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24th August 2011

Condor Resources Plc ("Condor" or "the Company")

Acquisition of the Espinito Mendoza Concession in La India Mining District 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 acquire 100% ownership of the 2 sq km Espinito Mendoza Concession (the "Concession") in the heart of the La India Gold Mining District (the "District").

Highlights:

- **Condor acquires a 2sq km concession which hosts 513,000 oz gold at 11.1g/t to Soviet Classification in the middle of its existing concessions at La India Project.**
- **US\$1,625,000 acquisition cost includes issuing US\$275,000 worth of new ordinary shares at 9 pence each, a significant premium to the current share price.**
- **Acquisition of the concession consolidates Condor's control of 2.4m oz gold at 9.5g/t as defined in 1991 by Soviet sponsored programme in La India Mining District.**
- **205,000 oz gold at 10.8g/t in the C1+C2 Soviet Classification expected by Directors to convert subsequently to a JORC Inferred Resource without the need for further verification.**
- **Condor has already digitised 4,339 metres drilling and 1,595 metres trenching and handed to SRK Consulting for conversion to a JORC Code Resource.**
- **Acquisition compliments Condor's current JORC Code Resource of 1,029,000 oz gold at 5.4g/t (832,000 oz attributable) in La India Mining District**
- **Acquisition increases commercial viability of La India Project and takes Condor a step closer to its target of a 2m oz gold resource to JORC Code in the District.**

Note:

Unless otherwise stated, all references to resources in this announcement in respect of the Espinito Mendoza Concession are to non-JORC / non-AIM compliant historic resources, the estimates of which were previously prepared to Soviet GKZ classification.

The Acquisition

The Concession lies within Condor's 80% owned La India and Espinito San Pablo Concessions (together 'La India Concession') and contains the last significant known gold mineralisation within the District that was not previously under Condor's control. With over 3.8km of gold mineralised veins already defined, including historic underground mine workings along a 500m strike length

and the northwestern strike extension of Condor's Tatiana Resource, Soviet sponsored exploration in the late 1980's concluded that the Concession area has a Soviet GKZ style resource of 513,000 oz gold at a grade of 11.1g/t. Of this amount 205,000 oz gold at 10.8g/t was assigned to the more confident C1+C2 category, the remainder being in the P1 category which describes the anticipated return on exploration of targets identified at surface. The Agreement follows several months of negotiation and increases Condor's concession holdings to incorporate 98% of the District's entire gold resource of 2.4 million oz gold at 9.5g/t as estimated by the Soviet's to Soviet GKZ classification in 1991.

The Agreement

Condor and Empresa Minera La Mestiza S.A. ("Mestiza"), together (the 'Parties') executed an Agreement on 18th August 2011 to transfer 100% of the Concession to Condor's wholly owned Nicaraguan subsidiary, Condor S.A. A consideration of US\$1,625,000 will be paid as follows:

1. US\$250,000 on signing the Agreement
2. US\$100,000 on approval of the transfer of the Concession from Mestiza to Condor S.A. by the Director General of the Department of Mines, which will be paid as a loan
3. US\$275,000 by way of issuing new shares at 9 pence each to the value of US\$275,000 on approval of the transfer of the Concession from Mestiza to Condor S.A. by the Minister of Energy and Mines. US\$100,000 will count as a loan
4. US\$250,000 on approval of the transfer of the Concession by the Minister of Energy and Mines..
5. US\$250,000 12 months after signing the Agreement. US\$100,000 will count as a loan.
6. US\$250,000 24 months after signing the Agreement. US\$100,000 will count as a loan.
7. US\$250,000 36 months after signing the Agreement. US\$100,000 will count as a loan.

In addition to the above payments of US\$1,625,000, of which US\$1,025,000 is in cash and shares and US\$500,000 is by way of a loan, Condor has committed to complete a 5,000 metre drill programme on the Concession within 48 months of signing the Agreement, which will cost approximately US\$1,000,000.

