

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately seek your own independent advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

CONDOR RESOURCES PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05587987)

Approval of proposed share exchange with Grafton Resource Investments Limited

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on Page 4 of this document and which makes recommendations with regard to voting on the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Condor Resources PLC, to be held at the offices of Speechly Bircham LLP at 6 New Street Square, London EC4A 3LX at 2pm on 12 June 2009, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the offices of the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU97LL by not later than 2pm on 10 June 2009. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Despatch of this document	27 May 2009
Latest time and date for receipt of Forms of Proxy	2.00pm on 10 June 2009
General Meeting	2.00pm on 12 June 2009

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Atlantic Law”	Atlantic Law LLP, advisers to Classdrive
“Classdrive”	Classdrive plc, a company incorporated in England and Wales with No 5931702
“Company” or “Condor”	Condor Resources PLC
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator (as defined in those regulations)
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document, or any duly authorised committee thereof
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Grafton”	Grafton Resource Investments Limited, a company incorporated in the Cayman Islands with No 180192
“Grafton Shares”	ordinary shares of US\$0.01 each in the capital of Grafton
“Form of Proxy”	the form of proxy for use in connection with the GM, which accompanies this document
“Fund”	the closed end investment fund established by Grafton pursuant to an offering memorandum dated 19 September 2008 and amended on 11 February 2009
“GM” or “General Meeting”	the general meeting of the Company to be held at the offices of Speechly Bircham LLP at 6 New Street Square, London EC4A 3LX at 2pm on 11 June 2009 (or any adjournment thereof)
“GM Notice”	the notice convening the General Meeting which is set out on page 11 of this document
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Resolution”	the resolution to be proposed at the GM as set out in the GM Notice
“Share Exchange”	the issue of the 140 million Ordinary Shares in exchange for the Grafton Shares as described on page 7
“Shareholders”	holders of Ordinary Shares
“Takeover Code”	the code on takeovers and mergers as issued and amended from time to time by the Takeover Panel
“Takeover Panel”	the Panel on Takeovers and Mergers, being the supervisory authority designated to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC)
“uncertificated” or “in uncertificated form”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

PART I

LETTER FROM THE CHAIRMAN OF CONDOR

Condor Resources PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05587987)*

Directors:

Mark Child (Non Executive Chairman)
Pierre Moussa (Non Executive Director)
Klaus Eckhof (Non Executive Director)

Registered Office:
6 New Street Square
London
EC4A 3LX

27 May 2009

Dear Shareholder

Share Exchange with Grafton

I refer to the announcement made by the Company earlier today relating to the Share Exchange.

As you will have seen from the announcement, this agreement was signed on 27 May 2009, subject to approval by the Shareholders.

The approval that is required is from more than 50% of the Shareholders present in person or by proxy at the required General Meeting.

The General Meeting will take place at the office of Speechly Bircham LLP, 6 New Street Square, London EC4A 3LX on 12 June 2009 at 2pm and notice of it is attached in Part IV of this document.

Condor will issue to Grafton 140,000,000 new ordinary shares of 1 pence each in the capital of the Company which, when issued, will represent 29.77% of the Company's enlarged Ordinary Share capital. The Company will issue the said shares at a share price of 1 pence, a 21% premium to the mid-market closing price on 22nd May 2009. In return, the Company will receive new Grafton Shares worth £1.4m based on the latest available statement of net asset value of Grafton immediately prior to completion of the Share Exchange. On the basis of Grafton's net asset value at 30 April, Condor would receive shares representing 3.03% of Grafton's enlarged share capital. The valuation of the Grafton Shares is consistent with an independent accountants' report prepared by our auditors Mazars LLP, solely pursuant to Section 103 Companies Act 1985.

The Share Exchange with Grafton is crucial for the Company for several reasons. Firstly, the Company has been seeking to reduce its exposure to El Salvador for some time. Due to the current moratorium on exploration and mining in El Salvador, the Company has not been permitted to drill its key projects that host a JORC Resource of circa 1 million ounces of gold equivalent. The Share Exchange with Grafton will reduce that exposure.

