



NOTICE OF ANNUAL GENERAL MEETING

**For the Annual General Meeting of the Company
to be held at
16:00h (Sydney local time) on Wednesday, 21 February 2018 at
Nexia Australia
Level 16, 1 Market Street,
Sydney NSW**

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 an appropriately qualified 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 8916 6280.

Shareholders should attend or vote by lodging the Proxy Form attached to this Notice.

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Shareholders of Condor Blanco Mines Limited ("the Company") will be held at Nexia Australia, Level 16, 1 Market Street, Sydney NSW on Wednesday, 21 February 2018 at 16:00h (Sydney local time) ("the Meeting").

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form comprise 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 at the time 24 hours immediately prior to the commencement time of the meeting as promulgated in this notice.

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 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Election of Director: Mr Craig McGrath

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That in accordance with clause 11.1(c) of the Constitution and for all other purposes, Mr Craig McGrath, having been previously appointed a Director of the Company, being eligible and offering himself for election, be elected as a Director of the Company."

3. Resolution 2 – Re-election of Director: Dr Simon Wood

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That in accordance with clause 11.4(b) of the Constitution and for all other purposes, Dr Simon Wood, having been previously elected a Director of the Company, being eligible and offering himself for re-election, be elected as a Director of the Company."

4. Resolution 3 – Remuneration Report

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That the Remuneration Report for the year ended 30 June 2017 be adopted".

Voting exclusion statement

Key Management Personnel (**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.

In accordance with sections 250R and 250BD of the Corporations Act, the Company will disregard any votes cast in favour of Resolution 3 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 such resolution if the vote is not cast on behalf of a person who is excluded from voting on such resolution 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 KMP.

5. Resolution 4 – Issue of shares to Executive Chairman: Mr Joshua Farquhar

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That for the purposes of Listing Rule 10.11 and for all other purposes the Company is authorised to issue not more than 12,500,000 shares to the Executive Chairman, Mr Joshua Farquhar, who is a Related Party of the Company, in lieu of cash payment of the sum of \$25,000 on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Joshua Farquhar or an associate of Mr Farquhar.

However, the Company will not disregard a vote if:

- (a) it is cast by a person described above as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chair 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 – Issue of shares to Director: Dr Simon Wood

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That for the purposes of Listing Rule 10.11 and for all other purposes the Company is authorised to issue not more than 15,000,000 shares to a Director, Dr Simon Wood, who is a Related Party of the Company, in lieu of cash payment of the sum of \$30,000 on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Dr Simon Wood or an associate of Dr Wood.

However, the Company will not disregard a vote if:

- a) it is cast by a person described above as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair 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.

7. Resolution 6 – Issue of shares to Director: Mr Craig McGrath

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That for the purposes of Listing Rule 10.11 and for all other purposes the Company is authorised to issue not more than 15,000,000 shares to a Director, Mr Craig McGrath, who is a Related Party of the Company, in lieu of cash payment of the sum of \$30,000 on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution by or on behalf of Mr Craig McGrath or an associate of Mr McGrath.

However, the Company will not disregard a vote if:

- a) it is cast by a person described above as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair 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.

8. Resolution 7 – Ratification of prior issue of shares

To consider and, if thought fit, to pass as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders approve the issue of 14,000,000 ordinary shares on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any of the investors who participated in the placement or associates of those investors.

However, the Company will not disregard a vote if:

- a) it is cast by a person described above as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair 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.

9. Resolution 8 – Approval of issue of shares

To consider and, if thought fit, to pass as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 570,757,128 ordinary shares on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

- a) it is cast by a person described above as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair 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.

10. Resolution 9 – Approval of issue of securities for the purpose of ASX Listing Rule 7.1A

To consider and, if thought fit, to pass as a special resolution:

"That for the purposes of Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the prescribed formula in Listing Rule 7.1A.2, be approved on the terms set out in the Explanatory Statement."

Voting exclusion statement

As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made. Therefore, no Shareholders will be excluded from voting on Resolution 9 as no Shareholder has an interest in the outcome of the Resolution that is potentially different from that of any other Shareholder.

