



ACN 141347640  
**Condor Blanco Mines Limited**  
and Controlled Entities

# **HALF-YEAR REPORT**

**1 July 2017 to 31 December 2017**

## **CORPORATE DIRECTORY**

---

### **DIRECTORS**

Mr Joshua Farquhar	(Chairman of Board and Managing Director)
Dr Simon Wood	(non-executive director)
Mr Craig McGrath	(non-executive director)

### **COMPANY SECRETARY**

Mr Joshua Farquhar

### **REGISTERED & PRINCIPAL OFFICE**

Suite 508  
55 Holt Street  
Surry Hills NSW 2010

Telephone: +61 2 8916 6280  
Facsimile: +61 2 8916 6258

Email: [info@condormines.com](mailto:info@condormines.com)

### **SHARE REGISTRAR**

Advanced Share Registry  
150 Stirling Hwy  
Nedlands WA 6009

Telephone: (08) 9389 8033  
Facsimile: (08) 9262 3723

Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

### **AUDITOR**

Nexia Sydney Partnership  
Level 16  
1 Market Street  
Sydney NSW 2000

## CONTENTS

---

	Page
<b>DIRECTORS' REPORT</b>	3
<i>Preliminaries</i>	3
<i>Corporate structure</i>	3
<i>Review of operations</i>	3
<i>Results from operations</i>	4
<i>Corporate events during the half-year period</i>	4
<i>Corporate events since 31 December 2017</i>	6
<i>Directors holding office during the period</i>	7
<i>Inclusion of auditor's independence declaration</i>	7
<b>AUDITOR'S INDEPENDENCE DECLARATION</b>	8
<b>INDEPENDENT AUDITOR'S REVIEW REPORT</b>	9
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME</b>	11
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	12
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	13
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b>	14
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	15
<b>DIRECTORS' DECLARATION</b>	20

## **DIRECTORS' REPORT**

---

### **DIRECTORS' REPORT**

This is the Half-year Report for the Group, being Condor Blanco Mines Limited ("Condor", "the Company") and its controlled entities, for the period from 1 July 2017 to 31 December 2017.

### **PRELIMINARIES**

All monetary amounts in this report are stated in Australian dollars, unless otherwise specified.

\* \* \*

### **CORPORATE STRUCTURE**

Condor's corporate structure remains unchanged from the structure reported to shareholders in the Company's 2017 annual report.

At 31 December 2017, Condor held an approximate 99.99% shareholding in Chile Iron Pty Ltd and a 70% shareholding in Condor Blanco Sociedad Contractual Minera ("Condor Blanco SCM") (a Chilean company).

Condor's 100% shareholding in Tierra Amarilla Sociedad Contractual Minera ("Tierra Amarilla SCM") (a Chilean company) was reported as being sold on 27 November 2015. However, questions remain regarding the circumstances of this disposal and the matter continues to be investigated by Condor's current directors.

The Company currently holds no other known interests in other subsidiaries, external projects or joint ventures.

\* \* \*

### **REVIEW OF OPERATIONS**

Condor's operations since 1 July 2017 have focused on determination and amelioration of legacy issues, and development of avenues to return value to the Company. In particular, Condor has progressed development of statements of claim intended to recover value by litigation against various parties.

During the period, Condor has been presented with further proposals for potential acquisitions or merger transactions (such as by reverse takeover) and joint ventures.

## **DIRECTORS' REPORT (continued)**

---

Despite the Company's necessary focus on addressing legacy issues, Condor has also continued to review the various proposals received by the Company. At date of this report, Condor has not entered into any binding agreement with regard to any of these proposals. Condor will continue to consider any proposals that it might receive. However, Condor is at disadvantaged in being able to progress with any such proposals due to remaining legacy issues with the Company and the hurdles set by ASX for reinstatement to quotation.

Moving forward, Condor will continue to work towards amelioration of legacy issues, recovery of funds in respect of damages inflicted on the Company, and potential opportunities to generate value from existing assets. At this stage, Condor is unable to offer any assurances regarding the possibility of reinstatement to ASX quotation, nor regarding the possibility of recovering any value from litigation or existing assets.

Condor has not acquired nor disposed of any assets during the period.

Condor has not conducted any mining exploration, mining development or mining exploitation activities during the period.

\* \* \*

## **RESULTS FROM OPERATIONS**

Condor's operations during the period have resulted in a loss of (\$284,578) (5 July 2016 to 31 December 2016: \$234,333 loss).

### **Total Shareholder Return**

Total Shareholder Return for the half-year period remained at 0% (5 July 2016 to 31 December 2016: 0%).