Secondly, Grafton is not simply a single asset company, but a fund, which currently comprises 48 investments in the natural resource sector, of which approximately two thirds are listed and one third are unlisted. As at 30 April 2009, the Fund had net assets of circa US\$66.39m. The Fund has

a 5 year life and has a preference for its investments to be listed, or planning to list. Condor has struck a strategic relationship with the Fund which allows the Company actively to review a number of the unlisted investments held by the Fund, with a view to acquiring them. These investments have been and future investments will be professionally analysed by an FSA regulated fund manager contracted to the Fund.

Thirdly, the shares in Grafton which the Company will acquire are freely transferable. In addition, Grafton is planning to list its shares on the Irish Stock Exchange in Dublin, in the first half of this year, which will make these shares more liquid than would otherwise be the case. A sale of these shares at the same price as the Share Exchange would enable the Company to raise £1.4m for future operations.

Fourthly, Grafton's shareholding in the Company is a vote of confidence in the Board and provides the Company with a supportive strategic investor, with access to experienced analysts and expert investors in the natural resources sector. Most importantly, it allows the Company to re-position itself following the moratorium on exploration and mining in El Salvador.

Further information on the Share Exchange and Grafton are set out in Part II of this document.

On 24 April 2009, Classdrive, advised by Atlantic Law, announced that it had made an approach to the Company which may or may not lead to an offer ("the Approach"). As at the date of writing we have received no information from Classdrive about their intentions nor have we had any conversations with Classdrive about their intentions, so I am unable to give you further information about the Approach or any indication of the value of a possible offer. In these circumstances we requested a ruling from the Takeover Panel that Classdrive have a set period in which to clarify their intentions. As you will have seen from the announcement made on 12 May 2009, Classdrive are obliged either to make an announcement of a firm intention to make an offer by 5pm on 3 June 2009 or state that they will not be making an offer. If no firm intention to make a bid is made by such date, they and any person connected with them will be prevented from bidding for the Company for six months except with the consent of the Takeover Panel.

Since the Share Exchange may be construed as action which might frustrate an offer for the Company by Classdrive, we are obliged by Rule 21 of the Takeover Code to call the General Meeting to obtain your approval of it before proceeding with it. Rule 21 of the Takeover Code prevents a company from taking any action which may result in any offer or a bona fide possible offer being frustrated. If the Approach had not been made, this would not have been necessary. We have not discussed the Share Exchange with Classdrive prior to the issuing of this circular and have not ascertained their view on the Share Exchange.

Action Required

You will find enclosed with this circular a Form of Proxy for use by Shareholders. You are asked to complete and sign it in accordance with the instructions printed on it and return it so as to arrive as soon as possible and in any event not later than 2pm on 10 June 2009. Completion and return of the form of proxy does not preclude you from attending the General Meeting and voting in person.

Recommendation

As explained above, your board believe that the Share Exchange will promote the success of the Company and we all recommend that you vote in favour of the Resolution. Furthermore, the Board has undertaken to vote their shares in favour of the Resolution, amounting to 11,160,000 shares representing 3.4% of the Company's issued share capital.

Yours sincerely

Mark Child
For and on behalf of Condor Resources plc,
Chairman

PART II

THE SHARE EXCHANGE

1. Summary of the Agreement

Pursuant to the agreement for the Share Exchange (“the Share Exchange Agreement”) the Company will issue and allot to Grafton 140 million Ordinary Shares at par, credited as fully paid in consideration for the issue and allotment to the Company of such number of Grafton Shares as equal £1.4m by reference to the latest available net asset value statement of Grafton at completion of the Share Exchange Agreement (“Completion”). Grafton calculates its net asset value in US\$ and accordingly the net asset value will be converted from US\$ to Sterling at the spot rate on the date of the said net asset value statement.

The net asset value statement is calculated monthly by the Fund’s administrator, PNC Global Investment Servicing (Europe) Limited. As at 30 April 2009, the net asset value per share was US\$38.42. If Completion had taken place on the last business day prior to the date of this document the Company would have received 53,996 shares in Grafton representing approximately 3.03% of Grafton’s share capital.

Completion of the Share Exchange Agreement is a conditional upon the approval by the Company’s shareholders of such agreement pursuant to the Resolution .

