



CONDOTO PLATINUM

19 July 2013

QUARTERLY ACTIVITY REPORT – June 2013

ASX Symbol: **CPD**

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BOARD OF DIRECTORS AND MANAGEMENT

Mr William Hayden
Non-Executive Chairman

Mr Philip O'Neill
Managing Director

Mr Andrew Johnstone
Non-Executive Director

Mr David Forest
Chief Operating Officer

Mr Jay Stephenson
Company Secretary

ISSUED CAPITAL

Shares on Issue:	56,155,004
Unlisted Options:	12,360,000

HIGHLIGHTS

- **Throughput of the platinum-gold process circuit doubled at the Martinez Mine**
- **7,010.4 grams Au and 679.1 grams Pt produced between May 24 and July 16**
- **Soil sampling completed at Cerro Esperanza area, new gold mineralization identified at Cerro El Tambito**

CORPORATE

Platinum saw considerable investor interest during the past quarter. On April 26, Absa Capital launched its NewPlat ETF to hold physical platinum as a way for investors to gain exposure to the space. In just over two months since the launch, the ETF has increased its holdings of physical platinum to greater than 500,000 ounces, indicative of the strong investor demand for the metal.

During the quarter to June 30, 2013, the Company began processing in-situ material through the platinum-gold circuit at the Martinez Mine. Throughput at the circuit has continued to increase as operations are optimized, and details on this segment of business are provided in the "Operations" section of this report.

Exploration in the western Colombian Cordillera—the presumed source for sediments shed into the lowlands of west Choco—at the Cerro Esperanza project saw soil sampling completed, with several anomalies identified. More details are provided below.

The Colombian government has recently intensified its campaign against unlicensed mining activity in the Department of Choco. As a result, unlicensed mining operations are under growing pressure to legitimize themselves, or face shut-down. As such, the Company—a rightful mining license holder by way of its agreement with the Novita Council—is being approached by numerous groups to investigate partnership agreements. Condoto Platinum is evaluating such opportunities and hopes to execute new and additional mining ventures in the near future.

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During the quarter, the Company also took steps to reduce its corporate expenditures, in light of the current state of global capital markets for the mining sector. Management is focused on advancing operations in an efficient and capitolly-prudent manner.

OPERATIONS

During the quarter, operation of the gold-platinum gravity circuit at the Novita bulk sampling operations (Martinez Mine) continued. Concentrates generated from operations are being washed at the Company's site facilities, to collect gold and platinum. The Martinez Mine is located on the Company's Novita Agreement lands (see map below).



Throughput at the circuit has more than doubled over the last quarter. Between May 24 and July 16, the circuit processed an average 92 cubic metres of material per hour.

Significantly, the Company began processing in-situ material from the mine face during the quarter. The results confirm this material is significantly mineralized. Between May 24 and July 16, the circuit produced a total of 7,010.4 grams of gold (225.4 troy ounces) along with 679.1 grams (21.8 troy ounces) of platinum. This was obtained from washing of 64,292.0 cubic metres of material.

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This throughput represents material from the top (near-surface) portion of the mine cut. Data from other operations in the Novita area suggest that richer grades of mineralization are found in horizons below the level at which the Company is currently mining. Conduto Platinum's own sampling at the Martinez Mine supports this inference, with enriched zones from the pit face having returned values as high as 11.985 g/t gold and 0.560 g/t platinum.

Data from processing so far suggests increasing grades of mineralization are indeed being encountered at depth. The average grade for the initial (upper) 30,861.4 cubic metres of material processed by the Company at the mine face was 77.95 mg/m³ Au and 8.57 mg/m³ Pt. Processing of the subsequent (lower) 33,430.6 cubic metres of material has yielded grades of 137.74 mg/m³ Au and 12.40 mg/m³ Pt. This represents an increase in grade of 77% and 45%, respectively. Mining at the face is continuing downward, and gold grade appears to be continuing to increase.