Condor paid no dividends during the period.

As Condor's shares have remained suspended from trading on the ASX since 6 May 2016, there has been no change to Condor's last traded share price of \$0.009 since that date.

\* \* \*

## **CORPORATE EVENTS DURING THE HALF-YEAR PERIOD**

### **5 July 2017 – Determination of actual tenements holdings**

On 5 July 2017, Condor made announcement to the market disclosing corrections to the Company's mining tenement holdings. This announcement marked the completion of a

detailed review and validation of Condor's tenements that revealed substantial variation from information that had been promulgated by Condor's former directors prior to 5 July 2016.

**5 July 2017 – Execution of litigation funding agreement**

On 5 July 2017, Condor announced execution of a binding litigation funding agreement on confidential terms with Litigation Lending Services Limited (LLS) – a long-established and respected firm specialised in funding commercial litigation actions. Under the terms of the agreement, LLS will receive commission from the proceeds of successful litigation or early settlement from actions against certain parties. Condor is not liable for any other payments to LLS.

**5 July 2017 – Extension to debt facility**

On 5 July 2017, Condor announced execution of an extension to the Company's existing debt funding facility. Under the terms of the extension, an amount of \$50,000 was repaid by Condor, and the remaining balance of \$250,000 was extended to mature in January 2019 with interest payable at 10% per annum on the balance of the loan throughout the extension period.

**27 November 2017 – Consideration of safe harbour status**

On 27 November 2017, Condor announced that it was seeking to adopt safe harbour status under section 588GA of the *Corporations Act 2001 (Cth)*.

In accordance with the safe harbour provisions, Condor was developing a number of courses of action reasonably likely to lead to a better outcome for the Company than available alternatives. These courses of action included, among others, development of various avenues to raise funds from issue of equity or from sale of the Company's assets.

Condor also continued, and is continuing, to assess voluntary administration as a possible alternative available to the Company, with particular consideration of the additional powers available to an administrator to conduct investigations, unwind uncommercial transactions and pursue damages, or to sell the various causes of action against Condor's former directors, officers and advisers.

Condor has since been advised by the Australian Taxation Office that various historical tax lodgments remain outstanding for numerous periods prior to Condor's new directors taking control of the Company on 5 July 2016. Condor was not previously aware of these deficiencies, they were not visible via the Company's ATO portal, and ATO had not previously advised Condor that the lodgments were outstanding. Condor is aiming to resolve the outstanding lodgments, but this task is complicated by the inadequate state of

## **DIRECTORS' REPORT (continued)**

---

Condor's historical accounts and records for periods prior to 5 July 2016 and the Company's current resource limitations. Given that ATO lodgments remain outstanding, Condor's directors are now of the view that safe harbour status is not currently available to the Company.

\* \* \*

## **CORPORATE EVENTS SINCE 31 DECEMBER 2017**

### **3 January 2018 – Completion of share placement**

On 3 January 2018, Condor announced completion of a placement of shares issued under ASX Listing Rule 7.1 to raise funds necessary to meet the Company's immediate administrative expenses and to reduce current liabilities. Under this placement, 14,000,000 new shares were issued at a price of 0.15 cents per share to sophisticated and professional investors.

### **8 January 2018 – Notice received under section 249D**

On 8 January 2018, Condor received a requisition notice under section 249D of the *Corporations Act 2001 (Cth)* from a substantial shareholder seeking to requisition a meeting of shareholders to remove and replace all of Condor's directors. In response, Condor scheduled an EGM of shareholders to be held on 7 March 2018 and a Notice of Meeting for the EGM was released.

By 31 January 2018, the shareholder had withdrawn the requisition, all nominee directors had withdrawn their consents to act, and the EGM was consequently cancelled.

### **21 February 2018 – Annual General Meeting of shareholders**

On 21 February 2018, Condor held the Annual General Meeting ("AGM") of shareholders for the 2017 financial year. All resolutions put to the meeting were passed unanimously by a show of hands.

### **12 March 2018 – Conversion to equity of debts owing to directors**

On 12 March 2018, pursuant to resolutions passed by shareholders at Condor's AGM, the Company issued 42,500,000 new shares to the Company's current directors at a price of 0.2 cents per share. This share issue converted to equity part of the cash loans and other debts owed by Condor to the Company's directors.

