



**CONDOR BLANCO MINES LIMITED  
AND CONTROLLED ENTITIES**

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**Interim Financial Report  
For the Half Year Ended 31 December 2015**

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**CONDOR BLANCO MINES LIMITED**  
**ABN 16 141 347 640**  
**AND CONTROLLED ENTITIES**

**HALF-YEAR FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2015**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Condor Blanco Mines Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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**For the Half Year Ended 31 December 2015**

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**COMPANY DIRECTORY**

**NON-EXECUTIVE CHAIRMAN**

Ms Michelle Feruglio

**NON-EXECUTIVE DIRECTORS**

Mr Glen Darby

Ms Lia Darby

**COMPANY SECRETARY**

Mr Peter Dunoon

**REGISTERED OFFICE**

Suite 805, Level 8, 160 Castlereagh Street  
Sydney NSW 2000

Telephone: 02 8064 3624

Facsimile: 02 8064 4118

**AUDITORS**

Nexia Court & Co

Level 16, 1 Market Street, Sydney NSW  
2000

Telephone: (02) 9251 4600

Facsimile: (02) 9251 7138

**LAWYERS**

Eakin McCaffery Cox

Level 28

1 Market Street

SYDNEY NSW 2000

Telephone: (02) 9265 3000

Facsimile: (02) 9261 5918

**SHARE REGISTRAR**

Advanced Share Registry Services

150 Stirling Highway

NEDLANDS WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

**STOCK EXCHANGE LISTING**

Australian Securities Exchange (Home

Exchange: Perth, Western Australia)

Code: CDB, CDBO

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DIRECTORS' REPORT**

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Your directors submit the financial report of the Company and the entities it controlled at the end of, or during the half-year ended 31 December 2015.

## **DIRECTORS**

The names of Directors who held office during or since the end of the half year are:

|                   |  |
|-------------------|--|
| Michelle Feruglio | Non-executive Chairman (appointed 20 May 2015) |
| Lia Darby         | Non-executive Director                         |
| Glen Darby        | Non-executive Director                         |
| Peter Dunoon      | Company Secretary                              |

## **RESULTS**

The loss after tax for the half-year ended 31 December 2015 was \$1,791,459 (31 December 2014: \$900,478).

## **REVIEW OF OPERATIONS**

### **1. INTRODUCTION**

Condor Blanco Mines Limited ("Condor", "the Company", ASX Code: CDB) holds a 70% controlling interest in Condor Blanco SCM (70%). Condor Blanc SCM holds licenses to two copper-gold projects located to the west of the major mining city of Copiapo in northern Chile.

During the second half of 2015, Condor continued to shift away from its Chilean assets to focus on new opportunities in mining and other industries. This included examining project acquisitions and followed earlier assessment in 2014 and 2015 of the Devil's Creek nickel-copper-platinum group element ("Ni-Cu-PGE") project, the Uludere Zinc-Lead project in Southeast Turkey and the Sabaleta Gold Project in the Republic of Ecuador. Each opportunity was considered on its own merits, with the Board being careful in its assessment of the options available, a process being applied equally to new opportunities arising in this period. Condor also commenced the recapitalization of the Company in the period (starting with a share consolidation). Care is being taken to apply funds effectively in order to deliver a new asset position in mining or another industry. Steps were also taken in the half year to ensure no contingent liabilities or potential future obligations from Condor's minerals exploration business would impact the new business and assets in the future. This included the sale of the subsidiary holding exploration options in Chile (Tierra Amarilla SCM) and a financing deal to remove obligations in relation to the Chilean project portfolio.

In the half year, Due Diligence processes commenced over three target industries (i.e., Waste-to-energy, Technology/Mobile Applications and Retail). These initial assessments were duly completed, and follow-up commercial negotiations commenced.

### **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 then subsequently completed initial Due Diligence across all of the companies considered. From this initial Due

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Diligence, two stand-out acquisitions were identified. Condor then commenced commercial discussions with a view to reaching agreement over its preferred acquisition.

