



**CONDOR BLANCO MINES LIMITED
AND CONTROLLED ENTITIES**

**Interim Financial Report
For the Half Year Ended 31 December 2014**

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640
AND CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT
For the Half Year Ended 31 December 2014

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Condor Blanco Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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HALF-YEAR FINANCIAL REPORT
For the Half Year Ended 31 December 2014

COMPANY DIRECTORY

NON EXECUTIVE CHAIRMAN

Mr Stavros Vlahos

MANAGING DIRECTOR

Glen Darby

NON-EXECUTIVE DIRECTOR

Lia Darby

COMPANY SECRETARY

Peter Dunoon

REGISTERED OFFICE

Suite 805, Level 8, 160 Castlereagh Street
Sydney NSW 2000

Telephone: 02 8064 3624

Facsimile: 02 8064 4118

AUDITORS

Nexia Court & Co

Level 16, 1 Market Street, Sydney NSW
2000

Telephone: (02) 9251 4600

Facsimile: (02) 9251 7138

SHARE REGISTRAR

Advanced Share Registry Services

150 Stirling Highway

NEDLANDS WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

STOCK EXCHANGE LISTING

Australian Securities Exchange (Home

Exchange: Perth, Western Australia)

Code: CDB, CDBO

**CONDOR BLANCO MINES
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DIRECTORS' REPORT**

Your directors submit the financial report of the Company and the entities it controlled at the end of, or during the half-year ended 31 December 2014.

DIRECTORS

The names of Directors who held office during or since the end of the half year are:

Stavros Vlahos	Non-executive Chairman
Glen Darby	Managing Director
Michael Stafford	Non-executive Director (resigned 25 February 2015)
Lia Darby	Non-executive Director (appointed 25 February 2015)
Peter Dunoon	Company Secretary

RESULTS

The loss after tax for the half-year ended 31 December 2014 was \$900,478 (31 December 2013: \$1,127,983).

REVIEW OF OPERATIONS

1. INTRODUCTION

Condor Blanco Mines Limited ("Condor Mines", "the Company", ASX Code: CDB) holds controlling interests in two Chilean-based mineral resource companies: Condor Blanco SCM (70%) and Tierra Amarilla SCM (100%). These Chilean-based subsidiaries hold interests over a portfolio of copper-gold projects located to the west of the major mining city of Copiapo in northern Chile.

Operations during the reporting period have concentrated on management of its Chilean project portfolio, including the Marianas Magnetite Tailings Project. In the period, Condor maintained its central tenement position, while seeking to improve its financial position in the face of a difficult operating environment and falling commodity prices. This has involved relinquishing the La Isla project option, as well as delaying payments on the Marianas Magnetite Tailings Project and a reconsideration of the exploration expenditures more generally.

In the period, Condor also signed a project acquisition and trial mining agreement over the Uludere Zinc-Lead project in Southeast Turkey. By the end of the period Condor had completed four trial pits at the "Uludere Project" in Southeast Turkey. All four pits reached the bottom of the iron-rich zone and intersected blocks of lead-silver containing material. 53 tonnes of material that is saleable under the Meskan Olmez Madencilik Ltd Şti offtake agreement was shipped to the location of the flotation plant. Assessment of the profitability of future mining is underway, with a local consultancy completing a desktop evaluation of the mining potential. This has included a draft mine costing and will now be used to complete a cash flow analysis of potential mining.

Chilean Project Update

On 3 July 2014, Condor released an update of recent activities in Chile. This included the visit by Managing Director, Mr Glen Darby, to Chile in order to update agreements around Condor's ongoing project portfolio. The visit involved renegotiation of fees and payment terms for the exploration project options held by Condor. At that stage all payments were up to date and terms were renegotiated to be more beneficial for Condor.

