



# Condor Resources Plc

1 Warwick Row  
London  
SW1E 5ER

Telephone +44 020 7808 7222  
Fax: +44 020 7808 7223

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

## **High Grade Assays Returned from Sampling in Nicaragua**

Condor Resources Plc (AIM: CNR) announces a number of encouraging gold intersections from exploratory trench and historical mine adit sampling in the area surrounding its Arras Prospect in Nicaragua, where a number of promising new prospects have been identified from the initial results.

### **Highlights**

Significant assay results returned from trench and channel chip sampling include:

- 4 metres at 7.82g/t gold in an old adit from channel sample POTN001
- 7 metres at 6.64g/t gold in an old adit channel sample POTN003
- 1 metre at 5.13g/t gold in an old adit from channel sample POTN004
- 1 metre at 7.95g/t gold in trench POTR006
- 2 metres at 15.42g/t gold in trench POTR007
- 0.85 metres (true thickness) at 7.99g/t gold in a road cutting channel sample POCT001A
- 8 metres at 3.43g/t gold in trench SATR036 (NB: true thickness approx. 2 metres)
- 1 metre at 3.02g/t gold and 1 metre at 6.00g/t gold separated by 2 metres of low-grade material in trench SATR038

Condor Chief Executive, Nigel Ferguson, commented "We are pleased with progress to date and hopeful of further significant discoveries within this well mineralised project area. The project is considered by Condor as highly prospective for multiple low tonnage, high grade mineralised structures. The Company has now completed 2,728 metres of trenching on the Arras area, along with 1,748 metres of drilling, and is about to embark on another 1,300 metres of drilling and 1,000 metres of trenching. Only a small proportion of the known gold mineralised rock chip occurrences have been tested by trenching or mine adit sampling to date. The indication of high grade and already apparent significant strike continuity to gold mineralisation, suggests that continuation of the programme should result in several more high grade discoveries."

### **Background**

Rock chip sampling of outcropping quartz veins and dumps at the entrances to historical mine adits and sample pits undertaken by the Company over the last two years have identified over one hundred sites containing material grading more than 1g/t gold on the contiguous San Albino-Murra and Potrerillos concessions. These gold occurrences are spread over several mineralised zones covering a total area of approximately fifteen kilometres by two kilometres.

A number of promising new prospects within a four kilometre radius of the Arras Prospect have been identified from the initial results of an ongoing trench and historical mine adit sampling programme. This programme is designed to test all the high-grade rock chip gold occurrences for width and strike continuity. The Arras Prospect, which was discovered through rock chip sampling and follow-up trenching, has already returned significant drilling intersections in the first round of drilling (RNS “High Grade Results from Maiden Drilling at the Segovia Project, Nicaragua” dated 18<sup>th</sup> December 2007). A second phase of reverse circulation drilling is planned to start in the first week of March which will test gold mineralisation up to 100 metres down-dip and a resource estimation is planned to follow in March 2008.

Five separate prospects have been identified with significant mineralisation in the initial trenches or in mine adit sampling (Tables 1 and 2). The most advanced of these prospects is El Tambo where channel sampling the walls of two historical adits has revealed mineralisation of up to 7 metres at 6.64g/t gold with continuity in mineralisation over a strike length of 100 metres (Table 1). The gold mineralisation is open along strike in both directions and has a similar structural trend to the Company’s Arras Prospect, which is situated approximately one kilometre to the south.

Table 1: Significant Phase 1 adit sampling results from San Albino Licence, within the Segovia Prospect area. Length Weighted Average Intercepts calculated using 0.5g/t gold lower cut and allowing 1 metre internal waste. No top cut. The inclusion of internal waste in measurements has the effect of reducing the gold grade per tonne and providing an indicative gold grade more applicable to bulk tonnage recovery.

Trench ID	From (m)	To (m)	Width (m)	Gold Grade (g/t)	Prospect
POTN001	0	4	4	7.82	San Antonio
POTN003	0	7	7	6.64	El Tambo
POTN004	46	47	1	5.13	El Tambo

Table 2: Significant Phase 1 Trench Results from San Albino Licence, within the Segovia Prospect area. Length Weighted Average Intercepts calculated using 0.5g/t gold lower cut and allowing 1 metre internal waste. No top cut. The inclusion of internal waste in measurements has the effect of reducing the gold grade per tonne and providing an indicative gold grade more applicable to bulk tonnage recovery.

