

## Regulatory Announcement

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<b>Company</b>	Condor Resources PLC
<b>TIDM</b>	CNR
<b>Headline</b>	Re Agreement
<b>Released</b>	13:16 15-Feb-07
<b>Number</b>	3339R

15<sup>th</sup> February, 2007

### **Condor Resources plc** ("Condor" or "the Company")

#### **Corporate Update** **Renegotiated Terms for the El Potosí Project Option Agreement**

Condor Resources Plc (AIM: CNR) is pleased to report the successful renegotiation of its Memorandum of Understanding ("MOU") with Brett Resources Inc. of Canada (TSX Venture Exchange - BBR) ("Brett Resources") for the option to acquire the El Potosi concession in El Salvador.

Under the terms of the new Restated Option Agreement, Condor may still earn a 100% interest in the El Potosi concession, but has deferred the final cash payment of US\$1,250,000 that was due on the 24<sup>th</sup> August 2006 under the original MOU to 24<sup>th</sup> August 2007, by negotiating the new contract to allow an orderly and full investigation of the project to be undertaken.

Condor's key obligations under the Restated Option Agreement are to:

- Pay US\$50,000 on signing the new agreement;
- Issue 500,000 new ordinary shares in Condor to Brett Resources;
- Incur expenditure costs of US\$250,000 on the El Potosi licence prior to 24<sup>th</sup> August 2007;
- Report quarterly to Brett Resources on all activities completed and planned for the concession area; and
- Maintain the concession in good standing with El Salvadoran authorities.

Condor may again defer the final cash payment of US\$1,250,000 to 24<sup>th</sup> August 2008, by:

- Giving written notice to Brett Resources that it will defer the cash payment prior to the anniversary date.
- Making a payment to Brett Resources of US\$150,000, of which US\$100,000 can be settled through issuing new ordinary shares in Condor to Brett Resources.
- Incurring exploration expenditures of US\$250,000 on the El Potosi concession between 25<sup>th</sup> August 2007 and 24<sup>th</sup> August 2008.

Once Condor has satisfied the terms of the Restated Option Agreement Brett Resources will retain a 1% Net Smelter Royalty on all gold and silver produced after an initial 200,000 ounces of gold has been recovered from the project.

Condor has initiated an eight hole diamond drilling program on the El Potosi licence to

further test some of the better intersections encountered in the 2004 drilling campaign, which included intercepts of 5.35m of 22.15g/t gold in HQ core and 5m of 9.23g/t gold in Reverse Circulation chips (as announced on 17<sup>th</sup> August 2006). The program will also include trenching and follow up drilling on some of the less well defined targets within the Capulin prospect area, lying some 800m southeast of the main El Potosi prospect and historical workings.

Application has been made for the 500,000 new ordinary shares issued to Brett Resources (as described above) to be admitted to trading on the AIM market. The new ordinary shares will rank pari passu with the existing ordinary shares of 0.1p each in the Company and dealings in these new ordinary shares are expected to commence on 21 February 2007.

The total number of ordinary shares in issue following this issue will be 130,311,753.

**Ends**

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