By the 4th anniversary of executing the Agreement, Condor will engage an independent geological consultant to conduct a JORC-Code compliant Mineral Reserve estimation on the gold mineralisation contained within the Concession. Mestiza will be paid a bonus (the "Bonus") of 1% of the gold price at the time of the reserve estimation for every ounce of gold in the JORC-Code compliant Proven and Probable reserve category, defined within the Concession area. The loan of US\$500,000 referred to above will be deducted from the Bonus. Also an additional bonus of 1% of the value of each additional ounce of gold from the Concession catalogued as proven or probable will be payable on the fifth anniversary of the Agreement

The payment considerations outlined above includes the freehold land of approximately 2 sq km which hosts the Concession. The freehold land will be transferred, with no further payment, prior to payment of the Bonus.

In the event that a large commercial mill is built on one of Condor's concession in the District, Mestiza will be entitled to a net smelter royalty of 2.25% of the gold extracted from the Concession.

Geology

The Espinito Mendoza Concession covers a rectangular 2 sq km area containing one of the highest concentrations of epithermal veins in the District. Four parallel quartz veins have already

been tested at surface through extensive trench sampling by a previous explorer, with gold mineralisation demonstrated over a combined strike length of approximately 3.8km. As elsewhere in the District, the gold is low sulphidation epithermal mineralisation contained within quartz veins, breccias, stockwork zones and fault gouge clay, hosted by a Tertiary felsic to andesitic volcanic sequence.

Historical Mining

Of the four principle veins, Tatiana, Espinito, Jicaro and Buenos Aires (sub-divided into the offset and overlapping Buenos Aires 1 and 2 veins), only the Espinito Vein was historically exploited as a satellite mine to the main La India and America-Constancia underground developments between 1938 and 1956. All the gold was processed at the central La India Mill which produced an estimated 576,000 oz gold at an average grade of 13.4g/t during that time. It is not known how much of this production came from the Espinito workings which exploited a 500m strike length from two development levels. In addition to the principal veins a number of linking or cross-cutting veins have also been shown to host gold mineralisation but have not yet been assessed by drilling or underground workings.

Previous Exploration

The bulk of the modern exploration data available on the Concession area was undertaken as part of a District-wide Soviet sponsored exploration and resource evaluation between 1986 and 1990. They completed 32 drillholes for 3720m, and over 1595m of trench sampling at 114 locations on the Concession area, representing approximately 30% of their total exploration activity in the District. The Soviet study estimated that the Concession contained a Soviet GKZ style resource of 205,000 oz gold at 10.8g/t at C1+C2 category, with the potential for a further 309,000 oz gold at a grade of 11.2g/t at P1 category, giving a total Soviet-GKZ style resource of 513,000 oz gold at a grade of 11.1g/t. The Soviet-sponsored programme concluded that the entire District potentially contains 2.4 million oz gold at 9.5g/t. Thus the Concession was estimated to contain 21% of the District's gold resource, with a further 77% within Condor's 80% owned La India Concession and the remaining 2% on an adjacent concession currently owned by a Cooperative of small miners. It is noted that the Soviet Estimation did not include areas to the North and East of the historical mining centre such as Condor's Cacao, El Rodeo and Real de la Cruz concession areas that are now known to host significant gold mineralisation.

Subsequent to the Soviet sponsored exploration there have been two brief periods of mine development and exploration activity undertaken by Canadian companies. In 1996-1997 Canadian miners Diadem Resources Ltd initiated a pilot mining project on the concession, re-opening part of the Espinito Mine and driving a cross-cut adit over 80m into the side of a hill and excavating short drifts along the Buenos Aires 1 and 2 veins at a location where the Buenos Aires Vein(s) is offset and overlapping, and intersecting a third parallel vein which was interpreted as either the underground continuation of the Jicaro Vein or a new vein which has no surface expression. Diadem reported high grade assay results of between 8 and 12g/t gold from all of these veins, but ceased development operations in 1998 at a time when the gold price dropped below US\$300 per ounce. In 2007 the then operators of the nearby El Limon Mine, Glencairn Gold Corporation, held the concession rights to the Concession. They undertook limited exploration activity, re-sampling five of the Soviet trenches and excavating one new trench on the Tatiana Vein to successfully repeat and verify the intercepts reported in the Soviet study, and completing three drillholes for 619m on the Tatiana Vein.

