

STOCK EXCHANGE ANNOUNCEMENT



February 1, 2016

December 2015 Quarterly Activity Report

ASX: CDB

In the quarter Condor Blanco Mines Limited (ASX: CDB; “Condor”, “the Company”) moved closer to finalising a suitable acquisition. Importantly, Due Diligence processes that were commenced over three target industries (i.e., Waste-to-energy, Technology/Mobile Applications and Retail) were completed, and follow-up commercial negotiations commenced. Steps were also taken to ensure no contingent liabilities or potential future obligations from its minerals exploration business would impact the business in the future. This included the sale of the subsidiary holding exploration options in Chile and a financing deal to remove obligations in relation to the Chilean project portfolio. Condor retains its 70% interest in Condor Blanco SCM, which has two directly owned projects in Chile.

Project Acquisition Due Diligence

On 27 November 2015, Condor announced that due diligence has commenced on a number of potential project acquisitions across a broad range of industries. Condor has now completed initial Due Diligence across all of the companies considered. Following on from this initial Due Diligence, two stand-out acquisitions were identified. Condor has accordingly commenced commercial discussions in order to reach agreement over its preferred acquisition.

These projects had been both sought out by the Company board with others being presented to the Company by strategic investors and mandated company advisers. The industries and projects which Condor assessed are outlined below:

- **Waste-to-Energy – Alternate Fuels:** This particular project is in an advanced stage with a pilot plant having already been operated in the United States. By utilising pyrolysis technology to convert agricultural waste plastic into diesel, this technology is able to eliminate expensive waste removal costs and also generate a readily saleable output. A leading Australian alternate fuel specialist completed technical due diligence.
- **Technology – Mobile Application Development:** These acquisition targets have successfully developed applications in the gaming and transport sectors of this high growth industry. The Company also expanded its investigation of technology, with consideration being given to companies in other technology market, like Business Software and Cyber Security.

- Online Retail – Retail and Apparel: Condor completed due diligence on a leading Australian women’s fashion retailer, which is already distributed through over 90 stores and department stores globally.

The Company remains under confidentiality whilst now looking to reach a commercial agreement over its preferred acquisition target. As previously stated, the proposed transaction details will be submitted for shareholder approval as required in accordance with the Corporations Act and the ASX Listing Rules in due course.

Chilean Au-Ag and Cu-Au Projects

Condor has now sold its shareholding in Tierra Amarilla SCM (“Tierra Amarilla”) to Australian private company, Oak Capital Limited. The sale was at a nominal price, reflective of the written-down value of the tenements in the current commodity market. This ends Condor’s interests in exploration options in Chile, removing any obligation or expectation around payment of annual or biannual project option fees. The sale was registered in Chile and given legal force on 27 November 2015.

Condor retains its 70% interest in Condor Blanco SCM, which holds the Fenix and Cautiva-Victoria projects. These licenses are owned outright by Condor Blanco SCM and so do not raise material holding costs.

In the period, Condor also entered into a debt assignment and indemnity agreement to cover any outstanding historical liabilities of Tierra Amarilla. The debt deal covered historical liabilities of a value up to US\$273,682. The financing of this debt assignment was undertaken from the previously issued escrow shares (at an issue price of 2.5c per share). Any proven debts will be paid out by a UK-based fund with management support from an international mining consultancy with experience in international obligations and project shut-downs. Condor is indemnified over any such debts.

Uludere Zinc-Lead Project

The Uludere Project (Mining Licence 200806380) in Turkey’s Şırnak province remains suspended due to security concerns in Southeast Turkey. These relate to the ongoing conflicts in Syria and Iraq as well as violence within Turkey. The situation has not improved and so the parties have again agreed to extend Condor’s decision period on the project to 11 February 2016. In agreeing to the extension, Condor’s joint venture partners have formally stated that this will be the final extension, as if Condor will not continue (which is under no obligation too) they must then find an alternate partner to progress the project to meet their own license commitments.

Corporate Events

On 27 November 2015, the Directors announced that all resolutions put to the Annual General Meeting of Shareholders held that day were passed unanimously by a show of hands. This included the adoption of the Remuneration Report and re-election of all three directors of the Company. The meeting also

STOCK EXCHANGE ANNOUNCEMENT



approved an additional 10% placement capacity and the ability to undertake a placement of up to \$5m at a maximum discount of 80% to the most recent 5-day VWAP.

Just after the end of the quarter on 8 January 2016, the Company announced the expiry of 7,599 unlisted options (7 January 2016 expiry) with a strike price of \$1.38.

Also after quarter end, on 18 January 2016, Condor issued 3,333,333 shares at \$0.015 per share to Baycrest Capital LLC, a US-based financier. The shares were issued to meet an outstanding liability under the specialist financing arrangement (being an investment and loan agreement) entered into in 2013.