\* \* \*

## **DIRECTORS' REPORT (continued)**

---

### **DIRECTORS HOLDING OFFICE DURING THE PERIOD**

The following persons were directors of the Company during the period commencing 1 July 2017:

Mr Joshua Farquhar	(Executive Director)	5 July 2016 to present
Dr Simon Wood	(Non-executive Director)	17 August 2016 to present
Mr Craig McGrath	(Non-executive Director)	5 April 2017 to present

\* \* \*

### **INCLUSION OF AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under section 307C of the Corporations Act 2001 has been received for the half-year period ended 31 December 2017 and is included within the financial statements.

\* \* \*

This concludes the Directors' Report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the directors of the Company.



**Joshua Farquhar**  
Executive Chairman

10 April 2018



The Board of Directors  
Condor Blanco Mines Limited  
Suite 601, Level 6  
2 Bligh Street  
SYDNEY NSW 2000

Dear Board Members

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

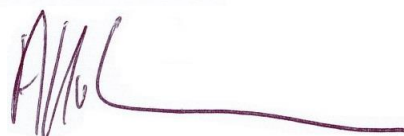
As lead audit partner for the review of the financial statements of Condor Blanco Mines Limited and Controlled Entities for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours faithfully



**Nexia Sydney Partnership**



**Andrew Hoffmann**

Partner

Dated: 10 April 2018

**Sydney Office**

Level 16, 1 Market Street  
Sydney NSW 2000  
PO Box H195  
Australia Square NSW 1215  
**p** +61 2 9251 4600  
**f** +61 2 9251 7138  
**e** [info@nexiasydney.com.au](mailto:info@nexiasydney.com.au)  
**w** [nexia.com.au](http://nexia.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Sydney Partnership (ABN 71 502 156 733) is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF CONDOR BLANCO MINES LIMITED**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Condor Blanco Mines Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors declaration of the Company and the consolidated entity (the Group), comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Condor Blanco Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

#### **Sydney Office**

Level 16, 1 Market Street  
Sydney NSW 2000  
PO Box H195  
Australia Square NSW 1215  
**p** +61 2 9251 4600  
**f** +61 2 9251 7138  
**e** [info@nexiasydney.com.au](mailto:info@nexiasydney.com.au)  
**w** [nexia.com.au](http://nexia.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

Nexia Sydney Partnership (ABN 71 502 156 733) is an independent firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd, deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes NEXIA) are not part of a worldwide partnership.

The trademarks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Condor Blanco Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Emphasis of Matter

### *Going Concern*

Without modifying our conclusion, we draw your attention to Note 1 'Going concern' of the financial report, which indicates the company has incurred net losses after income tax of \$284,578 for the period ended 31 December 2017 (31 December 2016: \$234,333) and experienced net cash outflows from operating and investing activities of \$62,005 (31 December 2016: \$238,279) for the period ended 31 December 2017.

The financial report had been prepared on a going concern basis which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary courses of business.

In note 1, the directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. If the events discussed in the note do not eventuate there are material uncertainties as to whether the company and the consolidated entity will be able to continue as a going concern and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business.



**Nexia Sydney Partnership**



**Andrew Hoffmann**  
Partner

Sydney  
10 April 2018

**CONDOR BLANCO MINES LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	31 December 2017	31 December 2016
	\$	\$
Other income	2 -	80,170
Administration expenses	(90,503)	(279,771)
Compliance and regulatory expenses	(17,504)	(14,680)
Consultancy cost	(2,532)	(10,379)
Directors fees	(173,918)	-
Wages	-	(9,516)
Travel expenses	(122)	(157)
Loss before income tax	<b>(284,578)</b>	<b>(234,333)</b>
Income tax expense	-	-
<b>Loss for the period</b>	<b>(284,578)</b>	<b>(234,333)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(284,578)</b>	<b>(234,333)</b>
Loss for the period attributable to:		
Owners of the parent entity	(284,578)	(234,333)
Non – controlling interest	-	-
<b>Total comprehensive loss for the period</b>	<b>(284,578)</b>	<b>(234,333)</b>
Total comprehensive income attributable to:		
Owners of the parent entity	(284,578)	(234,333)
Non – controlling interest	-	-
<b>Total comprehensive loss for the period</b>	<b>(284,578)</b>	<b>(234,333)</b>
<b>Earnings per share</b>		
From continuing operations		
Basic and diluted loss per share (cents per share)	(0.0030)	(0.0025)

The condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CONDOR BLANCO MINES LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,167	18,672
Trade and other receivables	3	488	3,388
Other assets		1,000	1,000
<b>TOTAL CURRENT ASSETS</b>		<b>8,654</b>	<b>23,060</b>
<b>TOTAL ASSETS</b>		<b>8,654</b>	<b>23,060</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,090,852	770,680
Loans & borrowings		-	50,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,090,852</b>	<b>820,680</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans & borrowings		250,000	250,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>250,000</b>	<b>250,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,340,852</b>	<b>1,070,680</b>
<b>NET LIABILITIES</b>		<b>(1,332,198)</b>	<b>(1,047,620)</b>
<b>EQUITY</b>			
Issued Capital	4	17,765,906	17,765,906
Reserves	5	3,966,927	3,966,927
Accumulated losses		(22,887,070)	(22,602,492)
Parent entity interest		(1,154,237)	(869,659)
Non-controlling interest		(177,961)	(177,961)
<b>TOTAL DEFICIENCY</b>		<b>(1,332,198)</b>	<b>(1,047,620)</b>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONDOR BLANCO MINES LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued Capital	Shared Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>17,765,906</b>	<b>3,945,664</b>	<b>21,263</b>	<b>(22,602,492)</b>	<b>(177,961)</b>	<b>(1,047,620)</b>
Loss for the period	-	-	-	(284,578)	-	(284,578)
Foreign currency translation differences	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(284,578)</b>	<b>-</b>	<b>(284,578)</b>
Shares issued during the period	-	-	-	-	-	-
Share based payment transactions	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>17,765,906</b>	<b>3,945,664</b>	<b>21,263</b>	<b>(22,887,070)</b>	<b>(177,961)</b>	<b>(1,332,198)</b>

	Issued Capital	Shared Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 5 July 2016</b>	<b>17,765,906</b>	<b>3,945,664</b>	<b>21,263</b>	<b>(21,734,007)</b>	<b>(177,961)</b>	<b>(179,135)</b>
Loss for the period	-	-	-	(234,333)	-	(234,333)
Foreign currency translation differences	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(234,333)</b>	<b>-</b>	<b>(234,333)</b>
Shares issued during the period	-	-	-	-	-	-
Share based payment transactions	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>17,765,906</b>	<b>3,945,664</b>	<b>21,263</b>	<b>(21,968,340)</b>	<b>(177,961)</b>	<b>(413,468)</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condor Blanco Mines Limited  
Half-year Report for 1 July 2017 to 31 December 2017

**CONDOR BLANCO MINES LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017	31 December 2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(49,594)	(230,503)
Interest paid	(12,411)	(7,776)
<b>Net cash used in operating activities</b>	<b>(62,005)</b>	<b>(238,279)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to/(from) related parties	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	-	-
Net proceeds from borrowings	50,500	300,000
<b>Net cash provided by financing activities</b>	<b>50,500</b>	<b>300,000</b>
Net increase/(decrease) in cash held	(11,505)	61,722
Impact of movement in foreign exchange rates	-	-
Cash at beginning of period	18,672	754
<b>Cash at end of reporting period</b>	<b>7,167</b>	<b>62,475</b>

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CONDOR BLANCO MINES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

---

**1. Statement of Significant Accounting Policies**

These consolidated financial statements and notes represent those of Condor Blanco Mines Limited (the “Group”). Condor Mines is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and is primarily involved in the exploration of mining tenements in Chile.

The financial statements were authorised for issue on 10 April 2018 by the directors of the Company. The Company has the power to amend and re-issue the financial report.

**Basis of Preparation**

The financial report of Condor Blanco Mines Limited and its controlled entities (the Group) for the half-year ended 31 December 2017 was authorized for issue in accordance with a resolution of the directors on 10 April 2018. Condor Blanco Mines Limited is a company incorporated in Australia and limited by shares.

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standards AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2017, together with any public announcements made during the half-year.

**New Standards and Interpretations not yet adopted**

A number of Australian Accounting Standards and Interpretations (and IFRSs and IFRIC Interpretations) are in issue but are not effective for the financial half year period ending 31 December 2017. The reported results and position of the Company will not materially change on adoption of these pronouncements as they do not result in any material changes to the Company’s existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Company does not intend to adopt any of these pronouncements before their effective dates.



**CONDOR BLANCO MINES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

---

**Going Concern**

The financial report of the Group has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss of \$284,578 for the period 1 July 2017 to 31 December 2017.

The Group recorded net cash outflows from operating activities of \$62,006 for the period 1 July 2017 to 31 December 2017.

The Group had a net deficiency in assets of \$1,332,198 as at 31 December 2017.

The Group had cash of \$7,167 as at 31 December 2017.