Dated 19 January 2018

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'J. Farquhar', with a long horizontal stroke extending to the right.

Joshua Farquhar
Executive Chairman

EXPLANATORY NOTES

1. Introduction

These Explanatory Notes have 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 6, 1 Market Street, Sydney, NSW 2000 on Wednesday, 21 February 2018 at 16:00 (Sydney local time).

The Explanatory Notes form part of the Notice which should be read in its entirety. The Explanatory Notes contains the terms and conditions on which the Resolutions will be voted. The Explanatory Notes include 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 – Election of Mr Craig McGrath

Section 5: Resolution 2 - Re-election of Dr Simon Wood

Section 6: Resolution 3 – Remuneration Report

Section 7: Resolutions 4 - 6 – Issue of shares to Directors

Section 8: Resolution 7 – Ratification of prior issue of shares

Section 9: Resolution 8 – Approval of issue of shares

Section 10: Resolution 9 – Approval of issue of securities under Listing Rule 7.1A

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Notes 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.

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 2017.

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 will be available online at

<http://www.asx.com.au/asx/statistics/announcements.doc> (ASX code 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 – Election of Director: Mr Craig McGrath**

Clause 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.

Clause 11.4(b) of the Constitution states that any Director who is appointed under clause 11.4(a) holds office until the next general meeting of the Company and is then eligible for election, but is not to be taken into account when determining the Directors who are to retire by rotation at that meeting.

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

Resolution 1 is an ordinary resolution.

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

5. **Resolution 2 – Re-election of Director: Dr Simon Wood**

Clause 11.1(c) of the Constitution states that one third of the Directors for the time being, or if the number is not three or a multiple of three, the number nearest one third, must retire from office.

In accordance with clause 11.1(c) of the Constitution, Dr Wood retires from office and, being eligible for election, submits himself for election as a Director of the Company.

Resolution 2 is an ordinary resolution.

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

6. **Resolution 3 – 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 3 is advisory only and does not bind the Directors. If Resolution 3 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 to ask about, or make comments on the Remuneration Report.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3. **Chairman's Right to Exercise Proxies**

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on the Resolutions, 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 a Resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

7. **Resolutions 4 - 6 – Issue of shares to Directors**

Resolutions 4 – 6 seek Shareholder approval for an issue of Shares to the Directors of the Company in part satisfaction of loans advanced by the Directors to the Company, unpaid remuneration and other debts owed to the Directors (together, "accounts owing").

The purpose of issuing Shares to the Directors in satisfaction of accounts owing is to provide cost effective consideration to the Directors, consequently reducing the Company's liabilities without reducing the Company's available cash.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. Mr Farquhar, Dr Wood and Mr McGrath are considered to be related parties of the Company.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares if approval is obtained under ASX Listing Rule 10.11. The issue of the Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11.

The following information is provided to Shareholders for the purposes of the Act and ASX Listing Rule 10.13.

Required disclosure

a) The names of the related parties:

- i. Mr Joshua Farquhar;
- ii. Dr Simon Wood; and
- iii. Mr Craig McGrath.

b) The Shares will be issued to:

- i. Mr Joshua Farquhar;
- ii. Dr Simon Wood; and
- iii. Mr Craig McGrath;

or their associated entities.

c) The maximum number of Shares to be issued: 42,500,000

d) If resolutions 4 – 6 are approved, the Company will be permitted to issue Shares in the Company at a price of \$0.002 per share to a maximum Shareholding per Director of 9.99% of the Company's issued share capital (inclusive of any Shares currently held).

The Company has 107,729,047 Shares on issue.

Director	Current Shareholding
Mr Farquhar	2,000,000
Dr Wood	nil
Mr McGrath	nil

Maximum number of Shares to be issued:

- i. 12,500,000 fully paid shares to Mr Farquhar in satisfaction of accounts owing in the sum of \$25,000;
- ii. 15,000,000 fully paid shares to Dr Wood in satisfaction of accounts owing in the sum of \$30,000;
- iii. 15,000,000 fully paid shares to Mr McGrath satisfaction of accounts

owing in the sum of \$30,000.

