

STOCK EXCHANGE ANNOUNCEMENT



27 June 2016

Circular to Shareholders

ASX Release Code: CDB

Condor Blanco Mines Limited (ASX: CDB; **Condor**, the **Company**) attaches a circular recently sent to shareholders regarding the Company's general meeting of shareholders to be held on the 5 July 2016.

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

Michelle Feruglio
Condor Blanco Mines Limited
Office: +61 (02) 8064 3624
Email: info@condormines.com



Condor Blanco Mines Ltd
ACN 141 347 640

Address: Suite 805
160 Castlereagh Street
Sydney NSW 2000

Phone: (02) 8064 3624

Fax: (02) 8064 4118

Web: www.condormines.com
Email: info@condormines.com



COMPANY CIRCULAR TO SHAREHOLDERS

27 May 2016

Re: Condor Blanco Mines Limited ("Condor", "the Company") – Shareholders' Meeting

Dear Shareholder,

I am writing to you as Chairman of Condor.

As you will see from the attaching documents, Condor has received a Requisition of General Meeting pursuant to s249D of the Corporations Act 2001 ("the Act"). This was accompanied by a Notice of Intention to Remove Directors pursuant to s203D of the Act.

The signatories to the Notices also gave the company a Statement for Distribution to Shareholders ("Statement for Distribution"), to be mailed with the meeting documents. The Statement for Distribution has not been included with the meeting documents as the Company has obtained advice that it is defamatory within the meaning of s249D(9)(a) of the Act.

The Company and its Directors reserve their rights in relation to any defamatory comments that have been made by the Requisitioners in any forum to date and intend to vigorously pursue any rights they may have under defamation law.

To address some of the comments made recently in the media, firstly, the Company's share price has certainly fallen but Condor is hardly the only company to have been affected by a falling share price since the Global Financial Crisis, QE3 and the like. Condor's Directors since IPO have kept the company solvent and continued to raise funds from the market. The Company's Board recognised in 2015 that the strategy of performing copper and gold exploration in Chile was not working and announced several times that it was looking at other opportunities. The Board has in fact been performing extensive due diligence on several opportunities, which continue as of today. Should the Board be replaced, it is uncertain whether any of these opportunities would remain with the Company.

In regards to statements made in the media concerning Directors' remuneration, the Directors have not been paid unreasonable remuneration and that remuneration has been approved by shareholders at Annual General Meetings. The Company has never received a "no" vote when asking shareholders to approve its Remuneration Report at an Annual General Meeting. Under s250R of the Act, Key Management Personnel and parties who are closely related cannot vote on such resolutions. As to sums mentioned in the press for remuneration, of course the remuneration of anybody in any job would add up over time. If three people on a minimum wage of \$1,100 a week worked for a company full time over six years, this would add up to over \$1 million in wages.

In relation to Mr Glen Darby, the facts around his recent conviction have been very well publicised. At the time of the conviction Mr Darby resigned his position as Managing Director of the Company and stood for re-election as a non-executive director (which the Managing Director of a company is not bound to do) at the Annual General Meeting on Friday 27 November 2016. Further to Mr Darby's matter, his conviction is subject to appeal. At his trial, the trial judge stated that the chances of a successful appeal by Mr Darby were so high that they represented "exceptional circumstances". The Company has received legal advice that Mr Darby is not disqualified from acting as a Director of the Company and the Company is not required to request that he resign as a Director. As Chairman of the Company, I

can assure you that I would not have joined the Board or remained as a Director had I not strongly felt that this was the correct course of action.

The Company has notably raised funds from the market since Mr Darby's conviction, with several stockbroking houses having been willing to sign mandates with the Company and raise funds from their investors for the Company in the course of 2015. Thus, Mr Darby's position on the Board has not impaired the Company's ability to function and indeed if this were the case, Mr Darby would not have remained on the Board.

In relation to the proposed new directors to replace the existing Board, it is unknown if either Ms Sarah Miles or Mr Joshua Farquhar have any public company experience, have been on any public company boards or are capable of raising funds for the Company. In relation to Mr Jay Stephenson, he is a director and company secretary of Nickel Ore Limited (ASX:NIO), recently trading in the below one cent territory on ASX. Other companies Mr Stephenson is involved with include Strategic Minerals Corporation (ASX:SMC), Yonder and Beyond Group (ASX:YNB) and Drake Resources (ASX:DRK). Shareholders should look up these stocks on ASX to examine their performance.

