

STOCK EXCHANGE ANNOUNCEMENT



11 June 2013

Rig Deployed at Gold Iron Porphyry Copper Project after Heavy Snow Postpones Carachapampa Diamond Drilling Program

ASX Release Stock Code: CDB

Highlights

- To maintain exploration impetus, the drilling rig has been relocated to the Gold Iron porphyry copper project where drilling commenced on 7 June
- Heavy snowfall and blizzard conditions forced postponement of the second diamond drill hole at Carachapampa until spring
- Both personnel and equipment safely evacuated from site in difficult conditions

Carachapampa Project

As reported on 22 May the diamond drill rig had been located over diamond drill hole DDH-CP1 to deepen the hole to 400m. The drill crew took the opportunity for a break during a three day snow fall after successfully relocating the drilling rig. However as they returned to site, the forecast changed rapidly to blizzard conditions with 120km per hour winds. In the intervening three day period approximately 1m of snow had fallen and it was decided in the interests of safety and operational logistics that the drilling should be postponed until spring. The Andean winter had commenced despite an unseasonably mild autumn that had allowed the drilling to proceed for at least a month longer than usual.

To maintain exploration impetus the drilling contractor, SW Drilling, has relocated the diamond drill rig to the Gold Iron porphyry copper project at a much lower altitude of approximately 2000m. Assays from drill hole DDH-CP2B are still awaited from ACME Laboratories in Chile and are expected to be returned around 16 June.

While drilling was in progress, an additional 47 rock chip samples were taken in the southern part of the Carachapampa alteration system where previous rock sampling was sparse. The sampling included an area of high silver assays previously sampled. Assays from this work are expected around 13 June.

“At high altitudes drilling has always been seasonal but we are enthusiastic about testing Gold Iron at depth,” said Mr Glen Darby, managing director of Condor Blanco. “We have a good relationship with the drilling crew and we’re all eager to get back into Carachapampa in the spring.”

At the re-commencement of drilling in spring, further rock geochemical sampling will be extended to the north of the licence area, around the Cerro de la Cruz prospect which was located during regional mapping of the project area. The Cerro de la Cruz prospect is a well-defined zone of alteration characterised by strong vuggy silica and advanced argillic alteration over an area of approximately 0.5km² that has returned significant silver grades and located 3000m SE of the Chimberos deposit. The Chimberos deposit was a very high grade high sulphidation epithermal silver deposit mined by Anglo American for a production of approximately 34M ounces of silver (Figure 1).