The pool of 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 was at an advanced stage with a 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 initial technical due diligence on Condor's behalf.
- **Technology – Mobile Application Development:** These acquisition targets were businesses that had successfully developed applications in the gaming and transport sectors of this high growth industry. The Company also expanded its investigation of technology, with additional consideration being given to companies in other technology markets, including 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.

As noted at the time of release, the proposed transaction details were to be submitted for shareholder approval prior to completion, as required in accordance with the Corporations Act and the ASX Listing Rules.

### **Chilean Project Update**

At the end of 2015 Condor 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 in relation to the tenements held by Tierra Amarilla, 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.

With Tierra Amarilla divested, 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. There are small rents payable and associated taxes payable annually to maintain Condor's rights.

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.

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### **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 worsened further. Condor's joint venture partner have voluntarily allowed a further extension until 11 April 2016. Condor is under no obligation to continue further with the project or make any payment to the license holder Bonus Enerji Elektrik Maden A.Ş.. Given ongoing security and political instability in Turkey, it is highly unlikely that Condor will decide to continue further with the Uludere project.

### **Corporate Events**

On 22 July 2015 Condor announced that it had completed its thirty-to-one (30:1) share capital consolidation. This had been previously approved on 26 June at a General Meeting of Shareholders (as notified to shareholders on 20 May 2015). New holding statements were sent to investors reflecting the change in the number of shares and options on issue.

On 3 August 2015, the Company announced the expiry of 666,678 unlisted options (1 August 2015 expiry) with a strike price of \$1.80.

On 25 August 2015 Condor issued 24,504,353 shares (825,001 at \$0.024 and 23,679,352 at \$0.02 per share). The shares were issued under placement to raise equity for general working capital purposes.

On 8 September 2015 Condor issued 6,800,000 shares at \$0.025 per share. The shares were issued under placement to raise equity for general working capital purposes.

On 14 September 2015, the Company announced the expiry of 9,449 unlisted options (13 September 2015 expiry) with a strike price of \$1.41.

On 23 September 2015 Condor issued 13,924,000 shares at \$0.025 per share under a private placement. In addition 2,200,000 shares at \$0.025 per share were issued in lieu of cash payment against due diligence services over a potential acquisition. The share issue raised \$348,100 for general working capital purposes.

On 24 September 2015, the Company announced the expiry of 13,552 unlisted options (24 September 2015 expiry) with a strike price of \$2.76.

On 25 September 2015 Condor placed 45,000,000 shares at \$0.025 per share into escrow with ECM (Nominees) Pty Ltd pending finalisation of confidential agreements that were under negotiation with un-related and un-associated parties. These agreements concerned the financing and project base of the Company. The shares are subject to cancellation should none of the agreements above be finalised and the Company confirmed that no party involved would hold more than 19.9% of the Company should the agreements be completed. The market is to be informed should such agreements be finalised.

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 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.

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**SUBSEQUENT EVENTS**

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.

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.

On 11 February 2016, the Company announced the expiry of 18,242 unlisted options (11 February 2016 expiry) with a strike price of \$1.11.

On 16 February 2016, Condor went in to Trading Halt pending a corporate announcement. As subsequently announced, that day Condor signed a Term Sheet to acquire a waste technologies business. This led to voluntary suspension on 18 February 2016, when the Company was not able to finalise an anticipated transaction. On 22 February 2016, the Company was returned to trading status, with a market release confirming the termination of the Term Sheet due to structural compliance needs. Negotiations were to continue towards a compliant approach to the waste technologies transaction and alongside the consideration of other acquisition opportunities.

On 18 February 2016, the Company announced the expiry of 18,750 unlisted options (18 February 2016 expiry) with a strike price of \$0.99.

On 23 February 2016, the Company announced the expiry of 1,262,621 unlisted options (23 February 2016 expiry) with a strike price of \$6.00.

