

STOCK EXCHANGE ANNOUNCEMENT



28 August 2018

RESPONSE TO SHAREHOLDER INQUIRIES

We refer to Condor's previous announcements on 24 July 2018 and 24 August 2018.

In response to inquiries from shareholders, Condor's Board of Directors wishes to emphasise that its determination that there was no realistic prospect of the Company being reinstated to ASX quotation was made only after considering all avenues reasonably available to rectify the compliance difficulties that existed as of 5 July 2016.

The Board notes the following:

- On 6 May 2016, Condor was suspended from ASX quotation due to material contraventions of the Listing Rules.
- On 7 June 2016, the Takeovers Panel made a declaration of unacceptable circumstances in relation to Condor, including a finding that certain share issues in 2015 and 2016 contravened the Corporations Act, presented a number of market integrity issues, and appeared designed to circumvent the Listing Rules.
- On 4 July 2016, Mr Glen Darby, who was a director at that time, placed Condor into purported voluntary administration. Mr Darby took this action less than 24 hours prior to the EGM that had been called for shareholders to consider his removal from office.
- On 5 July 2016, all of Condor's previous directors, including Mr Darby, were removed from office by vote of the shareholders of Condor.
- On 30 August 2016, following commencement of legal proceedings by the new directors of Condor, the Supreme Court of New South Wales ruled that Mr Darby's purported appointment of an administrator was invalid, void and of no effect and handed control of the Company to the new directors.

When the new directors took control of Condor, its books and records were in disarray and consequently the scale of the contraventions that had occurred prior to 5 July 2016 only became clear in the course of the forensic review that the Company's new directors and advisors have since undertaken. This review was further complicated by the refusal of certain former directors, officers and legal advisors to hand over books and records in their possession.

While the forensic review was in progress, Condor's new directors explored all avenues reasonably available to rectify the Company's compliance deficiencies and to restore it to quotation on ASX. This included the review of numerous enterprise proposals put to the Company since 5 July 2016. However, no proposed transaction addressed or overcame the Company's historic contraventions and compliance issues, and consideration of all such proposals ceased when the Board determined that the Company ultimately would be unable to achieve compliance with the Listing Rules irrespective of the merits of any recapitalisation, merger transaction undertaken by the Company.

Condor's Board of Directors emphasises that it is well aware of the economic losses suffered by innocent shareholders as a result of contraventions prior to 5 July 2016 and that the Board intends to vigorously pursue compensation for the damages caused to the Company. The outcome of any such litigation is uncertain.

Future updates will be available at www.condormines.com.

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