



Condor Blanco Mines Limited

ABN 16 141 347 640

PROSPECTUS

For the offer of up to 1,000 Shares at an issue price of \$0.01 per Share to raise up to \$10 (before expenses).

This Prospectus has been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your professional advisers.

The Shares offered by this Prospectus should be considered as speculative.

IMPORTANT INFORMATION

This Prospectus is dated 7 August 2014 and a copy of this Prospectus was lodged with the ASIC on that date.

The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person or entity is authorised to give any information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors in connection with this Prospectus.

This Prospectus does not constitute an offer of Shares in any place which, or to any person to whom, it would be lawful to do so. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with these restrictions may violate securities laws.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the Company's website at www.condormines.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Risk factors

Potential investors should consider that the investment in the Company is speculative. Before deciding whether to apply for Shares pursuant to this Prospectus, you should consider the risk factors that could affect the financial performance of the Company and consult with your professional advisers.

For information in relation to the Company's risk factors please refer to Section 5 of this Prospectus.

Privacy

For information in relation to the Company's Privacy Statement please refer to Section 2.12 of this Prospectus.

General

All amounts are in Australian dollars unless otherwise specified.

A number of terms and abbreviations used in this Prospectus have defined meanings, which appear in Section 8 of this Prospectus.

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1 TIMETABLE AND IMPORTANT DATES*

Lodgement of this Prospectus with the ASIC and ASX	7 August 2014
Opening Date of Offer	7 August 2014
Closing Date of Offer	5.00pm AEST 6 November 2014
Expected date of Official Quotation	6 November 2014

*The Company reserves the right to extend the Closing Date or close the Offer early, in its absolute discretion.

2 DETAILS OF THE OFFER

2.1 The Offer

This Prospectus invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of **\$0.01 (1cent)** per Share payable in full on application to raise up to \$10 before expenses of the Offer.

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally in all respects with the Shares already on issue at the date of this Prospectus. Further details of the rights and liabilities attaching to Shares are set out in Section 4.

2.2 Background

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The Company, in accordance with ASX Listing Rules 7.1 and 7.1A issued 35,550,227 and 23,637,699 ordinary shares respectively (totalling 59,187,926) to Sophisticated Investors on 28 October 2013 to raise funds for working capital requirements of the Company ("**First Past Placement Shares**"). On 29 November 2013, at the Company's annual general meeting, shareholders subsequently approved this placement in accordance with Listing Rule 7.3. These Shares were not issued with the purpose of the relevant subscribers to whom they issued intending selling or transferring them or granting, issuing or transferring in, or options over, them, within 12 months of their acquisition from the Company.

On 15 May 2014, the Company's Shares were suspended from Official Quotation by the ASX pursuant to Listing Rule 17.3 ("**ASX Suspension**"). On 16 May 2014, ASX announced that the ASX Suspension would be lifted immediately following the release of an announcement regarding the then proposed €10 million debt funding ("**Funding**"). On that same day, the Company released an update on the Funding and the ASX Suspension was lifted.

On 21 May 2014 the Company requested a voluntary suspension of its Shares from Official Quotation to enable the Company further time to finalise negotiations and conclude the arrangements for the Funding as adverted to in the Company's request for a trading halt on 19 May 2014 ("**Voluntary Suspension**"). Whilst the Company expected at that time the Voluntary Suspension would end on 23 May 2014 it remains in force.

On 4 August 2014, ASX advised the Company that it will remove the Voluntary Suspension once the First Past Placement Shares are cleansed and this Prospectus is released.

In addition, as announced to the ASX on 17 June 2014, the Company convened a Meeting at which its Shareholders passed four (4) resolutions ("**Resolutions**"), including:

- (a) Ratification of past issues of Shares ("**Second Past Placement Shares**");
- (b) Approval of issue of Shares ("**Placement Shares**");
- (c) Approval of issue of the Options ("**First New Options**");
- (d) Approval of issue of the Options ("**Second New Options**")

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The background and rationale for the Resolutions are contained in the Explanatory Memorandum.

As a result of the passing of the Resolutions, the Company maintains its capacity under Listing Rules 7.1 and 7.1A.