On 1 March 2016 Condor placed 50,000,000 shares at \$0.01 per share into escrow with ECM (Nominees) Pty Ltd pending finalisation of confidential agreements that were under negotiation with un-related and un-associated parties. At the same time, 17,062,640 shares previously issued and held by ECM (Nominees) Pty Ltd (that had been put aside for an earlier transaction) were cancelled at this time also. Subject to the necessary approvals, these escrow shares would be available for future financing and project acquisition. The shares are subject to cancellation should none of the agreements be completed and the Company confirmed that no party involved would hold more than 19.9% of the Company should the agreements be completed. The market is to be informed should such agreements be finalised. In addition, on the same day 29,214,177 options (unlisted exercisable at \$0.03 on or before 30 June 2018) under resolution 7 and 20,000,000 options (unlisted exercisable at \$0.0192 on or before 30 June 2018) under resolution 8 of the 27 November 2015 AGM were also issued.

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**AUDITOR'S INDEPENDENCE DECLARATION**

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration for the half year ended 31 December 2015 is set out on page 9.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



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Glen Darby  
Director

Sydney  
Dated: 15 March 2016

15 March 2016

The Board of Directors  
Condor Blanco Mines Limited  
Suite 805, Level 8  
160 Castlereagh Street  
SYDNEY NSW 2000

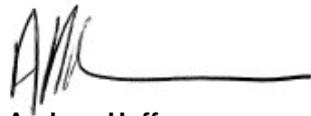
Dear Board Members,

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead audit partner for the review of the financial statements of Condor Blanco Mines Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Andrew Hoffmann**  
Partner



**Nexia Court & Co**  
Chartered Accountants

Sydney

**Sydney Office**

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Independent member of Nexia International



**CONDOR BLANCO MINES LIMITED**  
**ABN 16 141 347 640**  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the half year ended 31 December 2015

|  | 31 December 2015   | 31 December 2014 |
|--|--------------------|------------------|
|  | \$                 | \$               |
| <b>Continuing operations</b>   |                    |                  |
| Other income   | 227                | 2,487            |
| Administration expenses  | (131,854)          | (406,268)        |
| Compliance and regulatory expenses                                   | (54,693)           | (46,868)         |
| Consultancy cost   | (134,405)          | (71,675)         |
| Depreciation   | (344)              | (7,091)          |
| Directors fees   | (92,129)           | (108,800)        |
| Impairment of asset  | (764,430)          | -                |
| Travel expenses  | (34,573)           | (4,882)          |
| Loss before income tax   | <b>(1,212,201)</b> | <b>(643,097)</b> |
| Income tax expense   | -                  | -                |
| Profit/(loss) for the period from continuing operations              | <b>(1,212,201)</b> | <b>(643,097)</b> |
| <b>Discontinued operations</b>                                       |                    |                  |
| Profit/(loss) for the period from discontinued operations            | <b>(579,258)</b>   | <b>(257,381)</b> |
| <b>Profit/(loss) for the period</b>                                  | <b>(1,791,459)</b> | <b>(900,478)</b> |
| <b>Other comprehensive income</b>                                    |                    |                  |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                    |                  |
| Currency translation differences                                     | 21,218             | 327,635          |
| <b>Reclassification adjustments</b>                                  |                    |                  |
| Reclassification to profit or loss on sale of subsidiary             | 178,811            | -                |
| Income tax relating to components of other comprehensive income      | -                  | -                |
| <b>Other comprehensive income for the period</b>                     | <b>200,029</b>     | <b>327,635</b>   |
| <b>Total comprehensive income for the period</b>                     | <b>(1,591,430)</b> | <b>(572,843)</b> |
| Loss for the period attributable to:                                 |                    |                  |
| Owners of the parent entity  | (1,788,027)        | (893,276)        |
| Non – controlling interest   | (3,432)            | (7,202)          |
| <b>Total comprehensive income for the period</b>                     | <b>(1,791,459)</b> | <b>(900,478)</b> |
| Total comprehensive income attributable to:                          |                    |                  |
| Owners of the parent entity  | (1,597,364)        | (570,075)        |
| Non – controlling interest   | 5,934              | (2,768)          |
|  | <b>(1,591,430)</b> | <b>(572,843)</b> |

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME (continued)**

For the half year ended 31 December 2015

**Earnings per share**

|  |        |        |
|--|--------|--------|
| From continuing and discontinuing operations       |        |        |
| Basic and diluted loss per share (cents per share) | (2.04) | (0.11) |
| From continuing operations                         |        |        |
| Basic and diluted loss per share (cents per share) | (1.38) | (0.08) |

