



# Condor Resources Plc

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

## **High Grade Drilling & Trenching Results on La India Vein, Nicaragua**

### **Further Support for Open Pit Potential**

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial resource on its 100%-owned La India Project in Nicaragua, is pleased to announce the initial results of the current diamond core and Reverse Circulation ("RC") drilling, and further trench results on the La India Vein Set. The drilling results demonstrate that wide zones of high-grade gold mineralisation were left in the wallrock of the historic La India mine. This supports the Company's belief that the India-California vein trend has the potential to support open pit mining. See maps and tables below.

#### **Highlights**

- **26m drill intercept at 7.73g/t gold from only 25m drill depth**
- **16m drill intercept at 7.39g/t gold from surface.**
- **Trench results of 9.35m at 5.05g/t gold, 7.0m at 5.91g/t gold and 37m at 1.19g/t gold**
- **Coalescence of La India Vein and California Vein proved along a 600m strike length with true widths drill intercepts of 15m to 37m demonstrating continuity and width for open pit mining**
- **The resource on the California veins is currently 100m to 150m beneath surface. Drilling and trenching has extended the gold mineralisation above this vein to surface**

Mark Child Chairman and CEO commented:

"La India Vein Set has a JORC Code Resource of 730,000 oz at 5.3g/t. La India Vein and California Vein lie parallel to each other in the same valley and have strike lengths of 2,000m and 1,300m respectively. Using a 2.5g/t cut off, La India Vein has an average width of 2.5m at 6.4g/t and the California Vein has an average width of 9m at 4g/t. The drill results from 1188m of a current 7,000m drill programme on La India Vein Set provide further evidence that La India Vein and California Vein coalesce not only at depth but at surface along a 600m strike length as exemplified with drill hole LIRC105 showing a 25.1m true width at 7.73g/t at only 25m drill depth and previously reported deeper drill hole LIRD085 which returned an intercept of 37m true width at 2.12g/t gold from 165.45m drill depth. The current 7,000m drill programme on La India Vein Set has 2 objectives: to prove open pit potential; La India Vein and California Vein have a combined

width of 11.5m at an average grade of circa 5g/t and merge along a minimum strike length of 600m and to a depth of at least 230m. Secondly, to increase the overall resource on La India Project to 1.75m oz from the current 1.62m oz at 5.6g/t and double the Indicated Resource to over 500,000 oz gold by October 2012, which looks increasingly achievable as the current resource on the California Vein is 100m to 150m beneath surface and these trench and drill results extend the gold mineralisation above the resource to surface.”

### **Exploration Programme Rational**

Since drilling started in mid-April twenty-two drillholes for 2613m have been completed on the La India Vein Set including sixteen Reverse Circulation (RC) drill holes for 1512m. Assay results have been received from eleven drillholes, accounting for 1188m of the drilling programme. This drilling is part of a 7000m drilling programme designed to infill and extend zones of high grade gold mineralisation on a 50m drill and trench spacing. Condor currently has three diamond core and one reverse circulation drilling rig operating at La India.

The objective is to test the potential for open pit mining of the gold mineralised wallrock of the historic mine workings, and at the same time increase both the Indicated Mineral Resource and the overall Mineral Resource. La India Vein Set has a JORC Mineral Resource of 4.3Mt at 5.3g/t for 730,000 oz. The bulk of that resource is contained within a stacked series of sub-parallel veins that locally coalesce into wide zones of interleaved veins and quartz breccias. The stacked veins are the main India Vein with 484,000 oz gold at 6.1g/t along a strike length of 2,000m at an average width of 2.5m, and the sub-parallel California veins with a Resource of 146,000 oz gold at 3.5g/t along a strike length of 1,300m at an average width of 9m. Both average widths are calculated using a 2.5g/t cut off, the cut off grade used by SRK Consulting (UK) Limited) in the recent Mining Concept Study for an underground mine of up to 80,000 oz gold production per annum (see announcement 7<sup>th</sup> March 2012). The India Vein includes 144,000 oz gold at 6.6g/t in the Indicated category with the remainder at Inferred. The relatively sparse drilling data on the California veins means that the California resource is all categorised as Inferred and only the part of the veins lying between approximately 100m and 250m depth had sufficient data to be included in the Mineral Resource announced on the 30<sup>th</sup> December 2011.