The Second Past Placement Shares, which totalled 122,290,236 Shares, were issued to Sophisticated Investors at an issue price of \$0.012 per Share on 17 April 2014 to raise funds for working capital requirements of the Company. A cleansing notice issued under section 708A(5)(e) of the Corporations Act in respect of the Second Past Placement Shares was announced to the ASX on 22 April 2014. This notice cleansed the Second Past Placement Shares and permitted secondary trading in respect of them.

As the Company is subject to the Voluntary Suspension, the Placement Shares have not as yet been issued. When and if the Voluntary Suspension is removed, the Placement Shares, once issued, will seek to raise up to \$3M and will be issued to either Sophisticated or Professional Investors. As noted in the Notice of Meeting the issue price for the Placement Shares shall be at least 80% of the average market price of the Shares in the five (5) Trading Days immediately prior to their issue. The Placement Shares must be issued no later than 3 months from the date of the Meeting or such other date to the extent permitted by ASX waiver or modification of the Listing Rules.

None of the subscribers of the First or Second Past Placement Shares are related parties of the Company. The Directors shall not invite related parties of the Company to subscribe for the Placement Shares.

All Shares issued under this Prospectus and the Placement Shares will rank equally in all respects with Shares already on issue at the date of this Prospectus including the First and Second Past Placement Shares.

The primary purpose of this Prospectus is to cleanse the First Past Placement Shares and facilitate the removal of the Voluntary Suspension. Not only will this remove any trading restrictions on the sale of any of the First Past Placement Shares, it will also remove any such restrictions in respect of the Placement Shares or other Shares issued prior to the Closing Date.

Generally, section 707(3) of the Corporations Act, requires that a prospectus to be issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on sell those securities within 12 months of the date of their issue.

Relevantly, section 708A sets out where sale offers of shares do not require disclosure. Section 708A(11) of the Corporations Act deals with sale offers of quoted shares.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

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A further purpose of this Prospectus is to comply with section 708(11) of the Corporations Act, so that the subscribers under the Placement, if they choose to, can sell the Shares issued to them within the next 12 months of their being issued to them without the issue of a prospectus.

2.3 Opening and Closing Dates of the Offer

The Opening Date of the Offer will be 7 August 2014 and the Closing Date will be 6 November 2014 at 5:00pm (AEST). The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

2.4 Application for Shares

Applications for Shares must only be made by investors at the direction of the Company and must be made using the Application Form. Application Forms will only be provided by the Company to these parties.

The Directors reserve the right to issue Shares pursuant to the Offer at their absolute discretion.

Applications under the Offer must be for a minimum of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.01 per Share. No brokerage or stamp duty is payable by Applicants. You should carefully read this Prospectus and instructions accompanying the Application Form before subscribing for Shares.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company to the address set out on the Application Form by no later than the Closing Date. Cheques should be made payable to "Condor Blanco Mines Limited – Equity Placement Account" and crossed "Not Negotiable".

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

2.5 Minimum subscription

There is no minimum subscription in respect of the Offer.

2.6 Allotment of Shares

The Directors will determine the allottees of all the Shares in their discretion. The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the Applicant as soon as practicable after the Closing Date.

Pending the allotment of Shares pursuant to this Prospectus, all application monies will be held by the Company in a separate subscription account kept by the Company in trust for each Applicant. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies and each Applicant waives the right to claim any interest.

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date.

2.7 Underwriter

The Offer is not underwritten.

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2.8 ASX Listing

Within 7 days after the date of this Prospectus, the Company will apply to ASX for Official Quotation of the Shares offered pursuant to this Prospectus.

If approval for Official Quotation of the Shares issued pursuant to the Offer is not granted by ASX within 3 months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares, and will repay all application monies without interest as soon as practicable within the time prescribed under the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.9 Applicants outside Australia

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required, or whether any other formalities need to be considered and followed to enable them to apply for and be allotted Shares. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.10 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual circumstances of each investor. Potential Applicants should obtain independent professional financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. It is the sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in the Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding taxation matters and consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of all the possible taxation positions of potential Applicants.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any taxation consequences for Applicants.

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2.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (CHESS) for those investors who have a sponsoring stockbroker. CHESS is operated by ASX Settlement, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic registers mean that the Company will not issue share certificates to investors. Instead, investors will receive a statement of their holding in the Company. If an investor is broker sponsored, ASX Settlement Pty Limited will send a CHESS statement. Statements are sent by post and set out the number of Shares issued to the Shareholder under this Prospectus and advise of their Holder Identification Number or Security holder Reference Number. Subsequently, further monthly statements will be provided to holders where a holding changes in the course of the preceding calendar month.

