

**15 December 2017**

## UPDATE REGARDING SUSPENSION FROM TRADING

On 6 May 2016, ASX suspended Condor's shares from trading, pursuant to Listing Rule 17.3.

Condor understands that ASX imposed the suspension because of ASX's concerns about certain share transactions entered into by Condor under its previous directors and management, as well as the accuracy of related disclosures given to the market prior to 5 July 2016.

Condor's current directors have determined that prior to 5 July 2016 the Company did enter into a number of transactions in relation to the issuance, warehousing and subsequent on-sale of shares in the Company that were contrary to the Corporations Act and ASX Listing Rules. These matters have been discussed in the Company's previous market disclosures since 5 July 2016, including in the Company's 2016 annual report.

Condor has been in discussions with ASX regarding the necessary conditions that Condor must now achieve prior consideration by ASX of any request to reinstate the Company's securities to quotation. Condor has also recently received formal legal advice regarding these matters.

Given the improper transactions entered into under Condor's previous management, the Company has been advised that reinstatement to trading will require re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the resolution of improper share issues to the satisfaction of the ASX, and likely restrictions on any new shares that might be issued prior to reinstatement to quotation.

Among the necessary conditions, Condor's directors understand that the Company will need to satisfy the following as part of re-compliance prior to reinstatement to quotation:

- Lodgement with ASIC of a full prospectus;
- Net tangible assets of at least \$4,000,000 or market capitalisation of at least \$15,000,000 (Condor has held negative assets since prior to 5 July 2016);
- Shareholder spread of at least 300 non-affiliated shareholders with subscriptions or holdings of at least \$2,000 each (since last trading at \$0.009 per share, Condor's shareholder spread has included less than 70 shareholders holding parcels equal to or greater than \$2,000, and any current valuation of Condor's shares would be significantly lower);
- Rectification and/or proper disclosure of various historical share issues. Condor will need to address all questionable historical share issues and ensure that those dealings are properly explained and brought into order. In particular, share issues that were in breach of the Corporations Act will need to be addressed to the satisfaction of the relevant regulators.

Leaving aside the costs required to rectify legal issues, the remaining re-compliance conditions and associated expenses are comparable to the cost of listing via an Initial Public Offering. Condor has been advised that just the cost of re-compliance with ASX Listing Rules alone is likely to be at least \$500,000 and may be significantly higher.

It should be noted that that reinstatement to quotation will remain at the discretion of the ASX. In light of the legacy issues affecting the Company, there is no certainty that re-compliance and reinstatement to quotation will ultimately be possible. Nevertheless, Condor's current directors remain committed to pursuing available avenues to restore value to the Company, including progress towards re-compliance and possible reinstatement to quotation.

Condor's current directors also continue to explore means by which compensation for the damage caused to the Company in relation to improper share transactions might be recovered for the benefit of all legitimate shareholders in the Company. However, any outcome remains uncertain.

Condor continues to assist relevant authorities with their investigations into these matters.

**Joshua Farquhar**  
Executive Chairman