

188 million ordinary shares

Market Capitalisation: A\$9.0 million

Share Price \$0.048

Board

Laurence Freedman AM, Chairman

Ross Brown, Managing Director

Ross Gillon, Non Exec Director

Robert Schuitema, Company Secretary
and Non Exec Director

Laurie Ziatas, Non Exec Director

Senior Management

Ross Brown, Managing Director

Mobile: 0407 242 810

ross.brown@condormetals.com

Mailing Address

GPO Box 2567

Perth WA 6001

Media & Investor Relations

Ron Cameron

Radar Group

+61 2 8256 3307

ron.cameron@mercuryconsulting.com.au

Striking Geophysics results at Chanape Porphyry Project in Peru

Highlights:

- **Coincident geophysical anomalies confirm potential of a large porphyry being present at Chanape**
 - **NEW DATA: Distinctive ring-like magnetic anomaly now identified**
 - **New magnetic anomaly is indicative of peripheral alteration associated with porphyry deposits**
 - **Large Spontaneous Potential ("SP") anomaly also confirms porphyry potential**
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New geophysical interpretations of data acquired at Condor Metal's (ASX: CNK) Chanape Au/Ag/Cu Porphyry Project in Peru, reveals coincident geophysical anomalism diagnostic of a porphyry deposit.

Magnetic and SP anomalies coincide with large breccia zone comprising over fifty individual breccia bodies. Only one of these breccia bodies has been adequately drilled, returning continuous gold mineralisation averaging >1g/t over 100m from surface, with ± 1 oz/t silver and 0.2% copper over the same interval.

The geophysical data, including 115.8 line kilometres of Ground Magnetism and 103.8 line kilometres of Induced Polarisation, was recently acquired by Condor (ASX announcement 21 March 2012) and re-modelled by Arce Geofisicos, a Lima-based geophysical consultancy with over fifty years experience in project development in South America.

Geophysics anomalies confirm porphyry potential at Chanape

The SP anomaly that occurs in the centre of the Chanape Project area is indicative of pervasive phyllic alteration, which normally develops above a porphyry centre. The Magnetic anomaly that surrounds the SP anomaly at Chanape is indicative of propylitic alteration, which normally develops round the edges of a porphyry centre.

“These results are above expectations,” says Condor’s Managing Director, Ross Brown. “The geophysical signature at Chanape is highly reminiscent of that typically associated with porphyry deposits”.

Modelling of the geophysics data was completed by Arce Geofisicos (“AG”). AG has provided geophysical services for over fifty years and has undertaken geophysical surveys and interpreted data over 405 mineral deposits throughout South America.

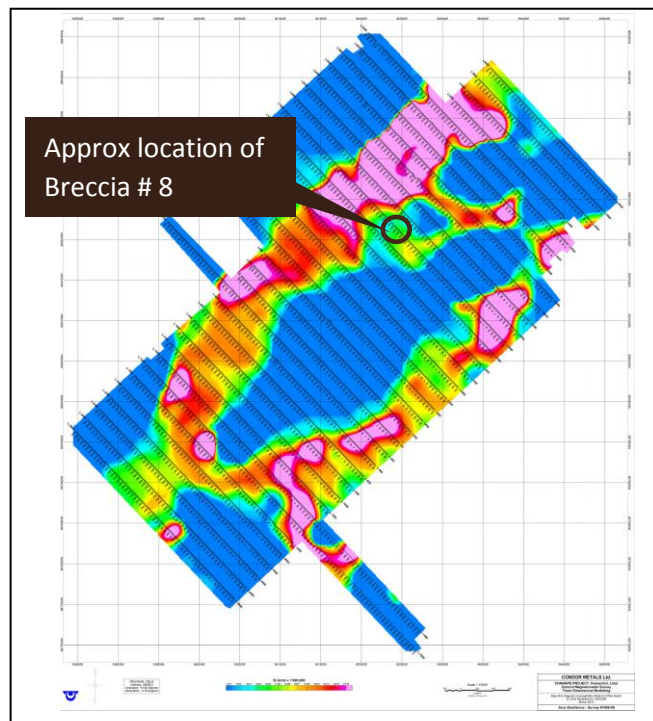
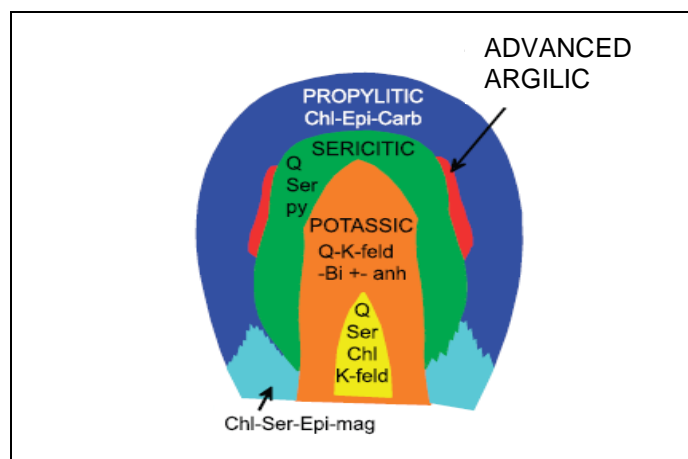


Figure 1 (Above): Magnetic anomaly at Chanape (at a depth of 375m). The anomaly has a distinctive ring shape, which is probably related to magnetite – a common mineral associated with propylitic alteration. Figure 2 (Below): Schematic porphyry model cross-section showing distribution of alterations zones associated with a porphyry deposit (after USGS, 2010).