2.12 Privacy Statement

The Company collects, holds and will use information in relation to each Applicant as provided on an Application Form (**Information**) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (**Purposes**).

By submitting an Application Form, each Applicant agrees that the Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

2.13 Enquiries

Any questions concerning the Offer should be directed to Mr Glen Darby, Managing Director, on +61 2 8064 3624.

3 PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The primary purpose of this Prospectus is to cleanse the First Past Placement Shares and facilitate the removal of the Voluntary Suspension. Not only will this remove any trading restrictions on the sale of any of the First Past Placement Shares, it will also remove any such restrictions in respect of the Placement Shares or other Shares issued prior to the Closing Date.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to section 6.4 of this Prospectus for further details relating to the estimated expenses of the Offer.

3.2 Effect on Capital Structure

The capital structure of the Company as soon as practicable after the Closing Date is set out below:

	No of Shares
Shares¹	
Shares on issue at date of Prospectus ²	613,566,935
Shares to be issued under the Offer ³	1,000
Total Shares at the Closing Date⁴	613,567,935
Options (unlisted)	
Options exercisable at \$0.2000 on or before 23/02/16	37,876,666
Options exercisable at \$0.0600 on or before 01/08/15	20,000,000
Options exercisable at \$0.0333 on or before 01/08/17	15,000,000
Options exercisable at \$0.0470 on or before 13/09/15	283,444
Options exercisable at \$0.0920 on or before 24/09/15	406,556
Options exercisable at \$0.0460 on or before 07/01/16	227,966
Options exercisable at \$0.0370 on or before 11/02/16	547,259
Options exercisable at \$0.0330 on or before 18/02/16	562,500
Options exercisable at \$0.0210 on or before 25/03/16	595,000
Options exercisable at \$0.0210 on or before 03/04/16	595,000
Options exercisable at \$0.0270 on or before 10/04/16	476,000
Options offered by this Prospectus	nil
Total Options on issue at the Closing Date⁵	76,570,391

¹ The rights attaching to the Shares are summarised in Section 4 of this Prospectus.

² Includes the First and Second Past Placement Shares

³ Assumes the Offer is fully subscribed.

⁴ Not including the number of Placement Shares to be issued which shall be determined based on a raising of \$3m at an issue price of at least 80% of the average market price in the 5 Trading Days on which sales in the Shares were recorded immediately prior to their issue (refer to General Meeting Notice 17 June 2014)

⁵ Not including 10,000,000 Options exercisable at 1.1 cents expiring 20 June 2019 that will be issued no later than 17 September 2014 and 122,290,236 Options exercisable at 1.2 cents expiring 20 June 2019 that will be issued no later than 17 September 2014.

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3.3 Financial effect

After expenses of the Offer of approximately \$7,290.00, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$10) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$10 less costs of preparing the Prospectus of \$7,290.00.

4 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The Shares to be issued under this Prospectus will rank equally with the existing fully paid ordinary shares in the Company.

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, potential investors should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

4.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

4.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of its shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

4.3 Dividend Rights

Subject to the Corporations Act and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but such cannot be paid unless:

- (a) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to its shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The Directors may authorise the payment or crediting by the Company to its Shareholders of such a dividend. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which

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the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

4.4 Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among its Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that none of its Shareholders are compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

4.5 Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or Listing Rules.

4.6 Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of its shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5 RISK FACTORS

5.1 Introduction

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of risk factors that investors should consider and seek independent advice on before deciding whether or not to invest in Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

The principal risks include, but are not limited to, the following:

5.2 Economic Risks

General economic conditions, movements in interest and inflation rates, the prevailing global iron, gold and copper prices and currency exchange rates may have an adverse effect on the Company's exploration and any development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices, particularly for iron, copper and gold. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

5.3 Exploration Risk

Potential investors should understand that gold, silver and copper exploration and development is a high-risk undertaking. There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical

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difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. All of these factors may also affect exploration costs incurred by the Company. There is risk that exploration costs are higher than budgeted.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the projects, a reduction in the cash reserves of the Company and possible relinquishment of the projects.

5.4 Environmental Impact Constraints

The Company's exploration programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's mining projects will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities.

5.5 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; exploration cost overruns; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Mining is a difficult activity that involves the management of material operational risk.