The drilling programme is targeting three high-grade shoots within the South and Central parts of the India-California veins along a 1km strike length. The three targets, referred to as the South, Central and Central-North zones, were identified using a combination of the historic mining and exploration data and the results of the 2011 drilling campaign. The Centre and Centre-North targets were identified through the recognition during the 2011 drilling campaign that the India and California veins coalesced at two locations approximately 450m apart along strike within the Central part of the India-California veins (see RNS announcement dated 4<sup>th</sup> April 2012):

- diamond core drillhole LIDC067 returned an intercept of 38m (34m true width) at 2.31g/t gold from 96.01m drill depth in the Centre and
- drillhole LIRD085 returned an intercept of 62.25m (37m true width) at 2.12g/t gold from 165.45m drill depth approximately in the Centre-North.

The South target is a zone where the 2011 drilling returned significant intercepts on the India vein, such as 4.57m (4.14m true width) at 4.15g/t gold from 137.16m drill depth in drillhole LIDC069, but the drill spacing was too widely spaced for this zone to be assigned to the Indicated category in the last resource estimation.

The 50m spaced drilling programme is being supported by a 50m spaced trenching programme where topography and cover allow. Full trench coverage of the hangingwall of the old mine

workings has been achieved along a 450m strike length of the Central Zone, specifically the southern and central segments of the Zone, but not the high-grade Central-North target where a river bed cuts across the hangingwall mineralisation making trenching unfeasible. Eleven hangingwall trenches have been completed for 897m using a mechanical excavator and all assay results received. Effective trench sampling of the footwall up the steeper slopes above the old mine workings is ongoing and results are pending from a couple of locations where topography has allowed continuous channel sampling. Where trenching is not possible the footwall is being tested by drilling..

### **Initial Drilling and Trenching Results and Analysis** (see Photo and Table 1&2 below)

Assay results from shallow RC drillholes testing the near surface mineralisation of the Centre-North target have returned two of the widest and highest grade intercepts ever encountered on the La India Project on adjacent sections 50m apart along strike:

- 16m (15.5m true width) at 7.39g/t gold from surface and ending in a 1m wide mine stope (drillhole LIRC102).
- 26m (25.1m true width) at 7.73g/t gold from 25m drill depth, with no historic mine workings intercepted suggesting that this passed through a pillar or sill (drillhole LIRC102).

The wide high grade gold intercepts demonstrate that high grade mineralisation was left behind in the walls of the historic La India Mine where the India and California veins coalesce between surface and the maximum mine depth of approximately 250m below surface. Such wide zones of near surface gold mineralisation are potentially amenable to open pit mining. The latest drilling and trenching results are significant as they potentially add new open-pittable resource ounces directly into the Indicated category and will be used to extend the current California resource block up-dip from 100m to 150m depth up to the surface.

These initial results have already achieved three key objectives; they demonstrate that the California veins extend to the surface, and therefore are expected to add gold ounces to the Indicated category, the overall mineral resource, and they have returned widths and grades of gold mineralisation extending to surface that are expected to prove feasible for open pit mining.

In addition to low extraction costs potential open pit mining has the additional benefit of exploiting previously discounted mineralised material that has been left in the old mine workings as pillars and sills. The pillars and sills are estimated to contain gold mineralisation equivalent to 20-25% of historically extracted material. La India Mine produced an estimated 575,000oz gold at an estimated 13.4g/t head grade prior to its closure in 1956.

The higher than expected grades and width encountered near surface in the Centre-North zone means that this zone has been prioritised in the current drill programme. Further drilling is currently underway to test down-dip and along strike at 50m spacing. The drilling will test continuity between the RC holes and a deep intercept of 62.25m (37m true width) at 2.12g/t gold from 165.45m drill depth returned from drillhole LIRD085 (see RNS announcement 3<sup>rd</sup> February 2012).

Further south in the Central Zone trench sampling of the hangingwall of the historic mine workings returned some significant intercepts including 7m at 5.91g/t gold, the previously reported 10m at 2.98g/t gold in trench LITR067 located 200m along strike to the South (see RNS announcement 4<sup>th</sup> April 2012), and 9.4m at 5.05g/t gold from trench LITR091 a further 250m along strike. All these intercepts remain open into the footwall zone and the mineralisation remains open along strike. The footwall is currently being tested by drilling from or near to the historic mine. Drilling to date

indicates that in some zones wallrock mineralisation is restricted to the footwall, in some areas the hangingwall and in some areas occurs in both walls.

