

19 January 2018

RELEASE OF NOTICE OF MEETING FOR AGM

Condor will hold an Annual General Meeting of Shareholders (“AGM”) in Sydney on Wednesday, 21 February 2018. Further details are included in the Notice of Meeting released to market today.

Shareholders will be asked to vote on resolutions concerning the regular business of the Company, including the election or re-election of directors, and adoption of the remuneration report.

Shareholders will also be asked to vote on a number of further resolutions related to additional matters, including ratification of the Company’s recent capital raise, the conversion into equity of part of the liabilities owed to directors, and approval of shares for issue as part of a proposed future rights issue.

Condor’s directors encourage shareholders to vote in favour of each resolution laid out in the Notice of Meeting.

Resolution for ratification of prior capital raise

On 3 January 2018, Condor issued 14,000,000 shares to raise funds necessary to meet immediate and essential administrative expenses and to reduce the current liabilities of the Company. Aside from this placement, Condor has issued no other shares since prior to 5 July 2016 (on which date the Company’s new Board was installed by vote of shareholders).

Shareholders will be asked to vote at the AGM or by proxy to ratify this recent placement.

The issuance of shares under this placement is provided for by Rule 7.1 of the ASX Listing Rules, and does not need to be ratified by shareholders in order to be valid. Nevertheless, Condor’s directors wish to confirm shareholder support for this action in seeking funds to enable payments associated with the preparation of the annual report, the Company’s annual audit, holding of the AGM, and payment of ASX listing and ASIC fees.

Resolution for conversion of part of current liabilities into equity

Condor’s solvency throughout the recent period has rested on the forbearance of the Company’s current creditors to refrain from calling for payment of amounts owed to them by the Company. Significant among these creditors are the Company’s current directors, none of whom have received payment of any fees from the Company, including for the entire period since the new Board was put in place by vote of shareholders on 5 July 2016.

Further to having received no payment of fees, Condor’s current directors have also personally paid various of the Company’s liabilities as they have fallen due, and provided cash loans to the Company to pay interest payments and other critical expenses. Such payments made personally

by Condor's current directors include a \$50,000 repayment required under the terms of extension for Condor's external debt facility, \$27,500 paid to ASX for annual listing fees, \$15,000 paid to the Company's auditor to enable commencement of the annual audit, and other essential Company expenses such as ASIC and ASX fees.

Condor's current directors collectively own or have the right to acquire shares amounting to less than 1.9% of shares on issues.

Various of Condor's directors have indicated to the Board that they may be unwilling to continue to forbear from calling for payment of amounts owed to them by the Company unless these liabilities are reduced, but these directors have also agreed to accept equity - provided shareholder approval is given - as partial payment of amounts owing. With shareholder approval, the directors have agreed to accept shares at an issue price of 0.2 cents per share, which represents a 33% premium above the best price that Condor was offered for shares sold under the recent placement.

Condor's shareholders will be asked to vote at the AGM or by proxy to approve the issue of equity to directors as partial repayment of amounts owing by the Company to them.

The Company and directors have agreed that any allocation of shares issued pursuant to this resolution would be limited so that no individual director would hold more than 10% of the total number of shares on issue after the shares are allocated.

Resolution for approval of additional shares for rights issue

Condor continues to pursue avenues to realize value from settlement of claims for damages, from unwinding of uncommercial transactions, and in the longer term from the Company's existing assets. However, as the duration and outcome of all of these avenues is uncertain, the Company may need to raise additional funds from further issue of equity.

Condor's directors are of the view that the fairest means by which the Company might raise funds from equity is via a rights issue that would allow shareholders to subscribe for new shares proportional to their existing holdings, plus an additional top-up amount for small shareholders. This additional top-up amount would be sufficient to allow each of Condor's existing shareholders to acquire a number of shares at least equivalent to minimum marketable parcel size at the issue price. Shares offered under such a rights issue would be priced at 0.1 cents per share. This is a better price for shareholders than the price Condor obtained for shares sold in the recent placement, and it represents a 100% discount to the higher price that would be paid by Condor's directors to take up shares as conversion of debt.

Condor's directors have held the view that it would be imprudent to offer a rights issue prior to completion of a full audit of a Company's accounts. An annual audit has now been completed and an audit report is included with the Company's recent annual report.

Shareholder approval is not required for the Company to offer a rights issue. However, shareholder approval is required for the Company to offer the additional top-up capacity sufficient to allow all shareholders to obtain a holding equivalent to minimum marketable parcel size. Condor's directors are seeking to provide the fairest opportunity for the vast majority of Condor's individual shareholders.

Shareholders will be asked to vote at the AGM or by proxy to approve the additional capacity. Without shareholder approval of this measure, more than 90% of Condor's current shareholders would be unable to acquire sufficient shares to hold a marketable parcel at the issue price.

Please note that while Condor's directors are of the view that a rights issue is the fairest avenue by which to raise capital for the Company, significant additional cost will be incurred by the

requirement to produce the necessary disclosure documents, given Condor's circumstances. Condor's ability to offer a rights issue will depend, among other things, on the Company obtaining initial funding sufficient to meet such costs.

Restrictions required by ASX on any new shares issued

Trading in the Company's Shares was suspended by ASX on 6 May 2016 and the Company's Shares remain suspended from quotation under the ASX Listing Rules. Any new shares issued prior to reinstatement of the Company's securities to quotation will be subject to significant restrictions required by the ASX. The following conditions will apply:

- Re-quotation of the Company's existing securities is at the discretion of the ASX and will not occur until the Company re-complies with the ASX Listing Rules.
- Any new shares issued will not be admitted to quotation on ASX until the Company re-complies with the ASX Listing Rules, and until that time any new shares will not be tradable on ASX.
- ASX may require any new shares issued to be escrowed under Chapter 9 of the ASX Listing Rules even after the Company re-complies with the Listing Rules.
- ASX will not permit any new shares to be treated by a cleansing notice under section 708A of the Corporations Act, and as such any new shares issues will not be permitted to be on-sold by the purchasers.
- The Company may ultimately not be able to re-comply with the ASX Listing Rules and may be removed from the Official List of ASX as a result.
- The holding lock required by ASX preventing on-market and off-market transfers of Condor's securities remains in place across all securities of the Company and will apply equally to any new shares.

These same conditions apply to those shares issued in Condor's recent placement on 3 January 2018.

Current shareholder and prospective investors should note that no guarantee can be made regarding reinstatement of the Company's securities to quotation on the ASX. The Company has been advised by ASX that significant compliance and legal issues (resultant from the actions of Condor's former directors and advisers prior to 5 July 2016) will need to be resolved before ASX will consider reinstatement. Condor's current directors continue to work towards resolution of these issues, but there can be no certainty regarding the final outcome. Ultimately, reinstatement will remain entirely at ASX's discretion.

Voting by proxy

Proxy forms are attached to the Notice of Meeting. Shareholders wishing to vote by proxy should return their completed forms direct to Condor as soon as possible using the email, fax or postal details included on the form. Validly completed proxy forms must be received by Condor 48 hours prior to the meeting for votes to be included.

Joshua Farquhar
Executive Chairman