



NOTICE OF ANNUAL GENERAL MEETING

**For the Annual General Meeting of the Company to be held at
11am (AEDT) on Wednesday, 26 November 2014
at
Nexia Australia
Level 16, 1 Market Street,
Sydney, New South Wales 2000**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 2 8064 3624

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.

CONDOR BLANCO MINES LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Condor Blanco Mines Limited (**Company**) will be held at Nexia Australia, Level 16, 1 Market Street, Sydney, NSW 2000 on Wednesday, 26 November 2014 at 11.00am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 24 November 2014 at 5.00pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Accounts and Reports

To receive and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2014, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That the Remuneration Report for the year ended 30 June 2014 be adopted."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such KMP.

However, a vote may be cast by a KMP if the vote is not cast on behalf of a KMP who is excluded from voting on this Resolution, and:

- (a) the KMP is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the KMP is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the KMP.

3. Resolution 2 – Re-election of Director: Mr Stavros Vlahos

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with article 11.4(b) of the Constitution and for all other purposes, Mr Stavros Vlahos being a Director of the Company appointed on 22 June 2014, being eligible and offering himself for election, be elected as a Director of the Company."

4. Resolution 3 – Re-election of Director: Mr Michael Stafford

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with article 11.4(b) of the Constitution and for all other purposes, Mr Michael Stafford being a Director of the Company appointed on 21 May 2014, being eligible and offering himself for election, be elected as a Director of the Company."

5. Resolution 4 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval of Issue of Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of fully paid ordinary shares to raise up to \$3 million on the terms and conditions in the Explanatory Memorandum"

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue under this Resolution and any associates of that person (or those persons) who may obtain a benefit, except a benefit solely in the capacity of a security holder.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 22 October 2014

BY ORDER OF THE BOARD



Peter Dunoon
Company Secretary

CONDOR BLANCO MINES LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Nexia Australia, Level 16, 1 Market Street, Sydney, NSW 2000 on Wednesday, 26 November 2014 at 11am (AEDT).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Accounts and Reports
Section 4:	Resolution 1 - Remuneration Report
Section 5:	Resolution 2 - Re-election of Director – Mr Stavros Vlahos
Section 6:	Resolution 3 - Re-election of Director – Mr Michael Stafford
Section 7:	Resolution 4 - Approval of 10% Placement Facility
Section 8:	Resolution 5 - Approval of Issue of Ordinary Shares

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250R and 250BD of the Corporations Act, a vote on Resolutions 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the KMP whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

3. Annual Accounts and Reports

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2014.

There is no requirement for Shareholders to approve the Annual Report. At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.asx.com.au/asx/research/companyInfo.do?by=asxCode&asxCode=CDB;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five (5) Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 – Election of Director: Mr Stavros Vlahos

Rule 11.4(a) of the Constitution states that the Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the number specified by the Constitution.

Rule 11.4(b) of the Constitution states that any Director who is appointed under Rule 11.4(a) holds office until the next general meeting of the Company and is then eligible for election.

In accordance with Rule 11.4(b) of the Constitution, Mr Vlahos retires from office and, being eligible for election, submits himself for election as a Director of the Company.

Details of the qualifications and experience of Mr Vlahos are set out in the 2014 Annual Report.

The Board (excluding Mr Vlahos) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Re-election of Director: Mr Michael Stafford

Rule 11.4(a) of the Constitution states that the Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the number specified by the Constitution.

Rule 11.4(b) of the Constitution states that any Director who is appointed under Rule 11.4(a) holds office until the next general meeting of the Company and is then eligible for election.

In accordance with Rule 11.4(b) of the Constitution, Mr Stafford retires from office and, being eligible for election, submits himself for election as a Director of the Company.

Details of the qualifications and experience of Mr Stafford are set out in the 2014 Annual Report.

The Board (excluding Mr Stafford) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

7. Resolution 4 – Approval of 10% Placement Facility

7.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Whilst the Company has no current intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 4. Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 4.

7.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue Shares and Options.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;
- (3) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 938,004,494 Shares and therefore has a capacity to issue:

- (i) 140,700,674 Equity Securities under Listing Rule 7.1; and
- (ii) 93,800,449 Equity Securities under Listing Rule 7.1A.

Capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period as allowed by ASX (**10% Placement Period**).

7.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if they are converted into Shares). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
 - (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) two examples of where the issue price of ordinary securities has decreased

by 50% and increased by 100% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.001 50% decrease in Issue Price	\$0.002 Issue Price	\$0.004 100% increase in Issue Price
Current Variable A	10% voting Dilution	93,800,449 Shares	93,800,449 Shares	93,800,449 Shares
	Funds Raised	\$93,800	\$187,601	\$375,202
50% increase in current Variable A	10% voting Dilution	140,700,674 Shares	140,700,674 Shares	140,700,674 Shares
	Funds Raised	\$140,701	\$281,401	\$562,803
100% increase in current Variable A	10% voting Dilution	187,600,899 Shares	187,600,899 Shares	187,600,899 Shares
	Funds Raised	\$187,601	\$375,202	\$750,404