Only a few drilling results have been returned for the Central target area which include encouraging results such as 8.50m (7.7m true width) at 3.28g/t gold from 73.15m drill depth in drillhole LIDC103 and 7.0m (6.8m true width) at 2.17g/t gold from 54m in drillhole LIRC107 located 250m along strike to the south. The latest trench and drill results suggest that the open pit potential extends along a strike length of over 600m.

Assay results from two drillholes completed on the South target of La India are pending.

**Table 1. Significant drill intercepts on the India-California veins**

Prospect	Drillhole ID	From	To	Drill Width	True Width	Au (ppm)	Ag (ppm)	Vein (vein assignments subject to revision)
India Central-North	LIRC105	25	51	<b>26</b>	<b>25.1</b>	<b>7.73</b>	11.1	India-California merged
India Central-North	LIRC102	0	16	<b>16</b>	<b>15.5</b>	<b>7.39</b>	12.31	India-California merged
India Central-North	LIRC100	38	42	<b>4</b>	<b>3.9</b>	<b>3.75</b>	11.15	India Vein
India Central	LIDC106	110.8 5	115.5	<b>4.65</b>	<b>4.5</b>	<b>6.38</b>	28.08	C3
		118.7 0	119.7 0	1.00	1.0	1.27	5.90	C2
		148.2 0	150.5	2.3	2.2	2.20	3.5	C1
		158.5 0	166.3 5	7.85	7.6	2.17	4.0	India
India Central	LIDC103	73.15	81.65	<b>8.50</b>	<b>7.7</b>	<b>3.28</b>	2.86	C3
		88.10	88.65	0.55	0.5	5.82	10.60	C2
		100.5 5	100.9	0.35	0.3	5.66	6.40	C1
		117.3 0	122.3 5	5.05	4.6	1.47	2.51	India
		126.4 5	128.3 5	1.90	1.7	1.24	2.98	India FW1
India Central-South	LIRC107	35	37	<b>2</b>	<b>1.9</b>	<b>4.22</b>	2.30	C2
		54	61	<b>7</b>	<b>6.8</b>	<b>2.17</b>	4.59	C1 Hangingwall
		61	67	<b>6</b>	<b>5.8</b>	-	-	Mine stope
		67	70	3	2.9	1.27	4.53	C1 Footwall
		88	90	2	1.9	3.75	9.15	India
	LIRC112	1	2	<b>1</b>	<b>1.0</b>	<b>16.96</b>	11.7	Colluvial mullock
		44	52	<b>8</b>	<b>7.7</b>	<b>2.40</b>	4.4	C1
		65	66	1	1.0	1.70	1.2	India
India Central-North	LIRC098 <i>including</i>	42	46	4	3.9	0.66	1.20	California vein
		54	56	2		-	-	No recovery – Adit/stope
		64	69	5	4.8	1.92	2.66	India Vein
		66	67	<b>1</b>	<b>1.0</b>	<b>4.82</b>	6.2	
India Central	LIRC104	50	54	4	3.9	0.77	2.05	C5
		60	61	1	1.0	1.23	4.70	C4
		66	67	1	1.0	1.99	0.50	C3
		69	71	2	1.9	0.66	1.10	C2
		80	81	1	1.0	1.17	1.20	C1
		90	102	12	11.6	0.89	1.22	India