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Further changes were released on 2 February 2015, these changes were part of Condor's work to rationalise its expenditure in Chile. This has meant suspending payments on the Marianas Project. This is in response to a falling Iron Ore price which is more than 65% down from its peak of over US\$190/t in early 2011 to around US\$60 in early 2015. Condor holds 50% of the tenement. It is withholding further payments on the project pending more attractive conditions. In the future should it seek to recommence operations a new replacement agreement should be formed. Should Condor's joint venture partner formally demand already due payments by lodging a legal petition to that effect, No formal demand has been made at this time.

On 3 July 2014 Condor announced it reduced the option fees payable on its exploration tenements Carachapampa and Gold Iron. In particular, the option payment for Carachapampa was agreed at \$50,000 the second half of 2014. In addition, the fee for Gold Iron was broken into 6-monthly payments of \$25,000. On 2 February 2015, Condor announced that Option fees had now become due and that should a formal demand be made Condor would need to then begin procedures to relinquish the titles. No formal demand has been made at this time.

Following earlier notification, the La Isla option was relinquished at the start of the period. Condor's other directly owned portfolio, including the a 100% interest in the Yaretas and Fraga Copper-Gold Projects and 70% in the historically mined Cautiva-Victoria Copper Project, all remain in good standing and require only minimal expenditures to be retained in perpetuity.

Sabaleta Gold Project in Ecuador

During the period Condor undertook negotiations and due diligence over the Sabaleta Gold Project in the Republic of Ecuador with an Australian unlisted public company, Rio Perdido Gold Limited ("RPG"). The Sabaleta Concession covers an Area of 3,380.73 hectares along the alluvial plain of the Camumbi River. Sabaleta is a low grade bulk mining project with a potential low operating cost, as it will be mined from surface to a depth of 8 metres. The Sabaleta Gold Project suited Condors strategy as it possessed a historical resource in compliance with the Canadian NI43-101 geological reporting standards. The project had also been the subject of a successful Scoping Study by Australian consulting engineers R. J. Robbins & Associates. A Heads of Agreement ("HOA") was signed on 25 September 2014 during the period. Despite two extensions to the term of the HOA, Condor was not able to reach a suitable agreement with RPG. The HOA then lapsed as announced on 14 November 2014. Condor has no continuing involvement in the Sabaleta project and no ongoing obligations in relation to the lapsed HOA.

Uludere Zinc-Lead Project

On 11 September 2014, Condor announced that it had executed a Project Agreement with a local Turkish company, Anatolian Resources Madencilik Ltd Şti ("Anatolian Madencilik") in respect of a Mining Tenement in Eastern Turkey ("Project Agreement") referred to as the "Uludere Project" ("Uludere Project"). The Project Agreement comprises 3 phases under which Condor has the ability to (1) invest in trial mining; (2) invest in mining; and (3) acquire 75% of the Tenement, subject to payments being made by Condor in accordance with the Project Agreement. The Project Agreement planned for trial mining to commence immediately, and excavation machinery was subsequently sent to site. Any Lead-Zinc-Silver extracted as part of trial work is being stockpiled for sale.

The Uludere Project sits on granted Mining Licence 200806380 in Turkey's Şırnak province and is host to outcrops of Lead (Pb), Zinc (Zn) and Silver (Ag). Copper (Cu) and Antimony (Sb) have also been returned from samples from the license. The advanced nature of the Uludere Project and strong outlook for Lead and Zinc made it a strong proposition for Condor after an exhaustive search to take advantage of low asset prices.

The Uludere Project is the subject of an unincorporated joint venture between two local Turkish companies Anatolian Madencilik (as operator) and Bonus Enerji Elektrik Maden A.Ş ("Bonus Enerji") (as owner of the Licence) ("Joint Venture Parties"). The Project is very advanced, with all necessary approvals for mining

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already granted by local authorities including the Mining Licence (İşletme ruhsat) granted by the Turkish Mining Department (MİGEM), Environmental Approval (ÇED) from the Environmental and Forestry Department and Mine Site Approval (Madencilik faaliyetleri ruhsat) granted by the governor (Vali) of the Turkish region of Şırnak.

