



# Condor Resources Plc

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6<sup>th</sup> September 2010

## **Condor Resources Plc** ("Condor" or "the Group")

### **Condor and B2Gold Corp Swap Concessions in Nicaragua**

Condor (AIM: CNR), the Central American gold exploration company, is pleased to announce that it has entered into a legally binding agreement to swap exploration and exploitation concessions in Nicaragua with B2Gold Corp ("B2Gold") (the "Agreement").

Condor and B2Gold both own several exploration and exploitation concessions in Nicaragua. Condor's main focus has been on La India Mining District (the "District") where it has accumulated a package of 4 concessions that cover an area of 96 sq km around the historic La India Gold Mine. Condor has worked in the District for 4 years and drilled 2,200 metres on its Cacao concession to prove a JORC compliant inferred resource of 41,000 oz gold. Condor is currently trenching and drilling on El Rodeo Concession in the north of the District. B2Gold's lead concession in Nicaragua is the 109.5 sq km La Libertad Concession, which hosts over 1,153,000 oz gold reserves and resources to 43-101 standard. In May 2010, President Daniel Ortega opened a new mine at La Libertad, which has a production capacity of 80-90,000 oz gold p.a.

In April 2010, Condor was granted the 22 sq km Cerro Quiroz Concession, which is adjacent to La Libertad Concession. B2Gold owns the 65 sq km La India Concession, which is the largest and most important concession in La India Mining District as it hosts the historic La India Gold Mine which produced approximately 576,000 ounces of gold at an average grade of 13.4 grams per tonne prior to its closure in 1956. Thus, Cerro Quiroz has become important to B2Gold in Nicaragua, and La India has become strategically important to Condor.

Condor and B2Gold (the "Parties") have executed an Agreement to incorporate two new companies in Nicaragua, La India Gold SA and Cerro Quiroz Gold S.A. (separately a "Company" or together the "Companies") and transfer the Cerro Quiroz, Espinito-San Pablo and La India concessions to the new companies. The principal terms of the transaction are:

1. La India Gold SA will be 80% directly owned by Condor and 20% indirectly by B2Gold.
2. Cerro Quiroz Gold SA will be 80% indirectly owned by B2Gold and 20% directly by Condor.
3. B2Gold will cause the transfer of La India and Espinito-San Pablo concessions (both in La India District) to La India Gold SA and Condor the transfer of Cerro Quiroz Concession to Cerro Quiroz Gold SA. The transfer of the concessions is subject to the approval of the transfer by the Ministry of Energy and Mines.
4. The 80% shareholder of each Company shall complete at their own cost, not less than 2,000 metres of drilling on the concession under their 80% ownership within 2 years of receiving all permits required to drill including land access rights. B2Gold shall drill 2,000 metres on Cerro Quiroz and Condor shall drill a combined 2,000 metres on La India and Espinito-San Pablo.

5. The 20% shareholder of each Company shall not be responsible for any exploration costs, be it rock chip sampling, trenching, drilling, assay results or other exploration expenditure relating to the first 2,000 metres of drilling by each Company.
6. The cost of all further exploration work beyond the first 2,000 metres of drilling will be paid for by the shareholders in proportion to their shareholdings, initially on an 80:20 ratio.

The entire La India Mining District was explored extensively by the Nicaraguan government, with Soviet government aid between 1986-1990, when mining in Nicaragua was state controlled (Nicaragua has been a successful democracy since 1991). The Nicaraguan Government organization involved, Corporacion Nicaraguense de Minas (INMINE), used original underground mine records in conjunction with surface trenching and approximately 90 drillholes to estimate a resource for La India Mining District. For the entire La India Mining District, INMINE estimated a Russian classification C1+C2 resource of 2.98 million tonnes at 9.8g/t for 957,000oz gold and a Russian classification P1 resource of 4.9m tonnes at 9.3g/t for 1.48 million oz gold. Therefore the District is estimated to have a potential gold content of 2.4 million oz gold (Russian classification C1+C2+P1, non JORC).

Mark Child, Chairman of Condor Resources, commented:

“The concession swap with B2Gold could prove a transformational event for Condor. Following the concession swap Condor will have 6 concessions in La India Mining District covering 165 sq km and will be by far the largest concession holder in the District. The average life of the 6 exploration and mining concessions is over 20 years, which is in itself valuable. The immediate task ahead is to identify what proportion of the previously estimated non-JORC 2.4 million oz gold resource lies within Condor’s concessions following the concession swap. Our initial estimates are that this figure is approximately 60%, but we will update the market further once we have additional data from B2Gold. The challenge ahead is to convert the Russian classification resources to JORC standard and determine whether there is a commercial reserve on Condor’s concessions in the La India Mining District. Condor very much looks forward to working with B2Gold and delivering on the terms of the Agreement”.

### ***Qualified Person’s Declaration***

The information in this announcement that relates to Exploration Results is based on information compiled by and reviewed by Dr Luc English, the Country Exploration Manager, who is a Chartered Geologist and Fellow of the Geological Society of London, and a geologist with fifteen years of experience in the exploration and definition of precious and base metal Mineral Resources. He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Qualified Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. He consents to the inclusion in the announcement of the matters based on his information in the form and context in which they appear and confirms that this information is accurate and not false or misleading.

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For further information please visit [www.condorresourcesplc.com](http://www.condorresourcesplc.com) or contact:

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**About Condor Resources Plc:**

Condor Resources plc is an AIM listed exploration company focused on developing natural resource projects in Central America. The Company was admitted to AIM on 31st May 2006 with the stated strategy to prove up JORC Resources in Nicaragua and El Salvador. Condor has eight 100% owned licenses contained within four project areas in Nicaragua. In El Salvador, Condor has 100% ownership of four licences in two project areas.

Since Admission to AIM, Condor has increased its JORC compliant inferred resources from 350,000 ounces of gold and 18 million ounces of silver to 788,000 ounces of gold and 22 million ounces of silver. The Resource calculations are compiled by independent geologists Ravensgate and Geosure. As announced on 14<sup>th</sup> June 2010 Condor's net cash position was circa £658,000 at the 31<sup>st</sup> December 2009. Condor also owns approximately £1,496,000 worth of shares in Grafton Resources investments Limited as a result of a share exchange approved by shareholders at an AGM on 12<sup>th</sup> June 2009.

**About B2Gold Corp:**

B2Gold Corp. (TSX-BTO) is a Vancouver based gold producer with two mines in Nicaragua and a strong portfolio of development and exploration assets in Nicaragua, Colombia and Costa Rica.

B2Gold was founded in 2007 by the former executive and management team of Bema Gold Corporation. Bema grew from a junior explorer to an international gold producer that was acquired by Kinross Gold Corporation through a Cdn\$3.5 billion transaction in February 2007.

In addition to its near term production growth profile, B2Gold's corporate objective is to build further shareholder value through the exploration and development of existing projects and additional accretive acquisitions, capitalizing on the extensive experience and relationships that management has developed over the past 25 years.