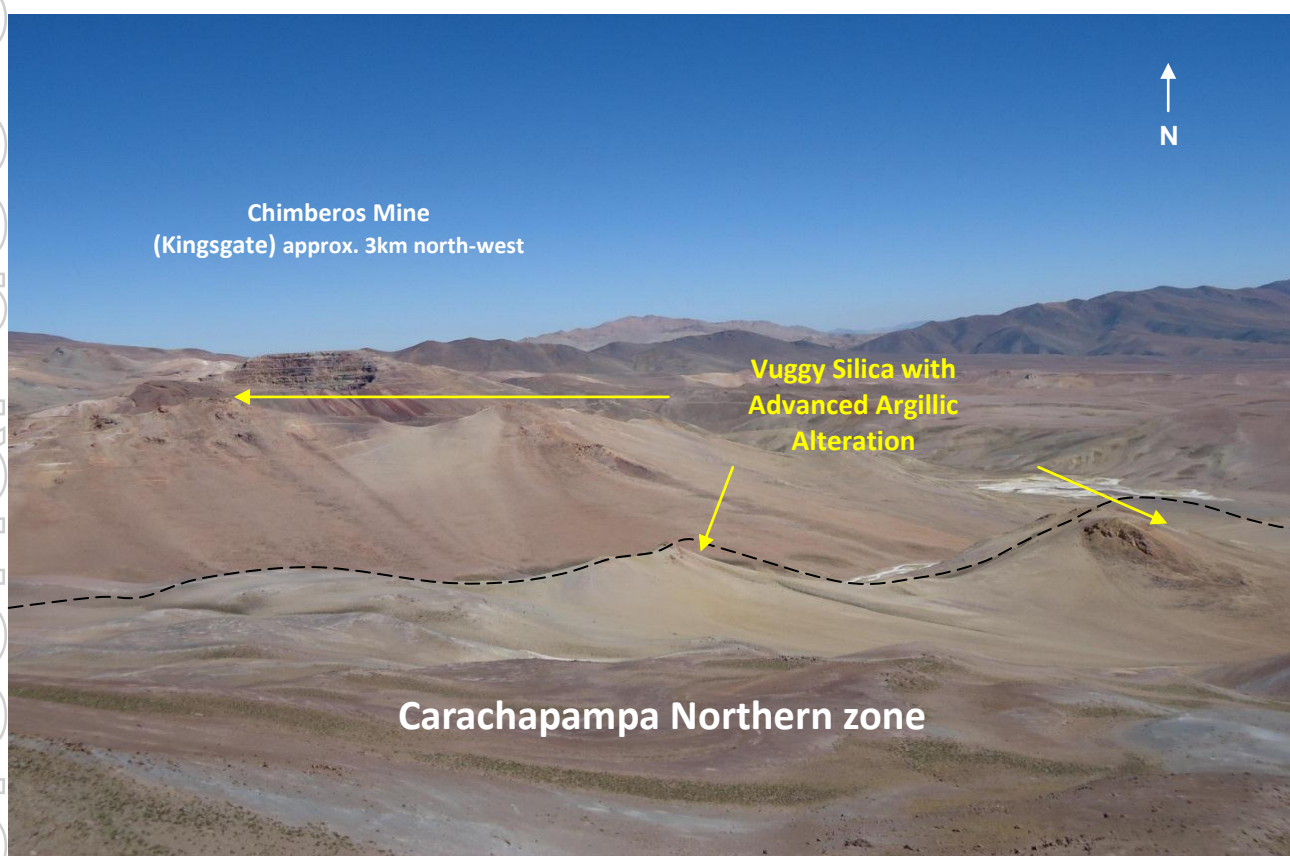


Figure 1: Cerro de la Cruz (Carachapampa North)

Gold Iron Project

Condor has returned highly encouraging results from an initial scout drilling program of reverse circulation holes at the Gold Iron porphyry copper project as reported to the market on 17 November 2011. Both the intensity of the alteration and copper grades were improving with depth. However the reverse circulation drilling method used only allowed penetration to approximately 350m vertical due to high water flows. The proposed diamond drilling will allow testing the prospect to depths of up to 600m. Initially two drill holes are proposed to be drilled, DDHGI-01 and DDHGI-02, with the locations shown in Figure 2.

Drilling of DDHGI-01 commenced on 7 June 2013 with the hole depth reaching 73.5m on 9 June 2013. Condor eagerly awaits the results of these holes to test the mineralised system at much deeper levels.

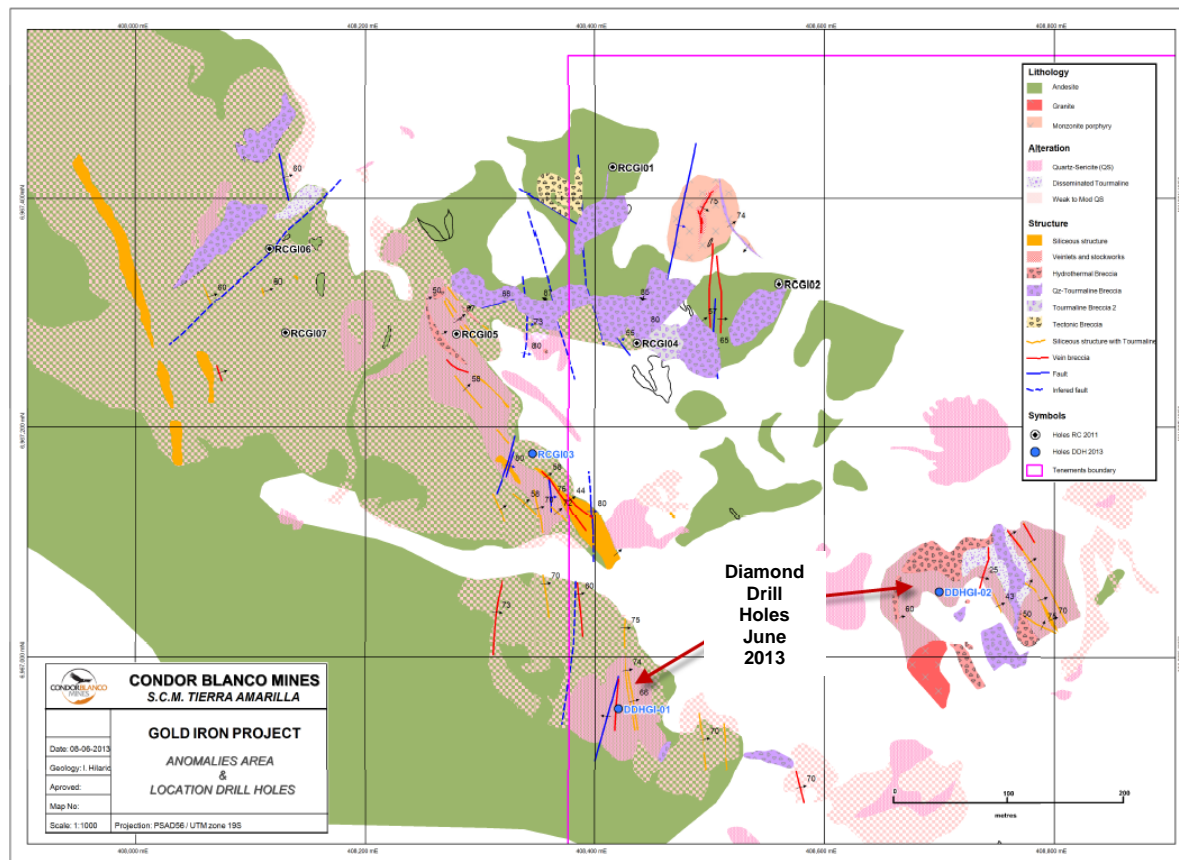


Figure 2: Gold Iron June 2013 Diamond Drilling

Enquiries:

Mr Glen Darby
Managing Director
Condor Blanco Mines Limited
Office: +61 (2) 9225 4070
Email: glen.darby@condormines.com

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.