- e) The Shares will be issued as soon as practicable, but in any event will be issued no later than 1 month after the General Meeting.
- f) The issue price of the Shares will be \$0.002 per Share.
- g) 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.
- h) The shares are being issued in part satisfaction of loans advanced by the Directors to the Company, unpaid Directors' fees and outstanding loans. As such the Shares will be granted for nil cash consideration, and no funds will be raised.
- i) Issuing the Shares to the Directors is reasonable in the circumstances, given the need to maintain the Company's cash reserves.
- j) The main purpose of the issue of the Shares to the Directors is cost effective satisfaction of outstanding amounts owed to the Directors and consequent preservation of the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.
- k) The Company will not be subject to Fringe Benefits Tax or be liable for additional taxes in the event that Resolutions 4 – 6 are approved and the relevant Shares issued.
- l) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass resolutions 4 – 6.
- m) A voting exclusion statement is included in the Notice of Meeting.

Resolutions 4 – 6 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of resolutions 4 – 6.

Directors' recommendations

Mr Joshua Farquhar declines to make a recommendation to Shareholders in relation to Resolution 4, due to his material personal interest in the outcome of the Resolution. The other Directors who do not have a material interest in the outcome of Resolution 4 recommend that Shareholders vote in favour of Resolution 4, considering it reasonable in the circumstances given the necessity to maintain the Company's cash reserves.

Dr Simon Wood declines to make a recommendation to Shareholders in relation to Resolution 5, due to his material personal interest in the outcome of the Resolution. The other Directors who do not have a material interest in the outcome of Resolution 5 recommend that Shareholders vote in favour of Resolution 5 considering it reasonable in the circumstances, given the necessity to maintain the Company's cash reserves.

Mr Craig McGrath declines to make a recommendation to Shareholders in relation to Resolution 6, due to his material personal interest in the outcome of the Resolution. The other Directors who do not have a material interest in the outcome of Resolution 6 recommend that Shareholders vote in favour of Resolution 6 considering it reasonable in the circumstances, given the necessity to maintain the Company's cash reserves.

8. Resolution 7 – Ratification of prior issue of shares

Resolution 7 seeks shareholder ratification of the issue of equity securities issued on 3 January 2018. The Company issued 14,000,000 shares under its existing 15% annual placement capacity under Listing Rule 7.1.

These shares have not been cleansed for onsale. The holding lock authorised by ASX and preventing on-market and off-market transfers of the Company's securities remains in place across all securities of the Company and applies equally to these shares.

By ratifying the issue of equity securities, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

ASX Listing Rules

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, 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 without shareholder approval.

Listing Rule 7.4 provides that where an issue of securities made without Shareholder approval under Listing Rule 7.1 is subsequently approved by Shareholders (and the issue did not breach Listing Rule 7.1), the issue of securities will be treated as having been made with approval for the purpose of Listing Rule 7.1.

ASX Listing Rule 7.5 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 7.4. The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5.

Required disclosure

- a) Number of securities issued:
 - (i) 14,000,000 shares issued on 3 January 2018 under the Company's existing placement capacity pursuant to Listing Rule 7.1;
- b) The issue price of the shares was \$0.0015.
- c) The shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares.
- d) The shares were issued to sophisticated and professional investors, none of whom are related parties of the Company.
- e) The capital was raised to meet immediate administrative expenses and to reduce current liabilities.

Resolution 7 is an ordinary resolution.

A voting exclusion statement is included in the Notice of Meeting.

The Chairman intends to exercise all available proxies in favour of resolution 7.

The Board of Directors unanimously recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 8 – Approval of issue of Shares

Resolution 8 seeks Shareholder approval for the issue of 570,757,128 shares to Shareholders who are not related parties of the company. The Company intends to carry out a rights issue to raise funds to meet administrative expenses and to reduce debt. In the event of any shortfall, the Board intends to allocate the shortfall to Shareholders (who are not related parties) who do not hold a marketable parcel of securities in the Company in order to allow those Shareholders to increase their holding to a marketable parcel.