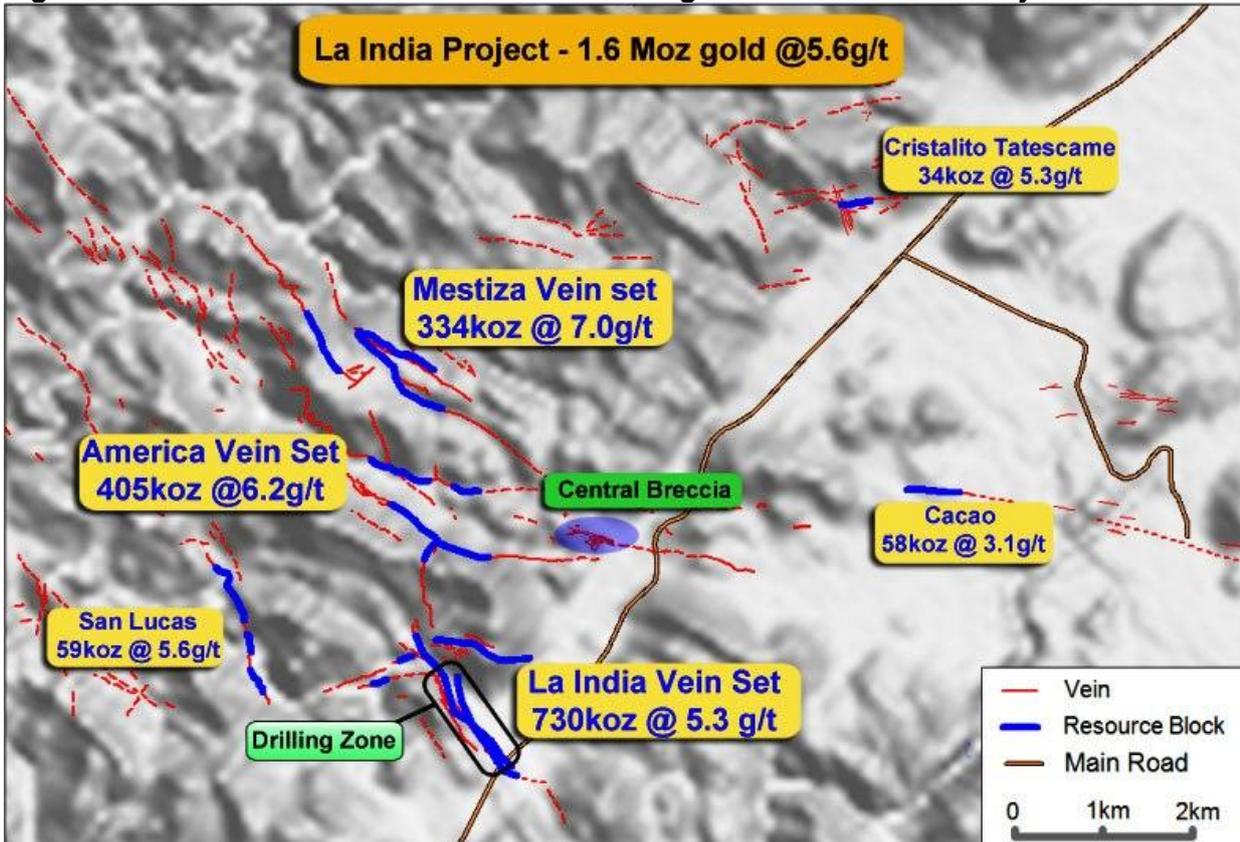
True width is an interpretation based on the current interpretation of the veins and may be revised in the future, listed by grade x width of best intercept.