On 2 May 2016 Mr Josh Farquhar, one of the Requisitioners, made a Takeovers Panel Application ("Application") in regards to the Company only days before lodging the s249D Notice that you see today. The Application was principally made in relation to shares the Company had placed into escrow before utilising the majority to provide funds for the discharge of the liabilities of a subsidiary of the Company in Chile and cancelling the rest.

The Procedural Rules for Takeover Panel applications limit canvassing of issues in the media and specifically restrict the publication of, or causing, media reports during Takeovers Panel proceedings. I am sure most if not all shareholders are now aware of the article in the *Weekend Australian* of 21 May 2016 involving Condor which refers to the Takeovers Panel's announcement on 2 May 2016 and proceeds to canvass a number of the issues brought before the Panel by the Applicant, Requisitioner Josh Farquhar. That part of the article immediately follows its reference to "*A spokesman for the group (of aggrieved investors)*" and then refers to the Application to the Panel "*from investor Josh Farquhar.*" The plain inference is that Mr Farquhar brought the subject matter of the article in The Australian to the newspaper's attention and that he was "*the spokesman.*"

In essence, the Directors trust that shareholders will take Requisitioners' intent in filing their s249D Notice with a grain of salt. If they care about the company in which they are shareholders – why encourage the media circus they have been fostering in the past weeks? This behaviour has been hugely damaging to the Company brand, involving below the belt tactics utilised in an effort to gain control of the Company. Should the Requisitioners' group wish to take control there is a proper way through the takeover provisions of the Corporations Act.

As Chairman of the Company I urge you to vote "no" to all resolutions put to shareholders at the General Meeting of 5 July 2016.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "M. Feruglio". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Michelle Feruglio
Chairman



NOTICE OF GENERAL MEETING

**to be held at 11am (Sydney time) on
5 July 2016 at York Conference and
Function Centre, Level 2, 99 York Street,
Sydney, New South Wales 2000**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please contact the Company by telephone on +61 2 8064 3624.

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

CONDOR BLANCO MINES LIMITED

ABN 16 141 347 640

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Condor Blanco Mines Limited (**Company**) will be held at York Conference and Function Centre, Level 2, 99 York Street, Sydney, New South Wales 2000 on 5 July 2016 at 11.00am (Sydney time) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form 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 on 3 July 2016 at 5.00pm (Sydney time).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – REMOVAL OF MR GLEN DARBY AS A DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Mr Glen Darby be removed as a director of the Company.”

2. RESOLUTION 2 – REMOVAL OF MS LIA DARBY AS A DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Ms Lia Darby be removed as a director of the Company.”

3. RESOLUTION 3 – REMOVAL OF MS MICHELLE FERUGLIO AS A DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Ms Michelle Feruglio be removed as a director of the Company.”

4. RESOLUTION 4 – ELECTION OF MR JOSHUA BARRY FARQUHAR AS A DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Mr Joshua Barry Farquhar be appointed as a director of the Company.”

5. RESOLUTION 5 – ELECTION OF MS SARAH NATALIE MILES AS A DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Ms Sarah Natalie Miles be appointed as a director of the Company.”

6. RESOLUTION 6 – ELECTION OF MR JAY RICHARD STEPHENSON AS DIRECTOR

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That Mr Jay Richard Stephenson be appointed as a director of the Company.”

Dated 27 May 2016

BY ORDER OF THE BOARD



Peter Dunoon
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision in connection with the business to be conducted at the Meeting to be held at York Conference and Function Centre, Level 2, 99 York Street, Sydney New South Wales 2000 on 5 July 2016 at 11am (Sydney time).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Background
Section 3	Action to be taken by Shareholders
Section 4:	Resolution 1 - Removal of Director – Mr Glen Darby
Section 5:	Resolution 2 - Removal of Director – Ms Lia Darby
Section 6:	Resolution 3 - Removal of Director – Ms Michelle Feruglio
Section 7:	Resolution 4 - Election of Director – Mr Joshua Farquhar
Section 8:	Resolution 5 - Election of Director – Ms Sarah Miles
Section 9:	Resolution 6 - Election of Director – Mr Jay Stephenson

2. Background

The Directors have called this Meeting as a result of having received a notice (the "Notice") given to the Company pursuant to Section 249D(1) of the Corporations Act by shareholders who, between them, are holders of greater than 5% of the issued capital of the Company. Those shareholders are Mr Joshua Barry Farquhar, Malcora Pty Ltd ACN 009 151 428, Infilsec Pty Ltd ACN 098 718 168 and Taipan Investment Management Pty Ltd ACN 115 430 781 as trustee for Taipan No. 1.