Please find attached Appendix 5B accompanying this announcement.

Enquiries:

Mr Glen Darby
Non-executive Director
Condor Blanco Mines Limited
Office: +61 (2) 8064 3624
Email: glen.darby@condormines.com



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Condor Blanco Mines Limited

ABN

16 141 347 640

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date \$A'ooo
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(4) (269)	(34) (847)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(10)	(10)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(283)	(891)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(283)	(891)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(283)	(891)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,066
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-	(19)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	1,047
	Net increase (decrease) in cash held	(283)	156
1.20	Cash at beginning of quarter/year to date	467	28
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	184	184

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(80)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(5)
4.2 Development	-
4.3 Production	-
4.4 Administration	(160)
Total	(165)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	184	467
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	184	467

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		The Company disposed of its interests in mining concessions detailed in Appendix "A", as a result of the sale of its Chilean subsidiary Tierra Amarilla SCM on 27 November 2015.		

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

Nil			
-----	--	--	--

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	135,395,714	135,395,714		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Total	Number Quoted	Exercise Price	Expiry Date
		1,262,621		\$6.00	23/02/16
		500,000		\$0.999	01/07/17
		7,599		\$1.38	07/01/16
		18,242		\$1.11	11/02/16
		18,750		\$0.99	18/02/16
		19,834		\$0.63	25/03/16
		19834		\$0.63	03/04/16

Appendix 5B
Mining exploration entity quarterly report

		15,867 4,076,342		\$0.81 \$0.36	10/04/16 16/09/19
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 1/02/2015
Secretary

Peter Dunoon

Print name:.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

APPENDIX A

At the beginning of the quarter the Company held interests in the mining concessions listed below.

On 27 November 2015, the Company disposed of its interests in the mining concessions listed below.

CONCESIONES SCM TIERRA AMARILLA Y MRA CONDOR

1.- EXPLORACION

N°	CONCESION	ROLE	COURT	HEADLINE	SERNAGEOMIN	JUDGEMENT	ESTADO
1	MIGUELITO I 14	3017-2014	3° COPIAPO	MRA CONDOR	EN REVISION SNGM		EN TRAMITE
2	GOLDIRON PRIMERA XI	2408-2014	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
3	GOLDIRON PRIMERA XII	2409-2014	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
4	GOLDIRON PRIMERA XIII	2410-2014	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
5	GOLDIRON PRIMERA XIV	2411-2014	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE

2.- EXPLOTACION

N°	CONCESION	ROLE	COURT	HEADLINE	SERNAGEOMIN	JUDGEMENT	ESTADO
1	FENIX I 1/30			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
2	FENIX II 1/30			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
3	FENIX IX 1/30			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
4	FENIX X 1/30			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
5	CAUTIVA			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
6	VICTORIA 1/5			SCM TIERRA AMARILLA	APROBADAS		CONSTITUIDAS
7	YARETA X 1/20	202 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
8	YARETA VIII 1/20	204 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
9	YARETA VII 1/30	205 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
10	YARETA V 1/30	207 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
11	YARETA IX 1/30	203 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
12	YARETA IV 1/30	208 - 2011	2° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	13-Mar-14	CONSTITUIDAS
13	GOLDIRON II 1/60	3000 - 2012	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	12-Aug-14	CONSTITUIDAS
14	GOLDIRON III 1/60	3001 - 2012	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	12-Aug-14	CONSTITUIDAS
15	GOLDIRON I 1/60	2999 - 2012	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	18-Jun-15	EN TRAMITE
16	GOLDIRON IV 1/60	3002 - 2012	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	18-Jun-15	EN TRAMITE
17	GOLDIRON V 1/20	3003 - 2012	1° COPIAPO	SCM TIERRA AMARILLA	APROBADAS	18-Jun-15	EN TRAMITE
18	CARACHAPAMPA I 1 / 30	38956 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
19	CARACHAPAMPA II 1 / 30	38957 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
20	CARACHAPAMPA III 1/30	38958 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
21	CARACHAPAMPA IV 1 / 30	38959 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
22	CARACHAPAMPA V 1 / 20	38960 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
23	CARACHAPAMPA VI 1 / 20	38961 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
24	CARACHAPAMPA VII 1 / 30	38962 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
25	CARACHAPAMPA VIII 1 / 30	38963 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
26	CARACHAPAMPA IX 1 / 20	38964 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
27	CARACHAPAMPA X 1 / 20	38965 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	APROBADAS		EN TRAMITE
28	CARACHAPAMPA XI 1 / 20	38966 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	OBSERVADA		EN TRAMITE
29	CARACHAPAMPA XII 1 / 30	38967 - 2008	DIEGO DE ALMAGRO	SCM TIERRA AMARILLA	SUPERPOSICION		EN TRAMITE