Geophysics anomalies coincide with +100m of + 1g/t gold in drilling

The geophysical anomalies are coincident with a broad zone of brecciation comprising over fifty breccia pipes and breccia fracture-fill veins. Whilst sections of breccia veins were mined by underground methods in the past (in the 1930's and 1980's), only one breccia pipe within the IP anomaly has been adequately drill tested.

Breccia #8 returned intersections of +1g/t Au, 1oz/t Ag and 0.2% Cu (ASX announcement 21 March 2012) over 100m's from surface.

“This breccia zone is approximately 2km x 3km in area and matches very closely the area defined by the SP anomaly (Figure 3). Remarkably, the magnetic high anomaly, which is now known to exist, forms a ring around the breccia/SP zone (Figure 1), as would be anticipated in the porphyry model” says Mr. Brown.

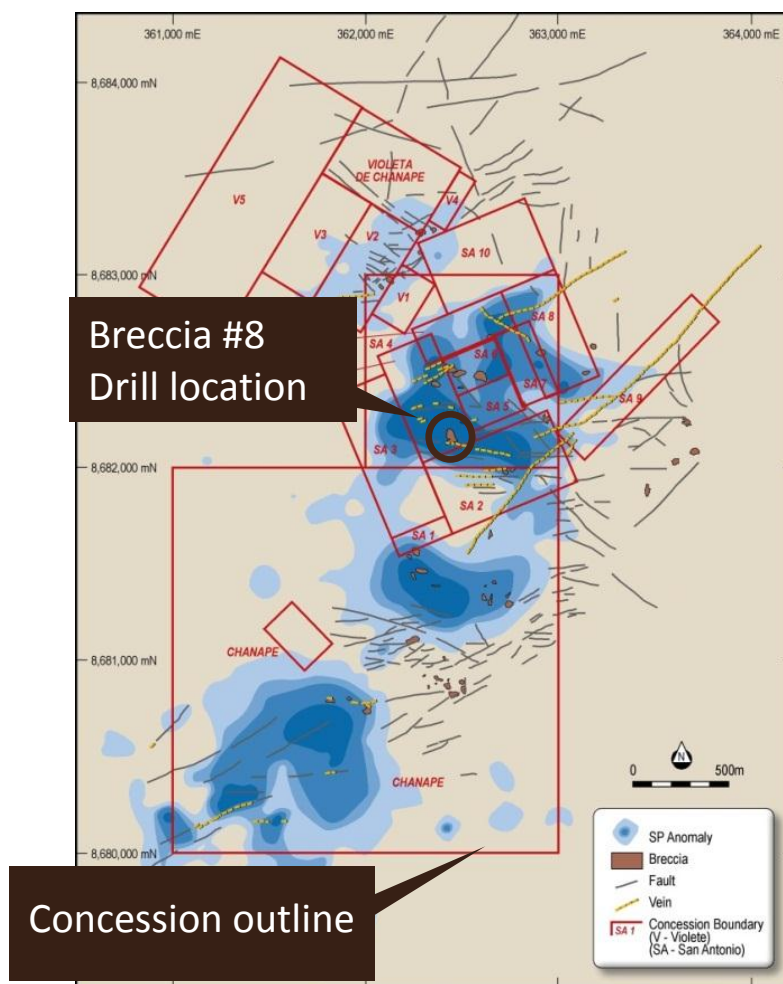


Figure 3: SP Anomalism (blue) centred over the breccia zone

Field Work to commence at Chanape

Following the success of the geophysics, field work is set to commence at Chanape ahead of a drilling program planned for mid-year. The purpose of the field work is to locate priority drill platforms for holes designed to intersect porphyry-style mineralisation at depth.

“I liken the breccia pipes at Chanape to chimneys above a furnace. The furnace being the metalliferous porphyry intrusion.” says Mr. Brown. “Key in understanding the furnace is to understand the chimneys, so drilling will focus attention on the mineralised breccia bodies.”

The work will include, among other activities, core re-logging and sampling, detailed mapping of the breccia bodies, underground mapping of the extensive mine shafts that exist at Chanape and rock chip contour sampling.

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.



Figure 4: Drill collars at Breccia #8. These holes and another *out of the frame* drilled into gold, silver and copper mineralisation from surface. The mineralisation is open at depth. Breccia 8 occurs within the SP anomaly (Figure 3), which is contained within the magnetic anomaly (Figure 1).