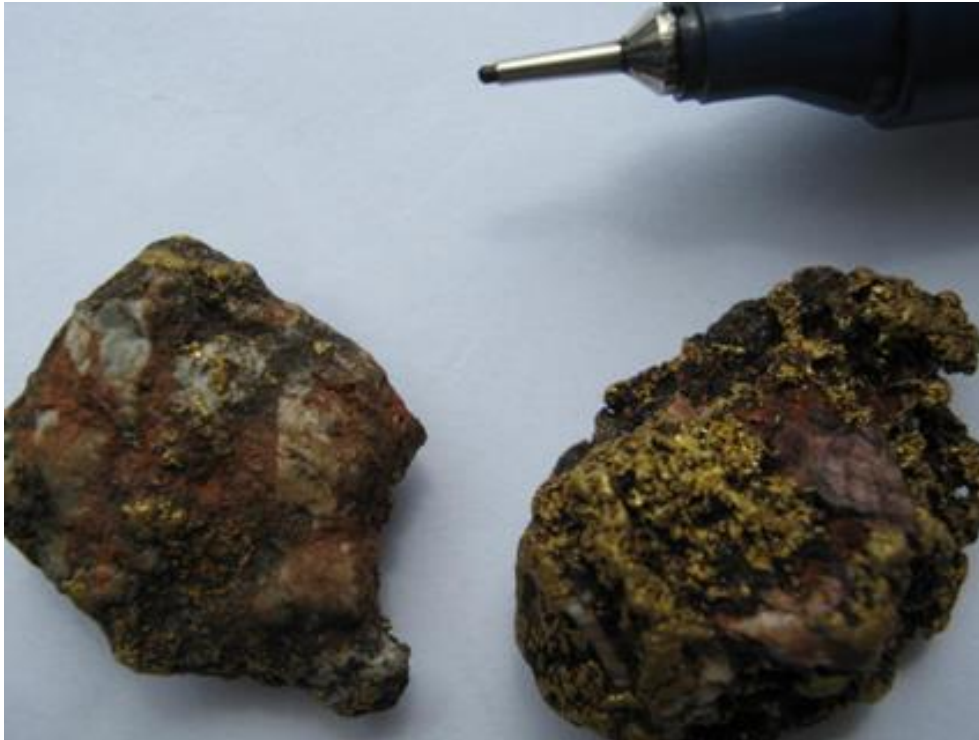
During the quarter, Conduto Platinum finalized soil sampling at the Cerro Esperanza/Cerro Torra area, approximately 25 kilometres east of the town of Novita. Detailed grid soil sampling across the Cerro Esperanza hill has been successful in identifying specific target areas for detailed follow-up. These are defined by anomalies of gold and silver, along with pathfinder elements mercury and arsenic, which are considered to be possible indicators of epithermal-style mineralization.

Specifically, the soil sampling program has defined two zones of interest.

The first is the Amapola target, located on the east side of the Cerro Esperanza hill. The target area is approximately 400 by 400 metres in size. A total of 164 soil samples were taken as part of a grid sampling program, that revealed anomalous levels of not only gold, but also indicator elements arsenic, cadmium, and antimony.

The Guadualito target is an area of approximately 800 metres by 1,200 metres, located on the southwest side of the Cerro Esperanza hill. Soil sampling here has shown anomalous gold values, as well as a significant mercury anomaly, possibly indicative of epithermal-type mineralization.

During the quarter, the company also made its first reconnaissance visits to the Cerro El Tambito area, northwest of the Cerro Esperanza target. Mineralization observed here includes coarse gold in quartz veins and weathered intrusive rocks. The area is being assessed by Conduto Platinum for potential exploration work.



Coarse gold in quartz from the Cerro El Tambito area

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Mr Andrew Johnstone has sufficient experience which is 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Johnstone who is an Director of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This release may contain forward-looking statements. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. Actual values, results or events could differ materially from any conclusion, forecast or projection expressed or implied in the forward-looking information.