

STOCK EXCHANGE ANNOUNCEMENT



20 December 2012

Company update – Marianas project

ASX Release Stock Code: CDB

- Discussions ongoing regarding Heads of Agreement for Marianas off-take
- Scoping study in production
- Surface rights secured for material processing site

Condor Blanco Mines Limited ("Condor Mines", "the Company") has advanced negotiations in regards to off-take agreements at its Marianas iron tailings project in Copiapo, Chile. It anticipates a resulting Heads of Agreement will be signed early in the new year.

The discussions follow on from Memorandums of Understanding Condor Mines signed in September with Changes Investment Guarantee (China) Company and Jiangxi Hongyang Copper Company Ltd for the sale of iron ore from Marianas.

Condor Mines has been working in conjunction with its Hong Kong-based partner Emerald Resources toward a scoping study for Marianas including a processing model, production costs and the logistics involved in establishing the project.

The Company has also secured surface rights to process the iron ore material from Marianas at a site 2 km from the project as required due to environmental restrictions.

It is expected that iron ore production and sales will commence from Marianas in the first quarter 2013.

"Progress towards a Heads of Agreement for Marianas is now at a very advanced stage," said Managing Director Mr Glen Darby.

"Once production commences it will provide Condor with an important short term revenue stream and will support the funding of our larger projects."

Condor acquired a 50% interest in the Marianas project with an initial US\$300,000 payment. The iron ore material is already crushed and will be processed using magnetic separation. The estimated deposit of 11 million tonnes has an iron content of approximately 18%Fe and will require minimal capital expenditure to begin production.

Enquiries: Mr Glen Darby
Managing Director
Condor Blanco Mines Limited
Office: +61 (0)2 9225 4070
Email: glen.darby@condormines.com

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Carl Swensson, who is a Member of the Australasian Institute of Mining & Metallurgy. Carl Swensson is a director of 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Carl Swensson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