These approvals allowed Condor to commence trial mining in September. By 19 September 2014, Condor had successfully completed road rehabilitation work and the opening of two small initial pits. The opening of the pits followed a few days spent rehabilitating old roads built during mining that occurred during the 2006-2007 zinc boom (when the zinc price reached over \$4,000, which saw a rush of artisanal mining in Eastern Turkey). Some additional access tracks were cut allowing access to the two pit areas that were excavated.

By the end of the period, substantial work had been completed on moving overburden and working downwards through the iron rich zone in the area where two large pits were planned. This work was ongoing at the end of the period. These two large pits sit at the centre of the license area and target a lower elevation than the geological team of the project owner Bonus Enerji Elektrik Maden A.Ş. has identified as being most suitable for trial workings.

On 15 September 2014, Condor executed a Binding Offtake Sales Contract with a local Turkish company, Meskan Olmez Madencilik Ltd Şti in respect of sales of material from the Uludere Project. Pricing is based on a payables schedule that adjusts according to the metals grades of Zinc (Zn), Lead (Pb) and Silver (Ag) contained and London Metals Exchange prices.

On 26 November 2014, Condor announced that all four planned trial mining pits had been completed at the Uludere Project. Under the 11 September 2014 agreement, Condor had a 6-month exclusive right to undertake trial mining. Through completion of the four pits, Condor has fulfilled its stage 1 obligations, and now can assess stage 2.

In the period, 53 tonnes of Pb-Ag bearing material that is saleable under the Meskan Olmez Madencilik Ltd Şti offtake agreement was shipped to the location of the flotation plant in Olgunlar, Turkey where it was weighed and sampled. Several hundred tonnes of Zn and Pb bearing iron-rich material was also stockpiled at site. This material requires further beneficiation for sale, which has been investigated with the engineers at the flotation plant. Although not economic for the current trial scale, a limited investment in a wet high intensity magnetic separation unit (which has been costed at \$90,000) would enable a larger volume to be processed for sale. Assessment of the profitability of future mining was also undertaken with a local consultancy in the period. A draft report on mine costing was completed.

Corporate Events

As announced on 3 July 2014, all Condor's obligations in relation to the acquisition and financing of several coking coal projects in South Africa that were to be acquired from Hong Kong company, Signet Coking Coal Limited (Signet) were confirmed as terminated and lapsed. This followed an earlier announcement of 10 June 2014 announcing that Condor had terminated all agreements in relation to the debt funding and that the acquisition agreement for the Signet project was going to be allowed to lapse in consequence.

On 11 September 2014, the Company issued 165,443,130 ordinary shares at 0.3 cents each and raised \$496,329 in relation to the share issue. This issue coincided with the acquisition of the Uludere Project. The shares were placed pursuant to a Share Investment Agreement being managed by Beaufort Securities Limited, a UK-based licensed brokerage firm. The proceeds of this placement were applied to investment in the Uludere Project and Condor's ongoing expenditures in Chile.

Two further issues were made during the period to provide additional working capital to pay for the exploration and trial mining projects being undertaken by Condor. On 15 September 2014, the Company issued 81,333,333 ordinary shares at 0.3 cents each and raised \$244,000 in relation to the share issue. This was to provide additional working capital.

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On 16 September 2014, the Company issued (1) 77,661,096 ordinary shares at 0.3 cents each and raised \$232,983 in relation to the share issue and (2) 122,290,236 unlisted options exercisable at 1.2 cents expiring 16 September 2019 that were issued as free attaching options to prior capital raisings.

The Annual General Meeting of the company was held on 26 November 2014. All resolutions were passed, which included the re-election of Mr Stavros Vlahos and Mr Michael Stafford as directors, the approval of a 10% placement facility, a planned future placement of ordinary shares as well as the adoption of the remuneration report.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information reviewed by Andrew Jones, who is a Member of the Australasian Institute of Mining & Metallurgy. Andrew Jones is a full-time employee of TasEx Geological Services Pty Ltd, which provides geological consulting services to Condor Blanco Mines Limited, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SUBSEQUENT EVENTS

On 26 February 2015, the Company issued 234,000,000 ordinary fully paid shares at \$0.001 per share to raise \$234,000 before costs. The shares were issued under a Share Investment Agreement with a UK-based mining fund.