The accompanying notes from part of this financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2015

|  | Note | 31 December 2015<br>\$ | 30 June 2015<br>\$ |
|--|------|------------------------|--------------------|
| <b>CURRENT ASSETS</b>                  |      |                        |                    |
| Cash and cash equivalents              |      | 183,823                | 27,902             |
| Trade and other receivables            | 4    | 57,851                 | 6,845              |
| Other assets                           | 5    | -                      | 16,310             |
| <b>TOTAL CURRENT ASSETS</b>            |      | <b>241,674</b>         | <b>51,057</b>      |
| <b>NON-CURRENT ASSETS</b>              |      |                        |                    |
| Exploration and evaluation expenditure | 6    | -                      | 730,461            |
| Plant and equipment                    |      | 4                      | 348                |
| <b>TOTAL NON-CURRENT ASSETS</b>        |      | <b>4</b>               | <b>730,809</b>     |
| <b>TOTAL ASSETS</b>                    |      | <b>241,678</b>         | <b>781,866</b>     |
| <b>CURRENT LIABILITIES</b>             |      |                        |                    |
| Trade and other payables               |      | 117,619                | 769,021            |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <b>117,619</b>         | <b>769,021</b>     |
| <b>TOTAL LIABILITIES</b>               |      | <b>117,619</b>         | <b>769,021</b>     |
| <b>NET ASSETS</b>                      |      | <b>124,059</b>         | <b>12,845</b>      |
| <b>EQUITY</b>                          |      |                        |                    |
| Issued Capital                         | 7    | 18,433,506             | 16,730,862         |
| Reserves                               | 8    | 3,967,519              | 3,776,856          |
| Accumulated losses                     |      | (22,099,005)           | (20,310,978)       |
| Parent entity interest                 |      | 302,020                | 196,740            |
| Non-controlling interest               |      | (177,961)              | (183,895)          |
| <b>TOTAL EQUITY</b>                    |      | <b>124,059</b>         | <b>12,845</b>      |

The accompanying notes form part of this financial report.

**CONDOR BLANCO MINES LIMITED**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2015

|   | Issued<br>Capital | Shared<br>Based<br>Payments<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Non-<br>controlling<br>Interest | Total              |
|---|-------------------|--|---|-----------------------|---------------------------------|--------------------|
|   | \$                | \$                                     | \$  | \$                    | \$                              | \$                 |
| <b>Balance at 1 July 2015</b>                               | <b>16,730,862</b> | <b>3,945,664</b>                       | <b>(168,808)</b>                              | <b>(20,310,978)</b>   | <b>(183,895)</b>                | <b>12,845</b>      |
| Loss for the period   | -                 | -                                      | -   | (1,609,216)           | (3,432)                         | (1,612,647)        |
| Reclassification to profit or loss<br>on sale of subsidiary | -                 | -                                      | 178,811                                       | (178,811)             | -                               | -                  |
| Foreign currency translation<br>differences                 | -                 | -                                      | 11,852  | -                     | 9,366                           | 21,218             |
| <b>Total comprehensive income<br/>for the period</b>        | <b>-</b>          | <b>-</b>                               | <b>190,663</b>                                | <b>(1,788,027)</b>    | <b>5,934</b>                    | <b>(1,591,430)</b> |
| Shares issued during the<br>period                          | 1,764,921*        | -                                      | -   | -                     | -                               | 1,764,921          |
| Share based payment<br>transactions                         | -                 | -                                      | -   | -                     | -                               | -                  |
| Issue costs   | (62,277)          | -                                      | -   | -                     | -                               | (62,277)           |
| <b>Balance at 31 December<br/>2015</b>                      | <b>18,433,506</b> | <b>3,945,664</b>                       | <b>21,855</b>                                 | <b>(22,099,005)</b>   | <b>(177,961)</b>                | <b>124,059</b>     |

\* \$870,143 of shares issued during the period were issued as settlement of the Company liabilities.