Other material terms of the Share Exchange Agreement are:

- a) The Company and Grafton have given certain warranties to one another about themselves up to an aggregate value of £1.4m. In relation to these warranties, Grafton has delivered to the Company a disclosure letter (“the Grafton Disclosure Letter”).
- b) The shares which Grafton will receive in the Company will represent 29.77% of its issued share capital. Accordingly, Grafton will enter into an orderly marketing agreement at Completion (“the Grafton Orderly Marketing Agreement”).
- c) Grafton has undertaken to obtain a listing on the Irish Stock Exchange within 3 months of the Share Exchange Agreement.

Pursuant to section 103 Companies Act 1985, Mazars LLP, the Company’s auditors have reported to the Directors solely that, on the basis of the valuation which they carried out, the value of the consideration to be received by the Company is not less than £1.4m, being the total amount to be treated as paid up on the Ordinary Shares to be allotted to Grafton.

Pursuant to the Grafton Orderly Marketing Agreement to be entered into on completion of the Share Exchange between Grafton and Condor, Grafton will undertake to Condor and Ambrian Partners Limited (“Ambrian”) not to sell shares for a period of one year other than through Ambrian or the Company’s broker at the time. The undertaking does not apply to the transfer of shares pursuant to the acceptance of a general offer (as defined in the Takeover Code) or pursuant to a court order.

2. Information on Grafton

Grafton was incorporated under the laws of the Cayman Islands on 3 January 2007, as an exempted, limited liability investment company. Grafton is a closed end fund and shareholders are not permitted to redeem their shares. The registered office of the Fund is at the offices of dms

Corporate Services Ltd., P.O. Box 1344, dms House, 20 Genesis Close, Grand Cayman KY1-1108, Cayman Islands.

The Fund was established pursuant to an offering memorandum dated 19 September 2008 and amended on 11 February 2009. It provides that the Fund will operate for 5 years following the close of the Initial Offering Period, which occurred on 31 October 2008. Thereafter, the Fund shareholders may resolve, by ordinary resolution, to operate the Fund for a further 1 year period or, by special resolution, to place the Fund into voluntary liquidation. The Fund is scheduled to list on the Irish Stock Exchange in the first half of this year. However, there can be no guarantee that the Fund will list on the Irish Stock Exchange or any other share exchange. Should the Fund not obtain a listing on a share exchange, the marketability of its shares, and therefore the value of its shares, could be adversely affected.

The investment objective of the Fund is to achieve capital gains in the medium term from investments in the natural resource sector and energy sector. No assurance can be given that the Fund's investment objective will be achieved. The Fund does not intend to declare dividends, although should any of its investments commence paying dividends the directors will consider paying them.

The Fund will invest primarily in listed and quoted companies in the natural resource sector and the energy sector, which represents the area of core competence of the Investment Manager (defined below). The natural resource sector include gold, platinum and other precious metals, diamonds and base metals. The energy sector includes oil and gas, coal and new technologies related to the development and production of these resources. The Fund may also hold cash and securities convertible into shares. The Fund will consider private placements, initial public offerings and other such investments that are made available to the Investment Manager for purchase. The Fund will seek to achieve realisation through the listing of such investments or their sale or the sale of the underlying projects. The Fund will make no new investments after the third anniversary of the close of the Initial Offering Period. As at the date of this document, the Fund holds 48 investments, of which approximately two thirds are listed and one third are unlisted.

The Fund will acquire by way of share swaps listed or quoted resources stocks, convertibles, warrants and options, the price of which is related to that of the listed or quoted equity securities. The Fund may also consider acquiring private or unquoted stocks, convertibles, warrants and options.

The investment approach will be to assess a company's prospective value based on analysis encompassing such quantitative factors as: size and expansion potential of the natural resource, cost of production, capital expenditure and financial strength. This prospective value will be assessed against the value being attributed to the company at the point of investment, the risks between investment and expected realisation and quality of the company's management in terms of their being able to surmount the risks identified.

The following service providers are contracted to the Fund:

- Registrars: Computershare Investor Services (Cayman Islands) Limited
- Custodian: PNC International Bank Limited
- Administration and Accounting Services: PNC Global Investment Servicing (Europe) Limited (“the Administrator”)
- Investment Services: Newland Fund Management LLP (“the Investment Manager”)

- Auditors: Moore Stephens Caplin Meehan

The Investment Manager, Newland Fund Management LLP, (formerly Resource Services Capital LLP) was established on 6 October 2005 as a United Kingdom limited liability partnership. It is licensed by the Financial Services Authority and draws upon the skills of a number of individuals who have many years experience in investing in the resources sector. www.newlandfinancial.co.uk

The net asset value of the Fund is calculated each month by the Administrator. As at 31 March 2009 it was US\$58,603,012 and on 30 April it was US\$66,395,211.