On 26 of February 2015 the Company announced the resignation of Mr. Michael Stafford as a director of the Company as of 25 February 2015. Ms. Lia Darby was appointed as a director to replace Mr. Stafford.

On 11 March 2015, Condor announced that it had executed a Heads of Agreement ("HoA") with private prospecting company Temple Resources Pty Ltd in regards to the acquisition of the Devil's Creek nickel copper platinum ("Ni-Cu-PGE") project in Western Australia. The HoA would allow Condor to acquire 100% of the project. This project is located in the Albany Fraser Range and is highly prospective of Ni-Cu-PGE mineralisation. Devil's Creek is on exploration license E70/4529 and is located approximately 30km south and southeast of Jerramungup and 40 km northwest of Bremer Bay in Western Australia.

The Devil's Creek project has only been the subject of surficial air core drilling by former holder BHP, which was undertaken before the nickel potential of the Fraser Range was recognised. Nevertheless, the three holes drilled indicated that the magnetic anomaly which BHP discovered was from a magnetic amphibolite with elevated Cu-PGE-Mg-V geochemistry. Two linear magnetic anomalies of 5-10km in length have also been identified on the Devil's Creek tenement. These anomalies are interpreted to be metamorphosed mafic/ultramafic intrusions which are similar to the signature for ultramafic units found throughout the Fraser Range complex. Condor believes that the Devil's Creek project is an excellent opportunity to explore the world class nickel-copper Albany Fraser belt for Ni-Cu-PGE mineralisation.

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AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration for the half year ended 31 December 2014 is set out on page 9.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Glen Darby
Managing Director

Sydney
Dated: 17 March 2015

17 March 2015

The Board of Directors
Condor Blanco Mines Limited
Suite 805, Level 8
160 Castlereagh 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 for the half year ended 31 December 2014, 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 sincerely


Joseph Santangelo
Partner


Nexia Court & Co
Chartered Accountants

Sydney

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2014

	31 December 2014	31 December 2013
	\$	\$
Revenue from continuing activities		
Other income	2,487	13,701
Administration expenses	(663,649)	(464,885)
Compliance and regulatory expenses	(46,868)	(56,714)
Consultancy cost	(71,675)	(179,624)
Depreciation	(7,091)	(21,454)
Directors fees	(108,800)	(176,936)
Impairment of asset	-	(116,500)
Share based payments	-	(54,438)
Travel expenses	(4,882)	(71,133)
Loss before income tax expense	(900,478)	(1,127,983)
Income tax expense		
Loss for the period	(900,478)	(1,127,983)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	327,635	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	327,635	-
Total comprehensive income for the period	(572,843)	(1,127,983)
Loss for the period attributable to:		
Members of the parent entity	(893,276)	(1,127,403)
Non – controlling interest	(7,202)	(580)
Total comprehensive income for the period	(900,478)	(1,127,983)
Total comprehensive income attributable to:		
Members of the parent entity	(570,075)	(1,127,403)
Non – controlling interest	(2,768)	(580)
	(572,843)	(1,127,983)
Basic and diluted loss per share (cents per share)	(0.11)	(0.44)