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities;
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.002, being the closing price of the Shares on ASX on 16 October 2014.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (f) The Company may seek to issue the Equity Securities for the purpose of raising funds to be used towards the testing programs and Mining activities in relation to Company's existing projects in Northern Chile, Ecuador and Turkey.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees

of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2013 annual general meeting held on 30 November 2013. The total number of Equity Securities issued by the Company in the 12 months preceding the date of this meeting was:
- (a) 83,811,454 Shares issued on 3 February 2014
 - (b) 111,275,805 Shares issued on 28 February 2014
 - (c) 122,290,236 Shares issued on 17 April 2014
 - (d) 165,443,130 Shares issued on 9 September 2014
 - (e) 81,333,333 Shares issued on 15 September 2014
 - (f) 77,661,096 Shares and 122,290,236 unlisted options issued on 16 September 2014

(together, **12 Month Equity Securities**).

The percentage that the 12 Month Equity Securities represent of the total number of Equity Securities (including Shares and unlisted options) on issue at the commencement of the 12 month period is approximately 317%. The table at Schedule 2 details all issues of Equity Securities by the Company during the 12 months preceding the date of this Meeting as required by Listing Rule 7.3A.

- (k) A voting exclusion statement is included in the Notice.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. Resolution 5 – Approval of Issue of Ordinary Shares

8.1 General

Resolution 5 seeks Shareholder approval for the issue of ordinary shares to raise up to \$3 million. The issue price per Share will be at least 80% of the average market price of Shares in the five (5) Trading Days on which sales in the Shares were recorded prior to the date on which the issue is made to sophisticated or professional investors (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Directors to issue the Shares under the Placement during the period of three months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Information required for approval under ASX Listing Rule 7.1

The following information in relation to the Placement is provided in accordance with ASX Listing Rule 7.3:

- (1) The formula for calculating the maximum number of ordinary shares issued:

Maximum number of ordinary shares to be issued = \$3 million / "A"

"A" = at least 80% of the average market price of Shares in the five (5) Trading Days on which sales in the Shares were recorded prior to the date on which the issue is made.

- (2) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that this will occur on the same date.
- (3) The issue price will be at least 80% of the average market price of Shares in the five (5) Trading Days on which sales in the Shares were recorded prior to the date on which the issue of Shares is made to the relevant sophisticated or professional investors. The market price is the closing price of the Shares on each day.
- (4) The Shares will be issued to sophisticated or professional investors. None of these subscribers will be related parties of the Company.
- (5) The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (6) The Company intends to use the proceeds from the Placement for working capital requirements, geophysics and the development of the Company's mining assets in Chile, Ecuador and Turkey.
- (7) The issue of the Shares will occur progressively during the period.
- (8) A voting exclusion statement in respect of Resolution 5 is included in the Notice.

8.3 Directors' Recommendation

The Directors believe that the proposed Placement is beneficial for the Company and recommend that Shareholders vote in favour of Resolution 5. If Shareholders approve this Resolution, the Company will have the flexibility to issue additional share capital over the next 12 months without having to first obtain Shareholder approval.

8.4 Voting intention

The Chairman intends to exercise all available proxies in favour of Resolution 5.

Schedule 1 – Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.

10% Placement Period has the meaning given in Section 7.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect of the year ended 30 June 2014.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

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

Constitution means the constitution of the Company as at the date of the Meeting.

Convertible Security means a security of the Company which is convertible into Shares.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel or **KMP** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Past Placement Shares has the meaning in Section 8.

Placement has the meaning in Section 9.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

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

VWAP means volume weighted average price.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, Australia.

SCHEDULE 2**Issue of Equity Securities by the Company over the last 12 months**

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intending Use of Remaining Cash	Non-Cash Consideration	Current Value of Non-Cash Consideration
3 February 2014	83,811,454	Fully paid ordinary shares	Sophisticated and professional investors	Issue Price - \$0.008 Market Price - \$0.006 Discount to Market Price – Nil	\$670,492	Amount of cash spent and use of cash – see Note 1 below	General working capital requirements, geophysics and further drilling at the Company's exploration project, Carachapampa, and Iron Tailings Project, Marianas, situated in northern Chile	n/a	n/a
28 February 2014	111,275,805	Fully paid ordinary shares	Sophisticated and professional investors	Issue Price - \$0.008 Market Price - \$0.006 Discount to Market Price – Nil	\$890,206	Amount of cash spent and use of cash – see Note 1 below	General working capital requirements, geophysics and further drilling at the Company's exploration project, Carachapampa, and Iron Tailings Project, Marianas, situated in northern Chile	n/a	n/a
9 September 2014	165,443,130	Fully paid ordinary shares	Sophisticated and professional investors	Issue Price - \$0.003 Market Price - \$0.003 Discount to Market Price – NIL%	\$496,329	Amount of cash spent and use of cash – see Note 1 below	General working capital requirements, geophysics and further drilling at the Company's exploration project, Carachapampa, and Iron Tailings Project, Marianas, situated in northern Chile	n/a	n/a
15 September 2014	81,333,333	Fully paid ordinary shares	Sophisticated and professional investors	Issue Price - \$0.003 Market Price - \$0.003 Discount to Market Price – NIL	\$244,000	Amount of cash spent and use of cash – see Note 1 below	General working capital requirements, geophysics and further drilling at the Company's exploration project, Carachapampa, and Iron Tailings Project, Marianas, situated in northern Chile	n/a	n/a

