



# Condor Resources Plc

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

## Update on El Salvador

On the 1<sup>st</sup> September 2010 the Ministry of Economy ("MINEC") and the Ministry of Foreign Affairs of the Republic of El Salvador, together with the Spanish Agency for International Cooperation and Development ("AECID") jointly announced in a local newspaper, El Diario de Hoy, that Tau Consultora Ambiental of Spain (the "Tau Group" [www.taugroup.com](http://www.taugroup.com)), in accordance with article 57 of the "Law of Acquisitions and Contracts for Public Administration" (LACAP), has been awarded the contract for the "Strategic Environmental Evaluation of the Metallic Mining Sector of El Salvador" ("EAE").

This is encouraging news after a 3 ½ year unofficial moratorium on processing any permits for exploration or mining in El Salvador. The Government published a comprehensive, 85 page, tender document for the EAE in January 2010. The Spanish Government, via AECID, is paying for the cost of the EAE, which is due to be completed in the next 4 to 6 months. The Tau Group's customers include: World Bank, International Development Bank, European Union (including the Environmental General Office), PNUD (United National Program for Development) and different offices of the Governments of Chile, Panama, Spain, Colombia, Paraguay and the Dominican Republic as well as many private companies in both Europe and Latin America.

Condor has spent several million pounds drilling and exploring in El Salvador over the last 6 years and discovered a JORC compliant resource of 747,000 oz gold and 22.4 million oz silver. The existing Mining Law enacted in 1996 with amendments in 2001 encourages foreign investment in the mining sector. The current unofficial moratorium on processing permits seems to stem from Pacific Rim Mining Corp's [www.pacrim-mining.com](http://www.pacrim-mining.com) ("Pac Rim" TSX:PMU) decision to apply for an exploitation permit for their El Dorado project. Pac Rim currently has a US\$70m claim for damages against the Government of El Salvador ("GOES"). On 3<sup>rd</sup> August 2010, the tribunal at the International Centre for Settlement of Investment Disputes ("ICSID") that is hearing the investment claims of Pac Rim against the GOES, unanimously rejected the Preliminary Objection filed by GOES. Pac Rim has brought claims against GOES under the Dominican Republic-United States-Central America Free Trade Agreement ("CAFTA") and the Investment Law of El Salvador. The claim will now proceed to be heard by the tribunal. Condor watches this CAFTA law suit with interest, but at this stage has consciously decided not to take legal action against GOES for potential losses incurred on its exploration concessions in El Salvador.

Mark Child, Chairman of Condor commented:

"Condor welcomes the award of the Strategic Environmental Evaluation of the Metallic Mining Sector of El Salvador (EAE). It is encouraging that the Ministry of the Economy, the Ministry of Foreign Affairs and a Spanish Government agency have been involved in a thorough tender process, which has resulted in the award of the EAE to an environmental assessment group that has significant experience of working with Governments worldwide. There are currently no operating metallic mines in El Salvador, which has resulted in a lack of knowledge in the Government about the economic benefits of mining and a lack of practical experience in processing mining applications. It has also meant that anti-mining groups have found El

Salvador an easy target. The EAE will inform the Government how to conduct exploration and mining in a safe, secure and environmentally friendly manner. The hope is that the Government adopts recommendations from the EAE, amends the current mining law accordingly and issues permits. Condor awaits the findings of the EAE with interest.”

### **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.

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