Having been incorporated on 5 January 2010, the Company has a limited operating history, although it should be noted that the Company's Directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

5.6 Resource Estimates

The Company does not yet have identified mineral resources or reserves. Even if such resources or reserves are identified, resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

5.7 Sovereign Risk

While Chile is considered one of South America's most politically stable nations, there can be no assurance against social and economic uncertainty. There can be no assurance that the regulatory requirements in Chile will not change, which may affect the Company's operations. These changes may include, but are not limited to, foreign ownership of licences, taxation and royalties and land access.

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5.8 Regulatory and Title Risks

The regime for foreign companies in Chile is comparable to those for local companies operating in Australia. Nevertheless, government policy may be unpredictable, and subject to rapid change. All activities carried out by the Company will be subject to national and local laws, policies and regulations governing the exploration and development of mineral resources, taxation, exchange controls, investment approvals, employee relations and other matters. Variations to any of these laws and regulations may affect the Company's ability to obtain or maintain necessary permits, authorisations or agreements to implement projects and economically continue operations.

Exploration concessions in Chile are granted for a limited term (two periods of two years as from the date of grant). To maintain tenement rights in good standing an annual rent must be paid. Exploration concessions can be over pegged, which requires the holder to respond to retain good title. To do so a licensee must monitor the Official Mining Bulletin, which is where such over pegging challenges are listed.

This produces a risk to title if a company misses such a notice or fails to respond. Condor Blanco has engaged competent consultants to monitor the bulletin, but cannot guarantee their performance. Mining concessions are not subject to over pegging and as long the annual rent payments have been made can be maintained in perpetuity. The Company has acted to convert most of its directly held and optioned tenements to mining concessions in order to address this risk, and intends to continue this conversion process based on exploration results.

Interests in tenements in Chile are governed by Chilean national legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it administrative and rent payment conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet rent commitments.

Unlike Australia, Chile does not have a regulatory system that imposes minimum exploration expenditure commitments. Some of the Company's various exploration licences, work permits, and mining licences are due for renewal from time to time. The Company expects that it will in due course lodge renewal applications for them as required. The Company has no reason to believe any of these will not be renewed, however, this cannot be guaranteed. There is no existing regime of native title rights in Chile, but it is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate private land holdings exist. If private title does exist, the ability of the Company to progress from the exploration phase to the development and mining phases of operations will require addressing those rights within the regulatory framework established under the Chilean mining legislation.

5.9 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the First and Second Past Placement Shares. Any additional equity financing including the issue of any Placement Shares or conversion of the Options will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and exploration programs as the case may be.

Investors should note that the exercise of the options to acquire an interest in Carachapampa and Gold Iron are subject to cash payments in US\$ and Chilean Pesos. The amounts required to exercise the options exceed

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the funds that will be available to the Company on completion of the Offer. As such, the Company's ability to validly exercise the options and acquire title to the relevant projects is subject to the Company raising sufficient additional capital before the expiry of the respective option periods, namely 2 July 2016 in respect of Carachapampa and 2 July 2016 in respect of Gold Iron. If there is an adverse exchange rate movement of US\$ or Chilean pesos against the A\$, the effective cost of the options will increase.

5.10 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Managing Director. There can be no assurance given that there will be no detrimental impact on the Company if he ceases to act in this capacity.

5.11 Investment Speculative

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

6 ADDITIONAL INFORMATION

6.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC; and
 - (ii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

The Company has at all times complied with its continuous disclosure obligations under the Listing Rules.