The accompanying notes from part of these financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
For the Half Year Ended 31 December 2015

|  | Issued<br>Capital | Shared<br>Based<br>Payments<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Non-<br>controlling<br>Interest | Total            |
|--|-------------------|--|---|-----------------------|---------------------------------|------------------|
|  | \$                | \$                                     | \$  | \$                    | \$                              | \$               |
| <b>Balance at 1 July 2014</b>                    | <b>15,664,710</b> | <b>3,945,664</b>                       | <b>(552,597)</b>                              | <b>(11,316,026)</b>   | <b>350,595</b>                  | <b>8,092,346</b> |
| Loss for the period                              | -                 | -                                      | -   | (893,276)             | (7,202)                         | (900,478)        |
| Foreign currency translation differences         | -                 | -                                      | 330,403                                       | -                     | (2,768)                         | 327,635          |
| <b>Total comprehensive income for the period</b> | <b>-</b>          | <b>-</b>                               | <b>330,403</b>                                | <b>(893,276)</b>      | <b>(9,970)</b>                  | <b>(572,843)</b> |
| Shares issued during the period                  | 979,313           | -                                      | -   | -                     | -                               | 979,313          |
| Share based payment transactions                 | -                 | -                                      | -   | -                     | -                               | -                |
| Issue costs                                      | (171,438)         | -                                      | -   | -                     | -                               | (171,438)        |
| <b>Balance at 31 December 2014</b>               | <b>16,472,585</b> | <b>3,945,664</b>                       | <b>(222,194)</b>                              | <b>(12,209,302)</b>   | <b>340,625</b>                  | <b>8,327,378</b> |

The accompanying notes from part of these financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
For the Half Year Ended 31 December 2015

|  | 31 December 2015 | 31 December 2014   |
|--|------------------|--------------------|
|  | \$               | \$                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |                  |                    |
| Receipts from customers                          | 250              | -                  |
| Payments to suppliers and employees              | (669,007)        | (544,756)          |
| Payments for exploration and evaluation          | -                | (803,025)          |
| Interest received                                | -                | 2,487              |
| <b>Net cash used in operating activities</b>     | <b>(668,757)</b> | <b>(1,345,294)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                  |                    |
| Payments for plant and equipment                 | -                | (2,087)            |
| Loans to related parties                         | (7,823)          | (145,028)          |
| <b>Net cash used in investing activities</b>     | <b>(7,823)</b>   | <b>(147,115)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                  |                    |
| Net proceeds from issue of shares                | 832,501          | 807,875            |
| <b>Net cash provided by financing activities</b> | <b>832,501</b>   | <b>807,875</b>     |
| Net increase/(decrease) in cash held             | 155,921          | (684,534)          |
| Impact of movement in foreign exchange rates     | -                | -                  |
| Cash at beginning of period                      | 27,902           | 697,719            |
| <b>Cash at end of reporting period</b>           | <b>183,823</b>   | <b>13,185</b>      |

The accompanying notes form part of this financial report.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial report of Condor Blanco Mines Limited and its controlled entities (the Group) for the half-year ended 31 December 2015 was authorized for issue in accordance with a resolution of the directors on 15 March 2016. Condor Blanco Mines Limited is a company incorporated in Australia and limited by shares.

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this half-year financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

**Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss of \$1,791,459 (31 December 2014: \$900,478) and experienced net operating and investing cash outflows of \$676,580 for the half-year ended 31 December 2015 (31 December 2014: \$1,492,409). As at 31 December 2015, the consolidated entity has net current assets of \$124,055 (30 June 2015: (\$717,964)) which includes \$183,823 (30 June 2015: \$27,902) in cash and cash equivalents, \$57,851 (30 June 2015: \$23,154) in trade and other receivables and \$117,619 (30 June 2015: \$769,021) in trade and other payables.

**CONDOR BLANCO MINES LIMITED**  
**ABN 16 141 347 640**  
**AND CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The company has capacity under listing rule 7.1 & 7.1A to issue ordinary shares up to 25% of the current shares on issue to fund future expenditure commitments;
- The company has put in place processes aimed at minimizing all discretionary expenditures during the year;
- The company believes that it has the capacity to raise new equity to invest in its ongoing Exploration projects; and
- The company also has a facility with Minesweeper Limited which allows the company to draw down up to \$1m in exchange for shares in the company.

The directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the consolidated entity be unable to source additional funding from equity markets, or utilize the facility with Minesweeper Limited, a material uncertainty would exist as to the ability of the consolidated entity to continue as a going concern and therefore whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

**Changes in Accounting Policies and Disclosures**

In the half-year ended 31 December 2015, the Group has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

**2. OTHER INCOME**

Other income for the period totaling \$227 comprised of:

- (i) \$227 receipted for share registry administration.

**3. DISPOSAL OF SUBSIDIARY**

Disposal of interest in Tierra Amarilla SCM (discontinued operation)

On 27 November 2015, the Company disposed of Tierra Amarilla SCM, a subsidiary which carried out exploration activities in Chile. The proceeds on disposal totaled \$1,000.00.

The profit/(loss) for the half-year from the discontinued operations is analysed as follows:

|  | <b>Period ended<br/>27 November 2015</b> | <b>6 months ended<br/>31 December 2014</b> |
|--|--|--|
| Loss on exploration activities for the half-year | (580,258)                                | (257,381)                                  |
| Gain on disposal of exploration activities       | 1,000                                    | -  |
|  | <u>(579,258)</u>                         | <u>(257,381)</u>                           |

The following were the results of the exploration activities for the half-year:

|   | <b>Period ended<br/>27 November 2015</b> | <b>6 months ended<br/>31 December 2014</b> |
|---|--|--|
| Realised foreign exchange translation differences | (178,811)                                | -  |
| Administration expenses                           | -  | (257,381)                                  |
| Impairment expenses                               | (401,447)                                | -  |
| Loss before income tax                            | <u>(580,258)</u>                         | <u>(257,381)</u>                           |
| Income tax expense/(benefit)                      | -  | -  |
| Loss after income tax                             | <u>(580,258)</u>                         | <u>(257,381)</u>                           |

The net assets of Tierra Amarilla SCM at the date of disposal were as follows:

|                                  | <b>27 November 2015</b> |
|----------------------------------|-------------------------|
| Net assets disposed              | -                       |
| Gain on disposal                 | 1,000                   |
| Total consideration              | <u>1,000</u>            |
| To be satisfied by cash payment. |                         |

A gain of \$1,000 was recognized on the disposal of Tierra Amarilla SCM. No tax charge or credit arose on the transaction.

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For the Half Year Ended 31 December 2015

**4. TRADE AND OTHER RECEIVABLES**

|                   | 31 December 2015 | 30 June 2015 |
|-------------------|------------------|--------------|
|                   | \$               | \$           |
| CURRENT           |                  |              |
| GST receivable    | 48,828           | 6,544        |
| Other receivables | 9,023            | 300          |
|                   | <u>57,851</u>    | <u>6,844</u> |

**5. OTHER ASSETS**

|             |          |               |
|-------------|----------|---------------|
| CURRENT     |          |               |
| Prepayments | -        | 16,311        |
|             | <u>-</u> | <u>16,311</u> |

**6. CAPITALISED EXPLORATION EXPENDITURE**

|  |             |                |
|--|-------------|----------------|
| Carrying amount at the beginning of the period | 730,461     | 7,413,141      |
| Expenditure capitalized (i)                    | 435,415     | 1,354,928      |
| Impairment                                     | (1,165,876) | (8,206,386)    |
| Foreign currency translation differences       | -           | 168,778        |
| Closing balance                                | <u>-</u>    | <u>730,461</u> |

- (i) includes expenditure on the Joint Venture Uludere Project totaling \$22,431 (30 June 2015: \$505,596). Details of this project are contained in the Managing Director's report.

The capitalized exploration expenditure continues to be carried forward where the rights of tenure of an area of interest are current and one of the following conditions are satisfied:

- (i) the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; and
- (ii) exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the area of interest, are continuing.

