



# Condor Resources Plc

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

### **Update on the Columbus and Kuikunita Option Agreements in Nicaragua**

Condor Resources Plc (AIM: CNR) announces that as part of a strategy of consolidating concession holdings in Nicaragua, Condor has terminated the option agreements on the Columbus and Kuikunita Concessions.

This move allows the company to focus exploration efforts on the Segovia Project, which hosts the Arras Resource, and on the Matagalpa Project which hosts the Cacao Resource. The net impact is to reduce the Company's total JORC Inferred Resources by only 25,000 ounces of gold to 866,000 ounces gold (rounded to two significant figures) while the silver resource remains unchanged at 22 million ounces silver.

Following assessment of the Columbus and Kuikunita Concessions, predominantly over late 2006, throughout 2007 and early 2008, Condor considers that these concessions are not likely to produce economic gold deposits.

At Columbus, trench sampling and geological mapping undertaken by Condor disproved the original exploration model of a low grade, high tonnage gold-copper porphyry system. Instead, exploration demonstrated that the high grade gold mineralization is structurally controlled, predominantly hosted by breccia and shear zones up to three metres thick. A strike length of 75 metres has been confidently established. A maximum strike length of 800 metres has been estimated for mineralization at the primary prospect area, Mina Columbus, where high-grade mineralization appears to be confined to an andesite unit covering an area of less than 400 metres by 200 metres. Condor considers that it is unlikely that such a small system can host an economic resource in such a remote location. Lower grade gold mineralization recorded in the quartz-monzonite country rock within the concession area is considered to lack the continuity and grade to be of economic interest. Columbus does not host a JORC Resource.

At Kuikunita, trench testing of the gold mineralization has failed to establish continuity over more than a few tens of metres. The gold mineralization is hosted by massive sulphide breccia zones within an andesite host. An assessment of the geology and distribution of gold mineralization suggests that the gold mineralization is either concentrated in small pipe-shaped structures, possibly at the intersection of conjugate structures, or that mineralization has been sliced-up and compartmentalised by post mineralization faulting. In either case, Condor considers that the lack of continuity would make mining uneconomic at the grades encountered to date. Kuikunita has a JORC Inferred Resource of 25,000 ounces gold at an average grade of 1.1 g/t. The table below provides an update on Condor JORC Resources following the termination of the options agreements:

**Nicaragua Projects**

	Tonnes	Average Gold Grade (g/t)	Contained Gold (oz)	Average Silver Grade (g/t)	Contained Silver (oz)	JORC Category
Arras	480,000	5.1	78,000	-	-	Inferred
El Cacao	1,100,000	1.2	41,000	-	-	Inferred

**El Salvador Projects**

	Tonnes	Average Gold Grade (g/t)	Contained Gold (oz)	Average Silver Grade (g/t)	Contained Silver (oz)	JORC Category
Pescadito	7,100,000	1.9	434,000	96	22,100,000	Inferred
La Calera	6,000,000	1.6	313,000	1.4	280,000	Inferred
<b>Total</b>	<b>15,000,000</b>	<b>1.8</b>	<b>866,000</b>	<b>53</b>	<b>22,380,000</b>	<b>Inferred</b>

Note that tonnage and grade are rounded to two significant figures, contained gold to nearest thousand ounces, and contained silver to nearest ten thousand ounces.

Condor spent US\$500,000 to acquire the options from Frank Mena Marenco and a further US\$750,000 in exploration activities on the concessions. The concessions stand in Condor's books at £835,327 (US\$1.25M). This amount will be written off on termination of the option agreements. Condor has reduced staff costs in Nicaragua in order to preserve cash and does not anticipate conducting a further drill campaign in the short term or until sentiment and market conditions in the exploration sector improve.

Exploration success at the Condor owned Cacao Prospect and the Segovia Project (San Albino-Murra and Potrerillos), coupled with new exploration opportunities in the Cacao area and elsewhere in Nicaragua present more attractive targets for Condors operations in Nicaragua. Condor plans to channel future expenditure in Nicaragua on these prospective areas.

**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 over 13 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 March 2006 Edition of the AIM Guidance Note for Mining, Oil and Gas Companies. He consents to the inclusion in the report 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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**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 raising £4.9m to prove up JORC Resources in Nicaragua and El Salvador. Condor has two 100% owned licenses and the option to earn an 80% interest in a further license contained within two project areas within 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 resources from 350,000 ounces of gold and 18 million ounces of silver to 866,000 ounces of gold and 22 million ounces of silver. The Resource calculations are compiled by independent geologists Ravensgate and Geosure.

Condor raised £2,000,000 before expenses in July 2008, which will allow the Company to continue developing its existing gold and silver projects in Central America and identify opportunities in the natural resource sector in other geographical locations.