



## **CONDOTO PLATINUM NL**

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### **ASX ANNOUNCEMENT**

## **CONDOTO PLATINUM SIGNS A DEFINITIVE TENEMENT ASSIGNMENT AND ROYALTY AGREEMENT WITH THE NOVITA COMMUNITY**

**31 January 2012**

**ASX: CPD**

Condoto Platinum NL (ASX: CPD) (“Condoto Platinum”) (the “Company”) has signed a definitive Tenement Assignment and Royalty Agreement (the “Agreement”) with the Novita Higher Community Council (the “Novita Council”) of Colombia covering a 105,975 hectare land position in Choco Department that is highly prospective for platinum and gold mineralization (the “Novita Land Position”). Part of the Novita Land Position overlaps some of the Company’s current licenses.

The Novita Council represents the Afro-Colombian community of Novita which, along with other Afro-Colombian communities in the region, holds certain preferential rights in the assignment of mining concessions on land covering its community, as set forth in the Colombian constitution.

In exchange for the assignment of the Novita Land Position to which the Novita Council has preferential rights, the Company has agreed to pay a royalty equal to 17.5% of the net revenue return, minus adjustments as set forth in the Agreement, from the mineral sales from the tenements assigned for each quarter (the “Royalty”). The Company will begin to pay the Royalty on the later of the first assignment date and the date of the commencement of mineral sales from the tenements.

Colombia is widely recognized as one of the world’s most prospective, yet underexplored, countries for natural resources. The government of Colombia’s pro-business and pro-mining position over the last decade has resulted in the significant inflow of foreign investment to explore the potential of the country’s mineral endowment.

Mining of alluvial platinum in Choco Department can be traced back to the 17<sup>th</sup> century when the Spanish discovered alluvial deposits of the rare white metal while mining in search for gold. Up until 1820, the Choco Department of Colombia was the world’s only source of platinum production. Historically, most of the alluvial platinum production in Choco Department was from the river beds of the San Juan River and its tributaries in the Condoto region – many of which flow through the Novita Land Package.

The first half of the 1900's saw various alluvial mining endeavours undertaken in the Condoto region with dredging being the main method of mining. The significant operators at the time were *Choco Pacific* and the *South American Gold and Platinum Company* – a company formed by then famous mining entrepreneur Adolph Lewisohn and listed on the New York Stock Exchange. Major shareholders of the *South American Gold and Platinum Company* included: Consolidated Gold Fields of South Africa, Goldfields American Development Company, and Johnson Matthey and Co.

Since 1946, limited mining was undertaken due to the internal conflicts in Colombia which subsequently lead to an increase in illegal mining activities. Mining of alluvial platinum and gold in the Condoto region continues today - predominantly by local Afro-Colombian miners who work the vast alluvial fields of the Condoto region without the use of modern exploration to discern economic accumulations.

Jay Stephenson  
**Company Secretary**