**Table 2. Significant trench intercepts on the India-California veins**

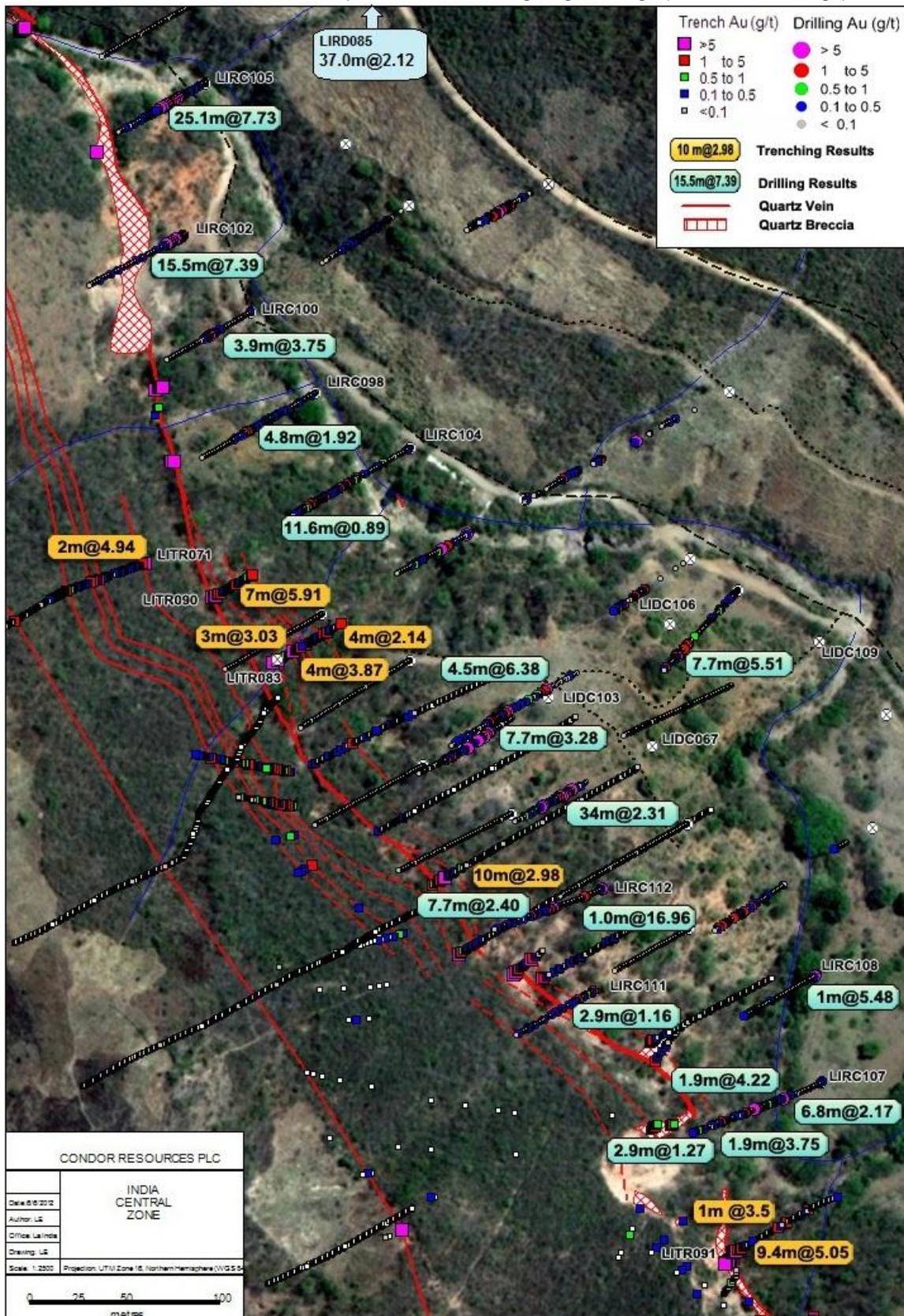
Prospect	Trench ID	From	To	Width	Au (ppm)	Ag (ppm)	Comments (vein assignments subject to revision)
India Central-South	LITR091   (extended)	0.00	9.35	<b>9.35</b>	<b>5.05</b>	9.3	Hangingwall to La India Mine workings <b>(open towards historic workings)</b>
		30.00	31.00	1.0	3.50	16.2	Hangingwall to La India Mine workings
		35.00	37.00	2.0	1.49	1.2	Hangingwall to La India Mine workings
		50.00	61.00	1.0	1.65	<0.1	Hangingwall to La India Mine workings
India Central-North	LITR083 <i>Including</i> <i>Including</i> <i>Including</i> <i>Including</i> <i>Including</i>	0.00	37.00	<b>37.0</b>	<b>1.19</b>	4.7	Hanging wall to La India Mine workings
		<i>0.00</i>	<i>4.00</i>	<b>4.0</b>	<b>3.87</b>	9.78	
		<i>12.00</i>	<i>15.00</i>	<b>3.0</b>	<b>3.03</b>	6.93	
		<i>19.00</i>	<i>23.00</i>	4.0	0.74	1.15	
		<i>33.00</i>	<i>37.00</i>	<b>4.0</b>	<b>2.14</b>	7.98	
<i>45.00</i>	<i>46.00</i>	1.0	2.58	13.20			
India Central-North	LITR090	0.00	7.00	<b>7.0</b>	<b>5.91</b>	<b>17.4</b>	Hangingwall to La India Mine workings <b>(open towards historic workings)</b>
		15.00	16.00	1.0	1.30	1.9	Hangingwall to La India Mine workings
		23.00	27.00	4.0	1.08	1.9	Hangingwall to La India Mine workings
India Central-North	LITR071   (extended)	2.00	4.00	<b>2.0</b>	<b>4.94</b>	9.9	Footwall to La India Mine workings <b>(open towards historic workings)</b>
		29.00	33.00	4.0	0.74	0.6	Footwall to La India Mine workings
		36.00	39.00	3.0	1.14	1.1	Footwall to La India Mine workings
		51.00	65.00	14.0	0.56	0.8	Footwall to La India Mine workings
India Central-North	LITR079	0.00	1.00	1.0	1.16	0.80	Footwall to La India Mine workings <b>(open towards historic workings)</b>
		14.00	16.00	2.0	1.53	1.25	Footwall to La India Mine workings
		23.00	28.00	5.0	1.07	1.30	Footwall to La India Mine workings
India Central-North	LITR080	16.00	17.00	1.0	0.51	0.30	Footwall to La India Mine workings <b>(open towards historic workings)</b>
		51.00	52.00	1.0	2.44	1.00	Footwall to La India Mine workings
India Central	LITR078	25.00	26.00	1.0	2.21	4.00	Hanging wall to La India Mine workings
India Central-North	LITR076	1.00	3.00	2.0	1.14	0.80	Footwall to La India Mine workings <b>(open towards historic workings)</b>
India Central-North	LITR081	3.00	4.00	1.0	0.54	0.60	Footwall to La India Mine workings <b>(open towards historic workings)</b>