"Marketable parcel" is defined in Chapter 19 of the ASX Listing Rules.

Shareholder approval is not required for the rights issue or the intended allocation of the shortfall. However if there is no shortfall or the shortfall is insufficient to allow the allocation of the shortfall shares as intended, the Board wishes to have the ability to offer additional shares in order to allow all Shareholders (who are not related parties) to obtain a marketable parcel.

Those additional shares will be in addition to the shares offered under the rights issue and will therefore need approval under Listing Rule 7.1. The maximum number of additional shares is 570,757,128 being calculated based on the rights issue being fully subscribed.

This number of shares has been calculated on the basis of the following assumptions:

- a) that resolutions 4 – 6 are passed and the Company issues the maximum number of shares that it is authorised to issue under those resolutions.
- b) an issue to eligible Shareholders of up to 150,229,047 shares on the basis of 1 New Share for every 1 existing share held by eligible shareholders.
- c) 500,000 shares being the threshold for a marketable parcel on the basis of a price per share of \$0.001;
- d) the Company, following the rights issue, having approximately 1,216 Shareholders who do not hold a marketable parcel; and

- e) an aggregate of 570,757,128 Additional Shares required for those Shareholders to obtain a marketable parcel.

Effect on Capital Structure

A pro forma capital structure is set out below based on the assumptions listed above.

	If rights issue is 50% subscribed	If rights issue is 75% subscribed	If rights issue is 100% subscribed
Shares on issue	107,729,047	107,729,047	107,729,047
Shares issued to directors	42,500,000	42,500,000	42,500,000
Subtotal	150,229,047	150,229,047	150,229,047
New Shares	75,114,524	112,671,785	150,229,047
Shortfall	75,114,523	37,557,262	0
Additional Shares	495,642,604	533,199,866	570,757,128
Total issued shares	796,100,699	833,657,960	871,215,222

These securities are unlikely to be cleansed for onsale. The holding lock authorised by ASX and preventing on-market and off-market transfers of the Company's securities remains in place across all securities of the Company and is likely to apply equally to these shares.

As noted in the Company's announcement to the ASX dated 15 December 2017, reinstatement to trading will require re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the resolution of prior improper share issues to the ASX's satisfaction, and likely restrictions on any new shares that may be issued prior to quotation.

As part of preparation to re-comply with the ASX Listing Rules, the Company is likely to undertake a consolidation of its securities at a future date in order to satisfy the ASX's requirements.

The effect of approval will be to allow the Company to issue Shares without impacting on the Company's 15% placement capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, 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.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 7.1. The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3.

Required disclosure

- The maximum number of securities the Company will issue is 570,757,128.
- The securities will be issued in conjunction with an intended rights issue and in any event within three months of the date of this Meeting and it is intended that the issue of securities will occur on the same day.
- The issue price of the Shares will be \$0.001 per Share.
- The securities will be issued to existing Shareholders in the Company who are not related parties of the Company and who do not have a marketable parcel.
- 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.
- The capital raised will be used to meet immediate administrative expenses and to reduce debt.

Resolution 8 is an ordinary resolution.

A voting exclusion statement is included in the Notice of Meeting.

The Chairman intends to exercise all available proxies in favour of resolution 8.

The Board of Directors unanimously recommends that Shareholders vote in favour of Resolution 8.

10. **Resolution 9 – Approval of issue of securities for the purpose of ASX Listing Rule 7.1A**

Resolution 9 seeks Shareholder approval by way of special resolution for the Company to have the ability to issue Equity Securities pursuant to the 10% Placement Capacity available under ASX Listing Rule 7.1A.

Securities issued pursuant to Resolution 9 are unlikely to be cleansed for onsale. The holding lock authorised by ASX and preventing on-market and off-market transfers of the Company's securities remains in place across all securities of the Company and is likely to apply equally to these shares.

As noted in the Company's announcement to the ASX dated 15 December 2017, reinstatement to trading will require re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the resolution of prior improper share issues to the ASX's satisfaction, and likely restrictions on any new shares that may be issued prior to quotation.