The accompanying notes from part of this financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		13,185	697,719
Trade and other receivables	3	329,797	353,823
Other assets	4	30,791	15,878
TOTAL CURRENT ASSETS		373,773	1,067,420
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	5	8,213,681	7,413,142
Plant and equipment		17,760	22,764
TOTAL NON-CURRENT ASSETS		8,231,441	7,435,906
TOTAL ASSETS		8,605,214	8,503,326
CURRENT LIABILITIES			
Trade and other payables		277,836	410,980
Other liabilities		-	-
TOTAL CURRENT LIABILITIES		277,836	410,980
TOTAL LIABILITIES		277,836	410,980
NET ASSETS		8,327,378	8,092,346
EQUITY			
Issued Capital	6	16,472,585	15,664,710
Reserves	7	3,723,470	3,393,067
Accumulated losses		(12,209,302)	(11,316,026)
Parent entity interest		7,986,753	7,741,751
Non-controlling interest		340,625	350,595
TOTAL EQUITY		8,327,378	8,092,346

The accompanying notes form part of this financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2014

	Issued Capital	Shared Based Payments Reserve	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	15,664,710	3,945,664	-	(552,597)	(11,316,026)	350,595	8,092,346
Loss for the period	-	-	-	-	(893,276)	(7,202)	(900,478)
Foreign currency translation differences	-	-	-	330,403	-	(2,768)	327,635
Total comprehensive income for the period	-	-	-	330,403	(893,276)	(9,970)	(572,843)
Shares issued during the period	979,313	-	-	-	-	-	979,313
Share based payment transactions	-	-	-	-	-	-	-
Issue costs	(171,438)	-	-	-	-	-	(171,438)
Balance at 31 December 2014	16,472,585	3,945,664	-	(222,194)	(12,209,302)	340,625	8,327,378

The accompanying notes from part of these financial statements.

CONDOR BLANCO MINES LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2013

	Issued Capital	Shared Based Payments Reserve	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	12,038,695	3,756,940	177,718	(1,068,498)	(8,012,433)	350,814	7,243,236
Loss for the period	-	-	-	-	(1,127,403)	(580)	(1,127,983)
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(1,127,403)	(580)	(1,127,983)
Shares issued during the period	1,435,999	-	-	-	-	-	1,435,999
Share based payment transactions	-	54,438	-	-	-	-	54,438
Issue costs	(283,073)	-	-	-	-	-	(283,073)
Balance at 31 December 2013	13,191,621	3,811,378	177,718	(1,068,498)	(9,139,836)	350,234	7,322,617

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the Half Year Ended 31 December 2014

	31 December 2014	31 December 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(544,756)	(1,164,118)
Payments for exploration and evaluation	(803,025)	(196,699)
Interest received	2,487	71
Interest paid	-	(3,207)
Net cash used in operating activities	(1,345,294)	(1,363,953)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of plant and equipment	-	13,630
Payments for plant and equipment	(2,087)	(3,297)
Loans to/(from) related parties	(145,028)	95,591
Net cash used in investing activities	(147,115)	105,924
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	807,875	1,152,926
Net proceeds from issue of options	-	-
Proceeds from borrowings	-	-
Net cash provided by financing activities	807,875	1,152,926
Net increase/(decrease) in cash held	(684,534)	(105,103)
Impact of movement in foreign exchange rates	-	-
Cash at beginning of period	697,719	106,822
Cash at end of reporting period	13,185	1,719

The accompanying notes form part of this financial report.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report of Condor Blanco Mines Limited and its controlled entities (the Group) for the half-year ended 31 December 2014 was authorized for issue in accordance with a resolution of the directors on 17 March 2015. 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 2014, together with any public announcements made during the half-year.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss of \$900,478 (31 December 2013: \$1,127,983) and experienced net operating and investing cash outflows of \$1,492,409 for the half-year ended 31 December 2014 (31 December 2013: \$1,258,029). As at 31 December 2014, the consolidated entity has net current assets of \$95,937 (30 June 2014: \$656,440) which includes \$13,185 (30 June 2014: \$697,719) in cash and cash equivalents, \$360,588 (30 June 2014: \$369,701) in trade and other receivables and \$277,836 (30 June 2014: \$410,980) in trade and other payables.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The company has capacity under listing rule 7.1 & 7.1A to issue ordinary shares up to 25% of the current shares on issue to fund future expenditure commitments;
- The company has put in place processes aimed at minimizing all discretionary expenditures during the year;
- The company believes that it has the capacity to raise new equity to invest in its ongoing Exploration projects; and
- The company also has a facility with Minesweeper Limited which allows the company to draw down up to \$1m in exchange for shares in the company.

The directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the consolidated entity be unable to source additional funding from equity markets, or utilize the facility with Minesweeper Limited, a material uncertainty would exist as to the ability of the consolidated entity to continue as a going concern and therefore whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Changes in Accounting Policies and Disclosures

In the half-year ended 31 December 2014, the Group has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies.

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2. OTHER INCOME

Other income for the period totaling \$2,487 was comprised of:

- (i) Bank interest \$2,487.

3. TRADE AND OTHER RECEIVABLES

	31 December 2014	30 June 2014
	\$	\$
CURRENT		
GST receivable	72,458	61,583
VAT Receivable	232,990	215,453
Other receivables	24,349	76,787
	<u>329,797</u>	<u>353,823</u>

4. OTHER ASSETS

CURRENT		
Prepayments	30,791	15,878
	<u>30,791</u>	<u>15,878</u>

5. CAPITALISED EXPLORATION EXPENDITURE

Carrying amount at the beginning of the period	7,413,142	7,719,454
Expenditure capitalized (i)	765,085	211,117
Impairment	-	(127,219)
Foreign currency translation differences	35,454	(390,210)
Closing balance	<u>8,213,681</u>	<u>7,413,142</u>

- (i) includes expenditure on the Joint Venture Uludere Project totaling \$505,596. Details of this project are contained in the Managing Director's report.

The capitalized exploration expenditure continues to be carried forward where the rights of tenure of an area of interest are current and one of the following conditions are satisfied:

- (i) the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; and
- (ii) exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the area of interest, are continuing.

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

6. ISSUED CAPITAL

	\$		Shares	
	Dec 2014	Jun 2014	Dec 2014	Jun 2014
(a) Issued and paid up capital				
Fully paid, ordinary shares	16,472,585	15,664,710	938,004,494	613,566,935
(b) Movement during the period				
Balance at the beginning of the period	15,664,710	12,038,695	613,566,935	195,546,932
Share issues during the period	979,312	4,476,593	324,437,559	418,020,003
Cost of capital raising	(171,437)	(850,578)		
Balance at the end of the period	16,472,585	15,664,710	938,004,494	613,566,935

The Company does not have authorised share capital or par value in respect of its issued shares.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(c) Share options

At the end of the period, the following options over unissued ordinary shares were outstanding:

Number of Option	Description	Exercise Price	Expiry Date
122,290,236	Unlisted	\$0.0120	16-Sept-2019
37,876,666	Unlisted	\$0.20	23-Feb-2016
20,000,000	Unlisted	\$0.06	01-Aug-2015
15,000,000	Unlisted	\$0.0333	01-Aug-2016
283,444	Unlisted	\$0.0470	13-Sep-2015
406,556	Unlisted	\$0.0920	24-Sep-2015
227,966	Unlisted	\$0.0460	07-Jan-2016
547,259	Unlisted	\$0.0370	11-Feb-2016
562,500	Unlisted	\$0.0330	18-Feb-2016
595,000	Unlisted	\$0.0210	25-Mar-2016
595,000	Unlisted	\$0.0210	03-Apr-2016
476,000	Unlisted	\$0.0270	10-Apr-2016

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

7. RESERVES

	31 December 2014	30 June 2014
	\$	\$
Share based payment reserve (i)	3,767,946	3,767,946
Option reserve (ii)	177,718	177,718
Foreign currency translation reserve (iii)	(222,194)	(552,597)
	<u>3,723,470</u>	<u>3,393,067</u>

(i) There was no movement in the share based payments reserve during the period ended 31 December 2014.

(ii) There was no movement in the option reserve during the period ended 31 December 2014.