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For the Half Year Ended 31 December 2015

**7. ISSUED CAPITAL**

|   | \$                |                   | Shares             |                      |
|---|-------------------|-------------------|--------------------|----------------------|
|   | Dec 2015          | Jun 2015          | Dec 2015           | Jun 2015             |
| <b>(a) Issued and paid up capital</b>   |                   |                   |                    |                      |
| Fully paid, ordinary shares             | <b>18,433,506</b> | <b>16,730,862</b> | <b>118,333,073</b> | <b>1,289,004,494</b> |
| <b>(b) Movement during the period</b>   |                   |                   |                    |                      |
| Balance at the beginning of the period  | 16,730,862        | 15,664,710        | 1,289,004,494      | 613,566,935          |
| Share consolidation (30 to 1)           | -                 | -                 | (1,246,037,133)    | -                    |
| Share issues during the period          | 1,764,921         | 1,330,313         | 75,365,712         | 675,437,559          |
| Cost of capital raising                 | (62,277)          | (264,161)         | -                  | -                    |
| <b>Balance at the end of the period</b> | <b>18,433,506</b> | <b>16,730,862</b> | <b>118,333,073</b> | <b>1,289,004,494</b> |

The table above has taken into account the securities consolidation 30:1 completed on 20 July 2015.

The Company does not have authorised share capital or par value in respect of its issued shares.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**(c) Share options**

At the end of the period, the following options over unissued ordinary shares were outstanding:

| Number of Option | Description | Exercise Price | Expiry Date  |
|------------------|-------------|----------------|--------------|
| 1,262,621        | Unlisted    | \$6.00         | 23-Feb-2016  |
| 500,000          | Unlisted    | \$1.00         | 01-Aug-2017  |
| 7,599            | Unlisted    | \$1.38         | 07-Jan-2016  |
| 18,242           | Unlisted    | \$1.11         | 11-Feb-2016  |
| 18,750           | Unlisted    | \$0.99         | 18-Feb-2016  |
| 19,834           | Unlisted    | \$0.63         | 25-Mar-2016  |
| 19,834           | Unlisted    | \$0.63         | 03-Apr-2016  |
| 15,867           | Unlisted    | \$0.81         | 10-Apr-2016  |
| 4,076,342        | Unlisted    | \$0.36         | 16-Sept-2019 |

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

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**8. RESERVES**

|   | <b>31 December 2015</b> | <b>30 June 2015</b>     |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| Share based payment reserve (i)           | 3,945,664               | 3,945,664               |
| Foreign currency translation reserve (ii) | 21,855                  | (168,808)               |
|   | <u><b>3,967,519</b></u> | <u><b>3,776,856</b></u> |

(i) There was no movement in the share based payments reserve during the period ended 31 December 2015.

(ii) The total foreign currency translation reserve includes an amount of \$9,366 attributable to the non- controlling interest.

**9. SHARE BASED PAYMENTS**

The aggregate value of share based payments for the financial period was \$870,143. Shares were issued to settle existing liabilities of the company.

**10. COMMITMENTS**

There have been no significant changes to the Group's commitments as disclosed in the 30 June 2015 annual report during the period ended 31 December 2015.

**11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Group has no contingent assets or contingent liabilities as at 31 December 2015.

**CONDOR BLANCO MINES LIMITED**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

**12. OPERATING SEGMENTS**

During the financial period, operating segments were identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one segment, being mineral exploration within the geographical segments of Australia and Chile. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

|                                       | Australia   |              | Chile       |              | Turkey      |              | Consolidated |              |
|---------------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|
|                                       | 31 Dec 2015 | 31 Dec 2014  | 31 Dec 2015 | 31 Dec 2014  | 31 Dec 2015 | 31 Dec 2014  | 31 Dec 2015  | 31 Dec 2014  |
|                                       | \$          | \$           | \$          | \$           | \$          | \$           | \$           | \$           |
| <b>Total Revenue and Other Income</b> | 227         | 2,487        | 1,000       | -            | -           | -            | 1,227        | 2,487        |
| <b>Segment Result</b>                 | (1,178,332) | (619,091)    | (590,696)   | (281,387)    | (22,431)    | -            | (1,791,459)  | (900,478)    |
|                                       | 31 Dec 2015 | 30 June 2015 | 31 Dec 2015 | 30 June 2015 | 31 Dec 2015 | 30 June 2015 | 31 Dec 2015  | 30 June 2015 |
|                                       | \$          | \$           | \$          | \$           | \$          | \$           | \$           | \$           |
| <b>Assets</b>                         | 241,678     | 54,405       | -           | -            | -           | 730,461      | 241,678      | 781,866      |

**13. EVENTS SUBSEQUENT TO REPORTING DATE**

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.