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Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents and announcements lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	ANNOUNCEMENT
02/12/13	Listing Rule 3.10.5A announcement
04/12/13	2013 AGM Chairman's Address
12/12/13	Mobile processing plant being deployed in Marianas
19/12/13	Marianas Tailings Project December Update
20/12/13	Details of Company Address
31/01/14	December 2013 Quarterly Activity Report and Appendix 5B
03/02/14	Condor Funds Marianas and Coal Acquisition
04/02/14	Cleansing Notice
04/02/14	Appendix 3B
07/02/14	Duel Hard Coking Coal Review
04/03/14	Appendix 3B
04/03/14	Marianas Commercial Scale Trial Completed
06/03/14	South Africa Coking Coal & Marianas Update
13/03/14	10 million (Euro) funding - phase 1 complete
17/03/14	Half Year Accounts
20/03/14	Presentation - Proactive Investors Stars of 2014
21/03/14	Revised Presentation - Proactive Investors Stars of 2014
21/03/14	Retraction of Statement - Presentation 20-03-2014
04/04/14	Response to ASX Query
07/04/14	10m Euro debt funding nears completion
17/04/14	Hard Coking Coal Agreements and Debt Documents Signed
22/04/14	Commercial Scale Trial Delivers Higher Head Grade
22/04/14	Listing Rule 3.10.5A announcement
22/04/14	Notice under S.708A
22/04/14	Appendix 3B
23/04/14	Placement to Beaufort under investment agreement
28/04/14	Presentation - Rocketing Resources Investorium.tv
01/05/14	Quarterly Activities and Cashflow Report
08/05/14	Expiry of Options and Appendix 3B
15/05/14	Suspension
16/05/14	Director Resignation
16/05/14	Reinstatement to Official Quotation
16/05/14	Update on 10m Euro Debt Funding
16/05/14	Notice of General Meeting/Proxy Form
16/05/14	Response to Price Query
19/05/14	Trading Halt
21/05/14	Final Director's Interest Notice

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21/05/14	Director Appointment & Resignation
21/05/14	Suspension from Official Quotation
22/05/14	Response to ASX Query
10/06/14	Market Update
17/06/14	Results of Meeting
17/06/14	General Meeting - Withdrawal of Resolutions
23/06/14	Director Appointment and Resignation
03/07/14	Chile Projects Update
03/07/14	Termination of Debt Funding and Clarification
31/07/14	Quarterly Activities & Cashflow Report
04/08/14	Appointment of Alternate Director
04/08/14	Correction to Appendix 5B
04/08/14	Response to ASX Query

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.condormines.com

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6.2 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner or director, has, or has had within two years preceding lodgement of this Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; and
- (b) no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no benefits have been given or agreed to be given to any Director or to any firm in which any such Director is a partner or director, either to induce him or her to become, or to qualify them as a Director, or otherwise, for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

6.2.1 Shareholding qualifications

Directors are not required to hold any Shares under the Constitution.

6.2.2 Directors' interests

The Directors' relevant interests in the Company's securities as at the date of this Prospectus are set out in the table below.

Directors	Shares	Options
¹ Glen Darby	6,145,001	3,880,000
Michael Stafford	Nil	Nil
Steven Vlahos	Nil	Nil
² Lia Darby	1,090,000	1,840,000
TOTAL	7,235,001	5,720,000

¹ Includes 3,880,000 Options exercisable at \$0.20 on or before 23/02/2016.

² Lia Darby is the alternate Director for Glen Darby.
1,840,000 Options exercisable at \$0.20 on or before 23/02/2016

6.2.3 Directors' remuneration

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum initially determined by the Directors and subsequently varied by resolution of Shareholders in general meeting. The maximum aggregate remuneration which may be paid to non-executive directors for their services to Condor each financial year is set at \$250,000.

In addition, a Director may be paid a fixed sum determined by the Directors (either in addition to or in substitution for that Director's share of the non-executive Directors' remuneration) where a Director performs extra services outside the scope of the ordinary duties of a Director. Directors are also entitled to be paid

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reasonable travelling and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Company paid to the Directors a total of \$482,629 for the year ended 30 June 2014. The Directors have been paid fees of \$16,500 from the end of the previous financial year until the date of this Prospectus. These amounts are inclusive of salary, superannuation and share based payments.

The total remuneration paid to each of the Directors in the financial year ended 30 June 2014 and during the financial year to date for their services to the Company as Directors is set out in the table below.

Directors	Fees paid to end of 30 June 2014	Fees paid since 30 June 2014 to date of Prospectus
Glen Darby	\$225,000	\$16,500
Michael Stafford ⁽¹⁾	Nil	Nil
Stavros Vlahos ⁽²⁾	Nil	Nil
Lia Darby ⁽³⁾	Nil	Nil
Carl Swensson ⁽⁴⁾	\$95,455	Nil
Paul Crosio ⁽⁵⁾	\$156,674	Nil
John Shanahan ⁽⁶⁾	\$7,500	Nil
TOTAL	\$482,629	\$16,500

Note:

- (1) Michael Stafford was appointed as a non executive Director on 21 May 2014
- (2) Stavros Vlahos was appointed non executive Director and Chairman on 23 June 2014. His annual remuneration is \$36,000 (incl superannuation) and to date no payments have been made.
- (3) Lia Darby was appointed as the alternate Director for Glen Darby on 4 August 2014
- (4) Carl Swensson resigned as Director on 20 May 2014
- (5) Paul Crosio resigned as Director on 22 June 2014
- (6) John Shanahan resigned as Director on 16 May 2014

6.3 Interests and fees of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has, or had within two years before lodgement of this Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer, or the Offer; and
- (b) not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

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Eakin McCaffery Cox has acted as the solicitors to the Company in relation to this Prospectus. The Company estimates it will pay Eakin McCaffery Cox \$3,500 (excluding GST) for these services up to the date of lodgement of this Prospectus with ASIC. Subsequently, fees will be charged in accordance with normal charge out rates. Michael Stafford is a partner of Eakin McCaffery Cox and is also a director of the Company as from 21 May 2014. During the 24 months preceding lodgement of this Prospectus with the ASIC, Eakin McCaffery Cox has been paid approximately \$90,931 including GST for legal services provided to the Company.

6.4 Expenses of the Offer

It is estimated that approximately \$7,290 in cash expenses will be incurred or payable by the Company in respect of costs arising from this Prospectus and the Offer as set out in the table below:

	(\$)
ASIC fees	2,290
Legal fees	3,500
Miscellaneous expenses	1,500
Total	7290

6.5 Disputes and Litigation

The Company is not involved in any legal proceedings and the Directors are not aware of any other legal proceedings pending or threatened against the Company as at the date of this Prospectus.

6.6 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.13 on 09/05/2014

Lowest: \$0.005 on 15/05/2014

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.009 on 19/05/2014. As stated in Section 2.2 of this Prospectus, the Shares are currently suspended from Official Quotation and have been since 19 May 2014.

6.7 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, the publication of notices referring to an electronic prospectus or electronic application form, and the issue of shares in response to an electronic application form, subject to compliance with certain provisions.

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Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and it will send to you free of charge either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

6.8 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Eakin McCaffery Cox has given and has not withdrawn its written consent to being named as the Company's solicitors in this Prospectus in the form and context in which it is named.

7 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company,

A handwritten signature in black ink, appearing to be 'SV', with a long horizontal line extending to the right.

Steven Vlahos
Chairman

7 August 2014

8 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

AEST means Australian Eastern Standard Time.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means the application form relating to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the financial market operated by it (as the context requires).

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

Board or **Board of Directors** means the board of Directors as constituted from time to time.

CHESS means Clearing House Electronic Sub-register System, which is operated by ASTC, a wholly owned subsidiary of ASX.

Closing Date means the closing date of the Offer as set out in the timetable in Section 1 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Condor Blanco Mines** means Condor Blanco Mines Limited (ABN 16 141 347 640).

Constitution means the constitution of the Company at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company at the date of this Prospectus.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice.

Meeting means the Company's general meeting held on 17 June 2014.

Notice means the Company's Notice in respect of the Meeting.

Offer means the offer of 1,000 Shares under this Prospectus.

Official List has the same meaning given to this term as in the Listing Rules.

Official Quotation means quotation of the Shares on the Official List of ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 1 of this Prospectus (unless extended).

Option means an option to subscribe for one Share.

Option holders means those parties holding Options.

Section means a section of this Prospectus, unless the context says otherwise.

Share means a fully paid ordinary share in the Company.

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Share Registry means Advanced Share Registry Services Limited.

Shareholder means a holder of Shares.

Trading Days means a day determined by the ASX to be a trading day in accordance with the Listing Rules.

CORPORATE DIRECTORY

Directors

Steven Vlahos (Non-Executive Director and Chairman)
Glen Darby (Managing Director)
Michael Stafford (Non Executive Director)
Lia Darby (alternate Non Executive Director for Glen Darby)

Company Secretary

Peter Dunoon

Registered Office

819/160 Castlereagh Street
Sydney NSW 2000

Telephone: 02 8064 3624

Facsimile: 02 8064 4118

Website: www.condormines.com

Email: info@condormines.com

Solicitors

Eakin McCaffery Cox
Level 28
BT Tower
1 Market Street
SYDNEY NSW 2000

Share Registry*

Advanced Share Registry Services Limited
150 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.