(iii) The total foreign currency translation reserve includes an amount of \$441 attributable to the non- controlling interest.

8. SHARE BASED PAYMENTS

The aggregate value of share based payments for the financial period was Nil (31 December 2013: \$54,438) recognised as share based payment expenses in the statement of profit or loss and other comprehensive income.

9. COMMITMENTS

There have been no significant changes to the Group's commitments as disclosed in the 30 June 2014 annual report during the period ended 31 December 2014.

10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group has no contingent assets as at 31 December 2014. The group may have some contingent liabilities in relation to income tax in Chile as a result of the write off of some unsupported mining costs. This amount has not been quantified at this point in time.

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

11. 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 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.

	Australia		Chile		Turkey		Consolidated	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenue and Other Income	2,487	71	-	13,630	-	-	2,487	13,701
Segment Result	(619,091)	(789,920)	(281,387)	(337,483)	-	-	(900,478)	(1,127,404)
					-			
	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014	31 Dec 2014	30 June 2014
	\$	\$	\$	\$	\$	\$	\$	\$
Assets	117,388	753,046	7,982,230	7,750,279	505,596	-	8,605,214	8,503,326

12. EVENTS SUBSEQUENT TO REPORTING DATE

On 26 February 2015, the Company issued 234,000,000 ordinary fully paid shares at \$0.001 per share to raise \$234,000 before costs as part of a Share Investment Agreement signed with Minesweeper Ltd ("Investor"), a company incorporated under the laws of the United Kingdom (SIA). Under the SIA, Minesweeper agrees to subscribe for shares in Condor up to a possible maximum of AUD1,000,000.

On 26 of February 2015 the Company announced the resignation of Mr. Michael Stafford as a director of the Company. Ms. Lia Darby was appointed as director to replace Mr Stafford.

On 11 March 2015, the Company entered into a Heads of Agreement with Temple Resources Pty Ltd to acquire a nickel copper platinum project located in the Albany Fraser Orogen Range WA known as Devil's Creek. Further details can be found on CDB ASX announcements on 11 March 2015.

CONDOR BLANCO MINES LIMITED
ABN 16 141 347 640
AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

The Directors declare that:

1. In the Directors' opinion, the attached financial statements and accompanying notes set out on pages 10 to 20 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to s.303(5) of the *Corporation Act 2001*.

On behalf of the Directors



Glen Darby
Managing Director

17 March 2015

Sydney

Independent Auditor's 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 (the 'Company'), which comprises the condensed consolidated statement of financial position as at 31 December 2014, the 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of 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 is free from material misstatement, whether due to fraud or error.

Auditor's 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with 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*.

Basis for Qualified Conclusion

Included in the statement of financial position and note 5 of the financial statements is capitalised exploration expenditure of \$8,213,681. Included in this balance is an amount of \$3,612,843 which relates to the exploration assets in the company's primary operating controlled entities in Chile. This amount was subject to audit procedures in accordance with Chilean Standards on Auditing and Chile general accounting accepted principles. Due to the nature and timing of these procedures we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the carrying value of this amount. Consequently, we have not been able to determine whether an impairment exists in relation to this amount.

**Independent Review Report
To the Members of
Condor Blanco Mines Limited
(Continued)**

Qualified Conclusion

Based on our review, which is not an audit, except for the possible effects of the matter described in the basis for qualified conclusion paragraph, we have not become aware of any other 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:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, 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 \$900,478 for the period ended 31 December 2014 (31 December 2013: \$1,127,983) and experienced net cash outflows from operating and investing activities of \$1,492,409 (31 December 2013: \$1,258,029) for the period ended 31 December 2014.

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. As discussed in that note, if the equity raisings or the availability of debt finance does not occur, 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.

A handwritten signature in dark ink that reads 'Nexia Court & Co'.

Nexia Court & Co
Chartered Accountants

A handwritten signature in dark ink that reads 'Joseph Santangelo'.

Joseph Santangelo
Partner

17 March 2015
Sydney