

8 March 2017

QUARTERLY REPORT ON MINING ACTIVITIES AND APPENDIX 5B FOR 1 OCTOBER 2016 TO 31 DECEMBER 2016

This is Condor's Quarterly Report on Mining Activities for the 2nd Quarter of the 2016-2017 Financial Year (the period 1 October 2016 to 31 December 2016).

This report has been prepared on the basis of the information currently available to Condor's directors. However, the Company's directors continue to pursue clarification of the Company's asset position and historical activities. Condor will update the market if further relevant information becomes available.

Delay in production and release of Quarterly Report. Delays in production and release of this report have been due to difficulties in obtaining and validating required information, as described in Condor's 2015-2016 Annual Report released 27 January 2017.

Summary of activities. Condor conducted no activities relating to mining production, development or exploration during the quarter. Condor's expenditure on mining activities during the quarter was nil.

Summary of farm-in or farm-out agreements. During the quarter, Condor neither disposed of nor acquired any beneficial interest in any farm-in or farm-out agreement. At the end of the quarter, Condor held no beneficial interest in any farm-in or farm-out agreement.

Summary of mining tenements. Condor's current directors have seen no evidence indicating that Condor either disposed of or acquired any interests in any mining tenements during the quarter; however, this is subject to ongoing investigation. At the end of the quarter, available records indicate that the Company held the mining tenements listed in the attached schedules.

Cash flow. Condor's quarterly cash flows are detailed in the attached Appendix 5B.

Joshua Farquhar
Executive Chairman

SCHEDULE OF MINING TENEMENTS HELD AT END OF QUARTER

Holder: Condor Blanco Sociedad Contractual Minera (70% owned by Condor)

Tenement type: exploration.

Location: Copiapo, Chile.

#	Concession	Rol**	Court	SERNAGEOMIN*	Judgement	Status
4b1	Miguelito I 12	2076-2014	1° Copiapo	Approved	19 Jun 2015	In process
4b2	Miguelito I 13	3018-2014	3° Copiapo	Approved	28 Jul 2015	In process
4b3	Yareta 6	424-2014	2° Copiapo	Approved	21 Aug 2014	Constituted
4b4	Yareta 11	429-2014	2° Copiapo	Approved	21 Aug 2014	Constituted
4b5	Yareta 12	430-2014	2° Copiapo	Approved	21 Aug 2014	Constituted
4b6	Isla II 2	1839-2013	3° Copiapo	Approved	18 Mar 2014	Constituted

** Rol Nacional de Concesiones Mineras (National Registration of Mining Concessions)

* SERNAGEOMIN: Servicio Nacional de Geología y Minería (National Service of Geology And Mining)

SCHEDULE OF MINING TENEMENTS WITH UNCERTAIN STATUS

In Condor's December 2015 Quarterly Report, the Company announced that the following tenement had been disposed on 27 November 2015. It is unclear why this tenement might have been disposed, or how disposal might have occurred. Condor's current directors are continuing investigations to ascertain if the tenement continues to be held by the Company, or otherwise to understand the circumstances of the disposal.

Holder: Condor Blanco Sociedad Contractual Minera (70% owned by Condor)

Tenement type: exploration.

Location: Copiapo, Chile.

#	Concession	Rol**	Court	SERNAGEOMIN*	Judgement	Status
4a	Miguelito I 14	3017-2014	3° Copiapo	In review	Unknown	In process

** Rol Nacional de Concesiones Mineras (National Registration of Mining Concessions)

* SERNAGEOMIN: Servicio Nacional de Geología y Minería (National Service of Geology And Mining)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Condor Blanco Mines Limited

ABN

16 141347640

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(8)	(8)
(e) administration and corporate costs	(66)	(220)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(84)	(238)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	313
3.6	Repayment of borrowings	-	(13)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	300

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	146	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(84)	(238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	300
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	62	62

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	62	146
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (credit card)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	62	146

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
-
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Note: none of Condor's directors holding office since 5 July 2016 received payment of any fees for the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
-
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
\$300	\$300
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The item listed at 8.1 refers to a \$300,000 secured loan facility provided by Finnian Group at 8% p.a.

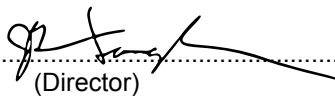
9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs	2
9.5	Administration and corporate costs	13
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	15

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	NA	NA	NA	NA
10.2	Interests in mining tenements and petroleum tenements acquired or increased	NA	NA	NA	NA

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Director)

Date: 8 March 2017

Print name: Joshua Farquhar

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.