As part of preparation to re-comply with the ASX Listing Rules, the Company is likely to undertake a consolidation of its securities at a future date in order to satisfy the ASX's requirements.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A allows mid to small cap listed entities to seek Shareholder approval to issue Equity Securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (10% Placement Capacity). This is in addition to the 15% permitted 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 at the time of the Annual General Meeting. The Company is currently an eligible entity for the purpose of Listing Rule 7.1A. The Board expects that the Company will be an eligible entity as at the date of the Annual General Meeting. However, if the Company is not eligible, Resolution 9 will be withdrawn.

The ability to issue Equity Securities under Listing Rule 7.1A is subject to Shareholder approval by way of special resolution at Annual General Meeting. Approval cannot be sought at any other Shareholder's meeting and Equity Securities issued under the approval (if obtained) must be issued within 12 months after the date of the Annual General Meeting.

No Equity Securities can be issued under Listing Rule 7.1A before the special resolution is passed. The issue of securities under this rule cannot be subsequently approved by security holders and then be treated as if the issue had received prior approval.

Equity Securities

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

As at the date of the Notice the Company has only one class of Equity Securities on issue being Shares.

Formula for calculating the 10% Placement Capacity

The Company may issue Equity Securities during the 12 month period after the date of approval calculated in accordance with the following formula as contained in ASX Listing Rule 7.1A.2:

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

A is the number of fully paid ordinary Shares on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully ordinary Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary Shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary Shares issued in the 12 months with approval of Shareholders under Listing Rule 7.1 or 7.4;
- less the number of fully paid ordinary Shares cancelled in the 12 months.

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 approval of Shareholders under Listing Rule 7.1 or 7.4.

Required Disclosure

For the purpose of Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Capacity:

Minimum issue price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the Equity Securities are to be issued; or
- the date on which the price of the Equity Securities is agreed, provided that the issue is then completed within 5 Trading Days.

Risk of dilution

If the Company issues Equity Securities under the 10% Placement Capacity, there is a risk that the economic and voting power of existing Shareholders will be diluted.

There is also a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the issue date than the date of approval at the Annual General Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The below table shows the risk of dilution to existing Shareholders if the Company issues Equity Securities under the 10% Placement Capacity on the basis of:

- the current market price of Shares and the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A";
- a 50% decrease in the current market price of Shares and a 50% increase in the

current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A"; and

- a 100% increase in the current market price of Shares and a 100% increase in the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A".

Variable "A" in Listing Rule 7.1A.2		Dilution / Effect		
		\$0.0045 50% decrease in Issue Price	\$0.009 Issue Price	\$0.018 100% increase in Issue Price
Current Variable A 107,729,047 Shares	10% Voting Dilution	10,772,905	10,772,905	10,772,905
	Funds Raised	\$48,478	\$96,506	\$193,012
50% increase in current Variable A 161,593,571 Shares	10% Voting Dilution	16,159,357	16,159,357	16,159,357
	Funds Raised	\$72,717	\$145,434	\$290,868
100% increase in current Variable A 215,458,094 Shares	10% Voting Dilution	21,545,809	21,545,809	21,545,809
	Funds Raised	\$96,956	\$193,912	\$387,825

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- The table does not show any examples of the dilution that may be caused to a specific Shareholder based on that Shareholder's holding at the date of the Annual General Meeting.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table only shows the effect of issues under Listing Rule 7.1A and does not consider the effect of any issues under the 15% placement capacity under Listing

Rule 7.1 during the 12 month period or any other issues.

- The Issue Price of the Shares is \$0.009, being the closing price of the Shares on ASX on 06 May 2016 (date of suspension).

Final issue date

The final date that the Company can issue Equity Securities under the 10% Placement Capacity is 12 months from the date of the Annual General Meeting, being 21 February 2019.

The approval under Resolution 9 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 11.2 (disposal of main undertaking).