Directors are pursuing all reasonable avenues towards maintaining the Company's viability as a going concern. Such avenues include:

- The Company is conducting critical functions only, in order to minimise cash outflows.
- The Company anticipates cash inflows from various sources, including litigation actions, and recoupment of funds from various uncommercial historical transactions executed prior to 5 July 2016.
- The Company is being supported, on a needs basis, by the company's directors.
- The Company's directors have held off from calling for cash payment of directors' fees since taking office.

Consequently, the directors are of the opinion that the use of the going concern basis of accounting is appropriate.

Should the Company not achieve forecast outcomes, there is significant uncertainty as to whether the Company will continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business as stated in the financial report.

**CONDOR BLANCO MINES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

---

**2. OTHER INCOME**

	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
Income from court proceedings	-	80,170
	<u>-</u>	<u>80,170</u>

**3. TRADE AND OTHER RECEIVABLES**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
GST receivable	488	3,388
Other receivables	176,799	176,799
Provisions for Other receivables	(176,799)	(176,799)
	<u>488</u>	<u>3,388</u>

**4. ISSUED CAPITAL**

	<b>\$</b>		<b>Shares</b>	
	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
<b>(a) Issued and paid up capital</b>				
Fully paid, ordinary shares	17,765,906	17,765,906	93,729,047	93,729,047
<b>(b) Movement during the period</b>				
Balance at the beginning of the period	17,765,906	17,765,906	93,729,047	93,729,047
Share issues during the period	-	-	-	-
Cost of capital raising	-	-	-	-
<b>Balance at the end of the period</b>	<u>17,765,906</u>	<u>17,765,906</u>	<u>93,729,047</u>	<u>93,729,047</u>

**CONDOR BLANCO MINES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

**5. RESERVES**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Share based payment reserve (i)	3,945,664	3,945,664
Foreign currency translation reserve (ii)	21,263	21,263
	<b>3,966,927</b>	<b>3,966,927</b>

- (i) The share based payment reserve is used to record the value of equity benefits from options provided to directors as part of their remuneration and to related parties and consultants in consideration for the acquisition of tenements, consulting services and ongoing promotion of the Group's activities.
- (ii) The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

**6. OPERATING SEGMENTS**

During the financial period, operating segments were identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The group have determined that Joshua Farquhar is the chief operating decision maker.

The Group operates in one segment, being mineral exploration within the geographical segments of Australia and Chile. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

	<b>Australia</b>		<b>Chile</b>		<b>Consolidated</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Revenue and Other Income</b>	-	80,170	-	-	-	80,170
<b>Segment Result</b>	(284,578)	(234,333)	-	-	(284,578)	(234,333)
	<b>31 Dec 2017</b>	<b>30 June 2017</b>	<b>31 Dec 2017</b>	<b>30 June 2017</b>	<b>31 Dec 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>	8,654	23,060	-	-	8,654	23,060

**CONDOR BLANCO MINES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

---

**7. EVENTS SUBSEQUENT TO REPORTING DATE**

**3 January 2018 – Completion of share placement**

On 3 January 2018, Condor announced completion of a placement of shares issued under ASX Listing Rule 7.1 to raise funds necessary to meet the Company's immediate administrative expenses and to reduce current liabilities. Under this placement, 14,000,000 new shares were issued at a price of 0.15 cents per share to sophisticated and professional investors.

**8 January 2018 – Notice received under section 249D**

On 8 January 2018, Condor received a requisition notice under section 249D of the *Corporations Act 2001 (Cth)* from a substantial shareholder seeking to requisition a meeting of shareholders to remove and replace all of Condor's directors. In response, Condor scheduled an EGM of shareholders to be held on 7 March 2018 and a Notice of Meeting for the EGM was released.

By 31 January 2018, the shareholder had withdrawn the requisition, all nominee directors had withdraw their consents to act, and the EGM was consequently cancelled.

**21 February 2018 – Annual General Meeting of shareholders**

On 21 February 2018, Condor held the Annual General Meeting ("AGM") of shareholders for the 2017 financial year. All resolutions put to the meeting were passed unanimously by a show of hands.

**12 March 2018 – Conversion to equity of debts owing to directors**

On 12 March 2018, pursuant to resolutions passed by shareholders at Condor's AGM, the Company issued 42,500,000 new shares to the Company's current directors at a price of 0.2 cents per share. This share issue converted to equity part of the cash loans and other debts owed by Condor to the Company's directors.

**End of notes to the Financial Statements**

## **INDEPENDENT AUDITOR'S REPORT**

---

### **DIRECTORS' DECLARATION**

In the directors' opinion:

1. The financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors.

On behalf of the directors:



**Joshua Farquhar**  
Executive Chairman

10 April 2018

---

**END OF HALF-YEAR REPORT**