

STOCK EXCHANGE ANNOUNCEMENT



July 9, 2013

Condor Blanco Mines Signs Binding Marianas Iron Ore Off-take Agreement

ASX Release Stock Code: CDB

Highlights

- **Binding Off-take Agreement signed with Jiangxi Resources Limited**
- **Iron ore produced from the Marianas Tailings project in Chile to be purchased by Jiangxi Resources**
- **Price to be adjusted annually based on Platts Iron Ore Index**
- **Potential to generate significant cash flows**

Condor Blanco Mines Limited (ASX:CDB) ("Condor", "the Company") is pleased to announce that it has signed a Binding Off-take Agreement ("Agreement") over Iron Ore that will be produced from its 50%-owned Marianas Tailings Project in Chile. The Marianas Project involves the mining and treatment of a magnetite tailings deposit, located within the city of Copiapo in northern Chile.

The Agreement has been signed with Hong Kong based investment and trading group, Jiangxi Resources Limited ("Jiangxi"). Jiangxi is a specialised investment and trading group, providing Australian listed companies with finance and trading facilities in the Asia and the Asia-Pacific region. In addition to the off-take, Jiangxi has now acquired 22,628,571 shares in the Company as per the short form prospectus 21 June 2013. This has cemented a strong relationship that will form the foundation for future ore sales.

The Agreement based on the following key terms:

- Iron Ore from the Marianas Tailings Project will be purchased by Jiangxi from Condor ex-works (EXW) at the mine gate at a price of USD\$55 per tonne.
- This price will be adjusted annually based on the Platts Iron Ore index (IODEX).
- 1st year offtake is for delivery of between 153,000 to 189,000 tonnes.
- 2nd year offtake is for between 306,000 to 378,000 tonnes.
- 3rd year offtake is for between 1.02 Million tonnes – 1.26 million tonnes
- 4th year offtake is for between 1.26 Million tonnes – 1.53 Million Tonnes.

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Off-take of Iron Ore will commence once recovery reports are completed and processing machinery has been transported to the Marianas site and after financing of the project is completed. The Marianas project will provide a rapid start-up, fast-payback, low-capex, cash-generating project to support Condor's overarching strategy to develop its large and highly prospective Projects. The Marianas project is essentially a materials handling exercise involving the retreatment of an estimated 11 million tonnes of magnetite-bearing tailings with relatively straight-forward processing.



Figure 1: Location of the Marianas Magnetite Tailings Project

The Agreement does not preclude the Company selling iron ore to third parties. The Off-take Agreement also contains other terms and conditions standard for an agreement of this nature in accordance with usual iron ore industry and commodities trading terms.

Condor Managing Director, Mr Glen Darby, noted, "This is a significant milestone in the history of the Company and we are pleased to have reached it with Jiangxi Resources Limited. It brings the Company one step closer to generating significant cash flows in the short to medium term which will enable us to continue with our exploration plans in Northern Chile. Becoming a cash-flow generating producer so early in Condor's life is unique.

"We are excited to be progressing final permitting, and are currently completing financing arrangements for the commencement of production. With relatively modest forecast costs, production from Marianas will provide healthy margins at the mine gate," Mr Darby said.

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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.

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