Purpose of the issue

The Company may seek to issue the Equity Securities for the following purposes:

- cash consideration to be applied to the acquisition of new assets or investments, expenditure associated with the Company's operations; or
- non-cash consideration for the acquisition of new resources, assets or investments.

If the Equity Securities are issued for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration which demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

Allocation policy

The Company's allocation policy for the issue of Equity Securities pursuant to the 10% Placement Capacity is largely dependent on the prevailing market conditions and the circumstances of the Company at the time of any proposed issue. The time frame over the 12-month period which the Company expects to make placements under the Resolution 9 approval therefore cannot yet be accurately determined.

As at the date of the Notice the Company has not formed an intention to issue securities under a placement pursuant to Listing Rule 7.1A to any particular party. The Company may approach existing Shareholders, a class or

group of existing Shareholders, or new investors who have not previously been Shareholders to participate in a placement of Equity Securities.

When determining to issue the 10% Placement Capacity securities the Company will have regard to a range of factors including but not limited to:

- the effect of the issue of Equity Securities on the control of the Company;
- the financial circumstances of the Company;
- whether the raising of funds could be carried out by means of a pro-rata entitlements offer or other similar issue to allow existing Shareholders to participate;
- advice from the Company's corporate, financial and professional advisors;
- whether a placement of Equity Securities to a vendor(s) as non-cash consideration for the acquisition of new resources, assets or investments is the best alternative for the Company.

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 annual general meeting held on 27 November 2015. The total number of Equity Securities issued by the company in the 12 months preceding the date of this meeting was:

- (a) 14,000,000 Shares issued on 03 January 2018 under the company's existing 15% annual placement capacity under Listing Rule 7.1. The percentage that these Equity Securities represent of the total number of Equity Securities on issue at the commencement of the 12 month period is approximately 15%.
- (b) The shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares.
- (c) The shares were issued to sophisticated and professional investors, none of whom are related parties of the Company.
- (d) The issue price of the shares was \$0.0015.
- (e) The Shares were issued for cash consideration. The total cash consideration was in the sum of \$21,000 and the full sum

was spent on immediate administrative expenses and to reduce current liabilities.

Resolution 9 is a special resolution.

A voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote **in favour** of the 10% Placement Capacity.

Proxy Form

Condor Blanco Mines Limited
ACN 141 347 640
PO Box A568
Sydney South NSW 1235

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, appoint 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 16:00 Sydney local time on 21 February 2018** 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, then as the proxy sees fit.

STEP 2 - Voting directions to your Proxy. Please mark "X" to indicate your directions:

Ordinary Business	For	Against	Abstain*
Resolution 1 - Election of Director – Mr Craig McGrath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Re-election of Director – Dr Simon Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Issue of shares to Executive Chairman: Mr Joshua Farquhar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Issue of shares to Director: Dr Simon Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - Issue of shares to Director: Mr Craig McGrath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 - Approval of issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 - Approval of issue of securities for the purpose of ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 - Please sign here:

Individual or Security holder 1
(or Sole Director and Company Secretary)

Security holder 2
(or Director)

Security holder 3
(or Director or Company Secretary)

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

Contact name

Contact daytime telephone

Date / / 2018

*Note: if you mark the 'Abstain' box for any resolution, you are directing your proxy not to vote on the resolution on a show of hands or on a poll and your vote will not be counted.

Proxy Form

Condor Blanco Mines Limited
ACN 141 347 640
PO Box A568
Sydney South NSW 1235

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BY THE COMPANY BEFORE 16:00PM (SYDNEY LOCAL TIME) on 19 FEBRUARY 2018

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: Appointment of Proxy

Indicate using this form 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

In accordance with clause 10.16 of the Company's constitution, this Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below at least 48 hours before the commencement of the Annual General Meeting. Any Proxy Form received after this time will not be a valid proxy for the scheduled Meeting.

Proxies may be lodged as follows:

BY MAIL - Condor Blanco Mines Limited
PO Box A568
Sydney South NSW 1235
Australia

BY FAX - + 61 2 8916 6258

VIA EMAIL - info@condormines.com

Attending the Meeting

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