SCHEDULE 2**Issue of Equity Securities by the Company over the last 12 months**

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intending Use of Remaining Cash	Non-Cash Consideration	Current Value of Non-Cash Consideration
16 September 2014	77,661,096	Fully paid ordinary shares	Sophisticated and professional investors	Issue Price - \$0.003 Market Price - \$0.003 Discount to Market Price – NIL	\$232,983	Amount of cash spent and use of cash – see Note 1 below	General working capital requirements, geophysics and further drilling at the Company's exploration project, Carachapampa, and Iron Tailings Project, Marianas, situated in northern Chile	n/a	n/a
16 September 2014	122,290,236	Unlisted options exercisable at \$0.012 and expiring on 16/9/2019	Sophisticated and professional investors	Free	n/a	n/a	n/a	Free	\$NIL

Note 1 – Amount of Cash Spent and Use of Cash:

		Appendix 5B	Appendix 5B	Appendix 5B		Total
	AU\$	1-31 December 2013 Qtrly Cash Flow	Mar 2014 Qtrly Cash Flow	Jun 2014 Qtrly Cash Flow	Sept 2014 Qtrly Cash Flow	1-26 October 2014
Opening Balance		15,000	1,000	62,000	698,000	348,000
Cash Inflows						
Capital raising placement		137,000	536,000	2,492,000	973,000	
Borrowing facilities		0	59,000	15,000		
other -		-	-	1,000	2,000	
Total Cash Inflows		<u>137,000</u>	<u>595,000</u>	<u>2,508,000</u>	<u>975,000</u>	<u>-</u>
Cash Outflows						
Exploration Expenditure			(88,000)	(414,000)	(802,000)	(87,000)
Borrowing facility repayments			(94,000)			
Interest Costs			(89,000)			
Administration		(151,000)	(263,000)	(1,458,000)	(523,000)	(112,000)
Total Cash Outflows		<u>(151,000)</u>	<u>(534,000)</u>	<u>(1,872,000)</u>	<u>(1,325,000)</u>	<u>(199,000)</u>
1,000			62,000	698,000	348,000	149,000
						149000*

* Cash and cash equivalents as at 17 October 2014

Proxy Form

Condor Blanco Mines Limited

ACN 141 347 640

Suite 805

160 Castlereagh Street

Sydney NSW 2000

STEP 1 - Appointment of Proxy

I/We

being a shareholder/s of Condor Blanco Mines Limited and entitled to attend and vote hereby appoint:

If you are not appointing the Chairman of the General Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the General Meeting, as my/our proxy at the **Annual General Meeting of Condor Blanco Mines Limited to be held at Nexia Australia, Level 16, 1 Market Street, Sydney NSW 2000 at 11.00 am AEDT on 26 November 2014** and at any adjournment of that General Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 - Voting directions to your Proxy – please mark ☐ to indicate your directions

Ordinary Business	For	Against	Abstain*
Resolution 1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Re-election of Director – Mr Stavros Vlahos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Re-election of Director – Mr Michael Stafford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Approval of Issue of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 - PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security holder 1

Sole Director and Sole Company Secretary

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2014

Proxy Form

Condor Blanco Mines Limited
ACN 141 347 640
Suite 805
160 Castlereagh Street
Sydney NSW 2000

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 5.00PM (Sydney Time) ON 24 NOVEMBER 2014

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint someone other than the Chairman of the General Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the General Meeting, the Chairman of the General Meeting will be your proxy. A proxy need not be a shareholder of the Company. Do not write the name of the issuer company or the registered member in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the General Meeting must provide evidence of his or her appointment by providing an "Appointment of Corporate Representative" form prior to admission. An Appointment of Corporate Representative form can be obtained from the Company.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the General Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote. To direct your proxy how to vote, place a mark in one of the boxes opposite each Resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution, your vote on that Resolution will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: this form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the Company. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a director jointly with either another director or a company secretary. Where the company has a sole director who is also the sole company secretary, this form must be signed by that person.

Please indicate the office held by signing in the appropriate place.

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the Annual General Meeting (held at 11:00am on 26 November 2014). Any Proxy Form received after 5pm on 24 November 2014 will not be a valid proxy for the scheduled Meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Condor Blanco Mines Limited
Suite 805, 160 Castlereagh Street
Sydney NSW 2000
Australia

BY FAX - + 61 (0) 2 8064 4118

IN PERSON - Condor Blanco Mines Limited
Suite 805, 160 Castlereagh Street
Sydney NSW 2000
Australia

Attending the Meeting

If you wish to attend the General Meeting please bring this form with you to assist registration.