

STOCK EXCHANGE ANNOUNCEMENT



27 November 2014

Chairman's AGM Address

ASX Release Stock Code: CDB

I will be addressing how your Company is dealing with the business environment at present and discuss the Company's achievements during the past year, and what your Directors expect for the coming year.

Having started as Chairman of your company in June, 2014 I would like to acknowledge the efforts of our management team, MD, Mr Glen Darby and CFO, Mr Peter Dunoon and also Ms Esther Weinstein who has bolstered our internal controls with respect to our operations in Chile. The business has faced many challenges, in this economically volatile 2014.

In order to overcome the current economic climate, the Company's strategy is, in general, moving away from pure exploration, to partnering in small-scale mining operations with other joint-ventures, which we believe will provide greater value-add for shareholders, both in the short term and the long term. However, as will be explained below, where there appears to be opportunities in exploration, the Company will seek to continue to exploit these opportunities, amongst its portfolio of quality investments.

So what does this change in strategy mean for the Company's focus on its investments in Chile? Our main exploration projects such as Carachapampa have been held and the option payments re negotiated to be more attractive to cash flow. We have dropped non core projects such as La Isla. We will continue exploration whilst proactively sourcing suitable joint venture partners on these projects. I will note Condor does own Yeratas our large scope Copper porphyry target 100%.

The Marianas Iron tailings project is a priority in Chile and again a focus on near term production targets, although subject to negotiation on payment terms with respect to the acquisition. The payment structure on Marianas was renegotiated in June 2014 along with the exploration projects under option, with some payments pursuant to the initial agreement left unpaid with consent of both parties whilst negotiations proceed. The next step is to secure an operating partner to take on the creation of a mine plan, submit permits, expend capex and install machinery. The current iron price has led the parties involved to renegotiate the remaining payment terms and as such new agreements will need to be in place before proceeding. During this process the parties are negotiating the acquisition of 100% of the project.

Further, our joint venture activities in Turkey have resulted in small-scale mining activity in the Uludere project, with the goal of producing cash flow internally. As announced just this morning, the four planned trial pits have now been completed. All four pits reached the bottom of the iron-rich zone and intersected blocks of lead-silver ore.

Uludere has been a very suitable addition to our portfolio. We are only spending very limited amounts of money and have had the opportunity to generate a little revenue even while undertaking this investigative phase. Indeed, the Uludere agreement only required \$100,000 of spending in the first 6 months and we've now completed that and so can now do the work to evaluate the second stage.

The four fits we completed delivered 53 tonnes of high grade Lead-Silver material that is saleable under our offtake with the local flotation plant owned by Meskan Olmez Madencilik Ltd Şti. We've sent that material to the

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plant and invoiced it at \$365.62 per tonne (based on a provisional invoiced grade of 29% Pb and 314ppm Ag). We've also got around 500 tonnes of iron-rich material that contains both Zinc and Lead. The engineers are going to have a look at whether that can be upgraded at site and then sold for further processing.

Assessment of the profitability of future mining will now occur through an evaluation of the project geology and associated mining costs. This will give us a NPV to support the decision to mine.

We are constantly looking for opportunities to enter into for the benefit of our shareholders and we will continue to perform work on the necessary due diligence required to ensure that the Company's cash and assets are protected and that proper risk management is in place to determine whether projects are worth pursuing.

Additionally, we are constantly working at improving our administrative and corporate governance processes, including the proper implementation of internal controls that has occurred in Chile. Considering the language barrier and the distance, we have been pleased with the progress there.

Finally, I would like to thank my fellow director, Mr Michael Stafford whose advice, guidance and experience with Condor has assisted in the improvement in policies and procedures and tighter controls that lead to a better corporate governance process.

On behalf of my fellow Directors and me, we thank you for your confidence in Condor Blanco Mines and look forward to your continuing support.

For more information, visit www.condormines.com or contact:

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