Work Programme

Condor has already digitised the large database of Soviet and Canadian exploration data for the Concession. It is easily integrated into Condor's existing database for the District since the data is derived from the same historical sources. The company will commission an initial 3D Mineral

Resource Estimation to JORC standards to fully integrate and assess the Concession within the context of the wider existing Resource of 1,029,000 oz gold at 5.4g/t currently defined by Condor in District (832,000 oz gold attributable interest; 791,000 oz gold at 6.4g/t through its 80% equity interest in the Project and 41,000 oz gold at 1.2g/t on the 100% owned Cacao Concession). It is anticipated that the previous explorers data on the Concession will add a significant strike extension to the current Mineral Resource of 101,000 oz gold at 7.3g/t on the Tatiana Vein as well as adding new resources on the Espinito and Buenos Aires veins which have all been trench and drill tested, and in the case of the Espinito Vein also contains high density historic underground mine grade control sampling data. Further drilling will be planned based on the outcome of the Mineral Resource Estimation and the feasibility of re-opening Diadem's Adit will be assessed with a view to underground sampling the three exposed veins.

Mark Child, Executive Chairman and CEO of Condor Resources plc, commented:

"The acquisition of 100% of the Espinito Mendoza Concession completes the acquisition of all concessions in La India Mining District that host a total of 2.4m oz gold @ 9.5g/t to Soviet Classification. Condor's previous experience of converting the Soviet resource to JORC Code on La India Project is that the Soviet category C1+C2 resources, which have a higher level of certainty, can normally be converted to a JORC Inferred Resource without the need for further verification. The Directors currently expect that approximately 205,000 oz gold at 10.8g/t to Soviet C1+C2 classification should be readily converted to a JORC Code Inferred resource and if so, subsequently be added to Condor's existing JORC Code Resource of 1,029,000 oz gold @ 5.4g/t (832,000 oz gold attributable) in the District. Half the C1+C2 resource on the Concession is on the Tatiana Vein. Condor has already digitised the 4339m of drilling and 1595m of trench sampling completed on the Espinito Mendoza Concession and passed this data to SRK Consulting who will be asked to convert to a JORC Code Resource before 31st December 2011.

From a strategic perspective, acquiring a 2 sq km concession, which hosts one of the highest concentration of 4 parallel epithermal veins in the middle of Condor's existing concessions makes imminent sense as several of the larger veins; notably the Espinito and Tatiana Veins cross La India and Espinito Mendoza concessions making potential extraction of gold from these veins more feasible when owned by one company. It increases the commercial viability of La India Project"

Competent Person's Declaration

The information in this announcement that relates to Exploration Results and database 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 sixteen years of experience in the exploration and definition of precious and base metal Mineral Resources. Luc English is a full-time employee of Condor Resources plc and has sufficient experience which 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 Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Luc English consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

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For further information please visit 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 gold and silver 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 five 100% owned concessions and 80% of La India concession in La India Mining District; three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor's concession holdings in Nicaragua currently contain an attributable JORC compliant resource base of 832,000 ounces of gold at 5.4g/t in Nicaragua and an attributable 1,008,000 oz gold equivalent at 2.6g/tJORC compliant resource base in El Salvador. The Resource calculations are compiled by independent geologists Ravensgate, Geosure and SRK.

Disclaimer

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Technical Glossary

C1	C1 reserves are broadly equivalent to JORC indicated resources and have been estimated by a sparse grid of trenches, drill holes or underground workings. The quality and properties of the deposit are known tentatively by analyses and by analogy with known deposits of the same type. The general conditions for exploitation are partially known
C2	C2 reserves are broadly equivalent to JORC inferred resources and have been extrapolated from limited data, probably only a single hole
g/t	grams per tonne
Indicated resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

inferred resource	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited, or of uncertain quality and reliability
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral resources and ore reserves
mineral resource	a concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and portrayed geological model
quartz veins	veins of quartz rock develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling
Soviet Classification	The former Soviet system for classification of reserves and resources, developed in 1960 and revised in 1981, which divides mineral concentrations into seven categories of three major groups, based on the level of exploration performed: explored reserves (A, B, C1), evaluated reserves (C2) and prognostic resources (P1, P2, P3)
Soviet GKZ	the former Soviet State Commission for Mineral Reserves
strike length	The longest horizontal dimension of an ore body or zone of mineralisation