trench intercepts are based on geological zones with a nominal 0.5g/t lower cut, listed by grade x width of best intercept.

Figure 1. Location of the La India Vein Set drilling within the La India Project area.



**Figure 2. Plan of trenches and drilling projected to surface on the Central Zone of the India-California vein trend.** Note: intercept width in metres at gold grade in g/t (i.e. 25.1m @ 7.73g/t)



## **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](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 gold and silver resource projects in Central America. The Company was admitted to AIM on 31<sup>st</sup> May 2006 with the stated strategy to prove up JORC Resources in Nicaragua and El Salvador. Condor has six 100% owned concessions in La India Mining District ("La India Project"); 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 1,707,000 ounces of gold equivalent at 5.5 g/t in Nicaragua and an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource base in El Salvador. The Resource calculations are compiled by independent geologists SRK Consulting (UK) Limited for Nicaragua, and Ravensgate and Geosure for El Salvador.

### **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**

Adit	An adit is a horizontal or near horizontal tunnel driven into the side of a hill, either directly along an ore body or as an access to an ore body.
Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as parts

	per million which is equivalent to grams of the mineral (i.e. gold) per tonne of rock
Breccia	A rock made up of angular rock fragments cemented together by a finer grained matrix
Channel sample	Samples taken from a rockface along a specified line for a distance along which the sample volume per unit length is constant in order to collect a representative sample.
Diamond core drilling	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
Foot wall	The rock adjacent to and below an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the foot wall will be inclined nearer to the vertical than horizontal.
Grade	The proportion of a mineral within a rock or other material. For gold mineralisation this is usually reported as grams of gold per tonne of rock (g/t)
g/t	grams per tonne
Quartz	A common rock mineral composed of the elements silicon and oxygen.
Hanging wall	The rock adjacent to and above an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the hanging wall will be inclined nearer to the vertical than horizontal.
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 Mineral 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
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept is described by the entire thickness and the average grade of mineralisation
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
Mt	Million tonnes
Open pit mining	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in the open air (as opposed to underground mining).
oz	Troy ounce
Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geothermal liquids filling the space between the rock fragments.
Quartz veins	Deposit of quartz rock that 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, taking on the shape of the cracks that they fill.
Reverse circulation drilling	A drilling method in which penetration is achieved through a combined hammer and rotary drilling action and pulverised rock samples are transported to the surface through the drilling rods using compressed air. The 1m samples collected for analysis are of sufficient quality to be used in a Mineral Resource Estimation.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation
Trench	The excavation of a horizontally elongate pit (trench), typically up to 2m deep and up to 1.5m wide in order to access fresh or weathered bedrock and take channel samples across a mineralised structure. The trench is normally orientated such that samples taken along the wall are perpendicular to the mineralised structure in order to establish the width and grade of the structure.
True width	The shortest axis of a body, usually perpendicular to the longest plane. This often has to be calculated for channel or drill samples where the sampling was not exactly perpendicular to the long axis. The true width will always be less than the apparent width of an obliquely intersect sample.