

STOCK EXCHANGE ANNOUNCEMENT



7 June 2016

Status of Escrowed Shares

ASX Code: CDB

Condor Blanco Mines Limited (ASX: CDB; **Condor**, the **Company**) refers to the declaration of unacceptable circumstances made by the Takeovers Panel (**the Panel**) on 27 May 2016 in relation to its issues of escrowed shares.

The Company hereby provides the following additional information to the market:

On 25 September 2015 Condor placed 45 million shares into escrow with EMC Nominees Pty Ltd (**EMC Nominees**) pursuant to an Escrow Deed between the Company and EMC Nominees dated 25 September 2015 (**Escrow Deed**).

The ASX announcement of 25 September 2015 stated the shares were placed at 2.5 cents pending the finalisation of confidential agreements on funding, project acquisitions and/or vendor consideration to unrelated and unassociated parties. Shares were to be cancelled on any transaction that did not proceed. Of these 45,000,000 shares, 17,062,640 were unutilised and have been cancelled.

27,937,360 of the 45,000,000 shares were released pursuant to an Assignment, Indemnity and Put Option Agreement between the Company, Minesweeper Limited (**Minesweeper**), Monclar Pty Ltd and Tierra Amarilla SCM (a Chilean subsidiary of Condor) dated 22 September 2015 (**Assignment Agreement**) and Share Issue Assignment Agreements with investors.

The purpose and effect of the Escrow Deed, the Assignment Agreement and the Share Issue Assignment Agreements was to replace the liabilities of Tierra Amarilla SCM, with equity in the Company, represented by new fully paid ordinary shares in Condor, allotted at 2.5 cents a share. Difficulties had arisen in the audit verification of the liabilities of Tierra Amarilla SCM because of difficulties experienced in obtaining confirmation from some creditors in Chile, and the Company's audit report for the year ended 30 September 2015 was, as the Directors of the Company anticipated from discussions with its auditor, qualified in this respect.

On 26 February 2016 Condor placed 50,000,000 shares in escrow with EMC Nominees, on the same terms as those of the Escrow Deed for the 45,000,000 shares.

The 50,000,000 shares were unutilised and have been cancelled.

The Takeovers Panel, in considering a draft of this announcement, has not investigated the consideration received (if any) for the 45,000,000 shares and 50,000,000 shares placed in escrow or the 27,937,360 shares released in connection with the Assignment Agreement.

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Number and class of Condor securities

The number and class of Condor securities now on issue, subsequent to the Panel's recent orders (including shares, options and all other securities, are as follows:

ASX CODE	DESCRIPTION	NUMBER
CDB	ORD	121,666,407

CDB OPTIONS	Number	Exercise Price	Expiry Date
Unlisted	500,000	\$0.9990	1-Aug-17
Unlisted	4,076,342	\$0.3600	16-Sep-19
Unlisted	29,214,177	\$0.0300	30-Jun-18
Unlisted	20,000,000	\$0.0192	30-Jun-18
TOTAL	53,790,519		

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