As at 31 March the issued share capital of the Fund was 1,586,726 and on 30 April it was 1,728,174. This gives a net asset value per share of US\$36.93 and US\$38.42 respectively.

As at the date of this document the Fund has issued US\$5,000,000 of loan stock, the principal terms of which are as follows:

- Term: 5 years from 9 January 2009
- Interest rate: 12.75%
- Security: none
- Convertible: into such number of Grafton Shares as is equal in value to US\$1,000 for each amount of US\$1,100 of the loan stock converted, such shares to be valued by reference to the net asset value per Grafton Share available at the date the loan stock was issued

As at the date of this document, the Fund has also issued warrants for 115,248 Grafton Shares, which are convertible into Grafton Shares at US\$110 per share.

PART III

MISCELLANEOUS

1. Responsibility statements

The directors of the Company whose names appear on page 4 of this document, accept responsibility for the information contained in this document relating to the Company. To the best of the knowledge and belief of such directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document other than relating to Grafton contained in paragraph 2 of Part II of this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Grafton accepts responsibility for the information contained in this document relating to Grafton contained in paragraph 2 of Part II of this document. To the best of the knowledge and belief of Grafton (which has taken all reasonable care to ensure that such is the case) such information contained in this document about Grafton is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Consent

Mazars LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they appear. Mazars LLP is acting exclusively for the Company and no one else in connection with the Share Exchange and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Mazars LLP nor for giving advice in relation to the Share Exchange nor in relation to the contents of this document nor any transaction or arrangement referred to herein.

3. Company share capital

As at 26 May 2009 (being the last business day prior to publication of this document), the Company's issued share capital consisted of 330,311,753 ordinary shares carrying one vote per share. Therefore, the total voting rights in the Company as at 26 May 2009 were 330,311,753.

At the Company's Annual General Meeting on 1 July 2008 the members granted authority to the directors of Condor pursuant to sections 80 and 95 of the Companies Act 1985 to allot relevant securities free of pre-emption rights up to an aggregate nominal amount of £5,000,000.

4. Documents available for inspection

The following documents will be available for inspection at the Company's registered office during normal business hours on weekdays (Saturdays and public holidays excepted) from the date of this document up to and including the General Meeting:-

- a) the Share Exchange Agreement;
- b) the memorandum and articles of association of Grafton;
- c) the Grafton Disclosure Letter;
- d) the Grafton Orderly Marketing Agreement.

PART IV

NOTICE OF GENERAL MEETING

Condor Resources PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05587987)*

NOTICE IS HEREBY GIVEN THAT a general meeting of Condor Resources PLC (the “**Company**”) will be held at the offices of Speechly Bircham LLP at 6 New Street Square, London EC4A 3LX at 2.00pm on 12 June 2009 to consider and, if thought fit, to pass the following ordinary resolution:

ORDINARY RESOLUTION

1. That the agreement signed on 27 May 2009 between the Company and Grafton for the subscription by the Company for such number of ordinary shares of US\$0.01 each in Grafton equal to £1.4m calculated by reference to the latest available net asset value statement of Grafton to completion of such agreement as described in a circular to shareholders dated 27 May in consideration for the issue of 140 million ordinary shares of £0.01 each in the Company be and is hereby approved, and that the directors of the Company be and are hereby authorised to take all steps necessary or desirable to implement the same in accordance with the terms of such agreement subject to such minor amendments as the directors consider appropriate.

Dated: 27 May 2009
By order of the Board:
Company Secretary
Christopher Putt

Registered Office
6 New Street Square
London EC4A 3LX

NOTES

- (1) A shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
- (2) To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to the Company's registrars, Share Registrars Limited, Suite E, 9 Lion and Lamb Yard, Farnham, Surrey GU97LL not less than 48 hours before the time of holding of the meeting.
- (3) The return of a completed proxy form or other such instrument will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- (4) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
- (5) The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
- (6) Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders on the register 48 hours prior to the time of the General Meeting (or, in the event of any adjournment, two days before the time of the adjourned meeting) shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (7) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate Shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.