The Notice requested that the resolutions set out above in the Notice of General Meeting be put to the Meeting.

3. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

3.1 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.

4. RESOLUTION 1 – REMOVAL OF MR GLEN DARBY AS A DIRECTOR

In accordance with a notice received by the Company pursuant to Section 249D(1) of the Corporations Act, it is proposed that Mr Glen Darby be removed as a Director of the Company.

5. RESOLUTION 2 – REMOVAL OF MS LIA DARBY AS A DIRECTOR

In accordance with a notice received by the Company pursuant to Section 249D(1) of the Corporations Act, it is proposed that Ms Lia Darby be removed as a Director of the Company.

6. RESOLUTION 3 – REMOVAL OF MS MICHELLE FERUGLIO AS A DIRECTOR

In accordance with a notice received by the Company pursuant to Section 249D(1) of the Corporations Act, it is proposed that Ms Lia Darby be removed as a Director of the Company.

7. RESOLUTION 4 – ELECTION OF MR JOSHUA BARRY FARQUHAR AS A DIRECTOR

Mr Joshua Barry Farquhar has been nominated as a director in a notice given to the Company pursuant to Section 249D(1) of the Corporations Act and, being eligible, offers himself for election as a Director.

8. RESOLUTION 5 – ELECTION OF MS SARAH NATALIE MILES AS A DIRECTOR

Ms Sarah Natalie Miles has been nominated as a director in a notice given to the Company pursuant to Section 249D(1) of the Corporations Act and, being eligible, offers herself for election as a Director.

9. RESOLUTION 6 – ELECTION OF MR JAY RICHARD STEPHENSON AS A DIRECTOR

Mr Jay Richard Stephenson has been nominated as a director in a notice given to the Company pursuant to Section 249D(1) of the Corporations Act and, being eligible, offers himself for election as a Director.

Schedule 1 – Definitions

In the Notice, words importing the singular include the plural and vice versa.

Board means the board of Directors of the Company.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means Condor Blanco Mines Limited (ABN 16 141 347 640).

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Shareholder means a shareholder of the Company.

Proxy Form

Condor Blanco Mines Limited

ACN 141 347 640

Suite 805

160 Castlereagh Street

Sydney NSW 2000

STEP 1 - Appointment of Proxy

I/We

being a shareholder/s of Condor Blanco Mines Limited and entitled to attend and vote hereby appoint

☐

the Chairman of the General Meeting (mark with an 'X')

OR

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, the Chairman of the General Meeting, as my/our proxy at the **General Meeting of Condor Blanco Mines Limited to be held at York Conference and Function Centre, Level 2, 99 York Street, Sydney New South Wales 2000 on 5 July 2016 at 11am (Sydney time)** 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, as the proxy sees fit.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business	For	Against	Abstain*
Resolution 1 - Removal of Director – Mr Glen Darby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Removal of Director – Ms Lia Darby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Removal of Director – Ms Michelle Feruglio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Election of Director – Mr Joshua Farquhar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Election of Director – Ms Sarah Miles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - Election of Director – Mr Jay Stephenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 - PLEASE SIGN HERE

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

Individual or Security holder 1

Sole Director and Sole Company Secretary

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2016

Proxy Form

Condor Blanco Mines Limited

ACN 141 347 640

Suite 805

160 Castlereagh Street

Sydney NSW 2000

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 5.00PM (Sydney Time) ON 3 JULY 2015

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the General Meeting as your proxy, mark the box. 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

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 5pm on 3 July 2016. Any Proxy Form received after that time will not be valid for the scheduled Meeting (a valid Proxy Form must be received no later than 48 hours prior the commencement of the General Meeting).

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Condor Blanco Mines Limited
Suite 805, 160 Castlereagh Street
Sydney NSW 2000
Australia

BY FAX - + 61 (0) 2 8064 4118

IN PERSON - Condor Blanco Mines Limited
Suite 805, 160 Castlereagh Street
Sydney NSW 2000
Australia

Attending the Meeting

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