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.

On 11 February 2016, the Company announced the expiry of 18,242 unlisted options (11 February 2016 expiry) with a strike price of \$1.11.

On 16 February 2016, Condor went in to Trading Halt pending a corporate announcement. As subsequently announced, that day Condor signed a Term Sheet to acquire a waste technologies business. This led to voluntary suspension on 18 February 2016, when the Company was not able to finalise an anticipated transaction. On 22 February 2016, the Company was returned to trading status, with a market release confirming the termination of the Term Sheet due to structural compliance needs. Negotiations were to continue towards a compliant approach to the waste technologies transaction and alongside the consideration of other acquisition opportunities.

**CONDOR BLANCO MINES LIMITED**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2015

**13. EVENTS SUBSEQUENT TO REPORTING DATE (continued)**

On 18 February 2016, the Company announced the expiry of 18,750 unlisted options (18 February 2016 expiry) with a strike price of \$0.99.

On 23 February 2016, the Company announced the expiry of 1,262,621 unlisted options (23 February 2016 expiry) with a strike price of \$6.00.

On 1 March 2016 Condor placed 50,000,000 shares at \$0.01 per share into escrow with ECM (Nominees) Pty Ltd pending finalisation of confidential agreements that were under negotiation with un-related and un-associated parties. At the same time, 17,062,640 shares previously issued and held by ECM (Nominees) Pty Ltd (that had been put aside for an earlier transaction) were cancelled at this time also. Subject to the necessary approvals, these escrow shares would be available for future financing and project acquisition. The shares are subject to cancellation should none of the agreements be completed and the Company confirmed that no party involved would hold more than 19.9% of the Company should the agreements be completed. The market is to be informed should such agreements be finalised. In addition, on the same day 29,214,177 options (unlisted exercisable at \$0.03 on or before 30 June 2018) under resolution 7 and 20,000,000 options (unlisted exercisable at \$0.0192 on or before 30 June 2018) under resolution 8 of the 27 November 2015 AGM were also issued.

**CONDOR BLANCO MINES LIMITED**  
**ABN 16 141 347 640**  
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**DIRECTOR'S DECLARATION**  
For the Half Year Ended 31 December 2015

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The Directors declare that:

1. In the Directors' opinion, the attached financial statements and accompanying notes set out on pages 10 to 23 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to s.303(5) of the *Corporation Act 2001*.

On behalf of the Directors



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Glen Darby

Director  
15 March 2016

Sydney

## Independent Auditor's Review Report

To the members of Condor Blanco Mines Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Condor Blanco Mines Limited (the 'Company'), which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half year's end or from time to time during the half year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Condor Blanco Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Independent member of Nexia International



**Independent Review Report  
To the Members of  
Condor Blanco Mines Limited  
(Continued)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any other matter that makes us believe that the half-year financial report of Condor Blanco Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Emphasis of Matter**

*Going Concern*

Without modifying our conclusion, we draw your attention to Note 1 'Going concern' of the financial report, which indicates the company has incurred net losses after income tax of \$1,791,459 for the period ended 31 December 2015 (31 December 2014: \$900,478) and experienced net cash outflows from operating and investing activities of \$676,580 (31 December 2014: \$1,492,409) for the period ended 31 December 2015.

The financial report had been prepared on a going concern basis which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary courses of business.

In note 1, the directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. As discussed in that note, if the equity raisings do not occur or the Minesweeper facility is not utilised, there are material uncertainties as to whether the company and the consolidated entity will be able to continue as a going concern and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

*Nexia Court & Co*

**Nexia Court & Co**  
Chartered Accountants



**Andrew Hoffmann**  
Partner

15 March 2016  
Sydney