Trench ID	From (m)	To (m)	Width (m)	Gold Grade (g/t)	Prospect
POTR006	9	10	1	1.77	Piedras Negras
	14	15	1	1.2	
	17	18	1	7.95	
POTR007	6	7	1	1.09	Piedras Negras
	14	16	2	2.76	
	20	22	2	15.42	
POCT001A	2.1	2.95	0.85	7.99	Potrerosillos
POTR009	20	21	1	1.10	Potrerosillos
SATR036	22	30	8	3.43	Las Conchitas
SATR038	13	14	1	3.02	Las Conchitas
	16	17	1	6.00	

Gold mineralisation in the San Albino area occurs in sulphide-bearing quartz veins and veinlets in shallow to moderately dipping deformation zones within a thick package of quartz-mica-graphite schist.

### **Qualified Person's Declaration**

The information in this announcement that relates to Exploration Results is based on information compiled by and reviewed by Nigel Ferguson, CEO, who is a Member of the Australian Institute of Mining and Metallurgy and a geologist with over 23 years of experience in the exploration and definition of precious and base metal Mineral Resources and 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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### **Enquiries:**

<b>Condor Resources Plc</b>	Mark Child, Chairman +44 20 7408 1067	Nigel Ferguson, CEO +44 20 7808 7222
<b>Nabarro Wells &amp; Co. Limited</b>	Hugh Oram +44 20 7710 7400	Robert Lo +44 20 7710 7407
<b>Mirabaud Securities Limited</b>	Rory Scott +44 20 7878 3360	
<b>Parkgreen Communications</b>	Simon Robinson +44 20 7851 7480	Erica Nelson +44 20 7851 7480

### **Chain of Custody**

Condor enforces a strict chain of custody, with all field samples being collected under the supervision of a qualified senior geologist. Samples are sealed in larger bags and kept under lock and key until being delivered to CAS Laboratories, Honduras for completion of final assay determinations. A total of 10% of samples returning significant assay results have their pulps forwarded to BSI Inspectorate Laboratories, in Sparks, Nevada, USA for repeat assay determinations as part of the Company's QAQC procedure.

### **Resource Calculation Notes**

The reported tonnages and grades are in accordance with the guidelines and recommendations of the JORC Code. Drill results are from both RC and diamond drilling. Drill sample and trench sample assay determinations were carried out by BSI Inspectorate of Nevada, USA. Gold determinations were by Fire Assay 30g with Atomic Absorption finish; silver determinations were by wet chemical method with an Atomic Absorption finish. Modelling was completed using Surpac Vision 5.2D Mining Software. Domaining was performed based on geological interpretations and gold grade (0.4g/t gold bottom cut-off). Only mineralization that showed continuity along strike of more than 2 sections was domained. Silver results were analysed on the basis of the wireframes created to domain gold samples. Ordinary Kriging was considered an appropriate method of estimation for the dataset. Ordinary Kriging estimates were made for gold and silver, with visual inspections of the grade estimate along with statistical analysis used to validate the block model.

### **About Condor Resources Plc:**

Condor Resources Plc was admitted to AIM on 31<sup>st</sup> May 2006 raising £4.9m. Condor is a mineral exploration company focused on El Salvador and Nicaragua. The Company has 100% ownership of four licenses in two project areas in El Salvador. It withdrew from the El Potosi project in 2007. Condor also has four 100% owned licences and the option to earn an 80% interest in a further four licences contained within four project areas in Nicaragua.

An independent competent person's report prepared by Ravensgate and included in the Company's Admission Document combined with a subsequent mineral resource calculation statement in December 2006 reported Inferred Mineral Resources, as defined by the JORC Code standard of some 467,104 oz gold and 18.4Moz silver within two project areas in El Salvador. In January 2008 an independent competent person's report prepared by Geosure on a mineral resource calculation of 39,000 oz gold and 1.7 Moz silver at the El Gigante prospect raised the combined global resource estimates to some 506,104 oz gold and 20.1 Moz silver within two project areas. In February 2008 an independent competent person's report prepared by Geosure on a mineral resource calculation of 312,800 oz gold and 275,900 oz silver at the La Calera prospect and 40,700 oz gold and 2.1 Moz silver oxide material at the El Divisidero prospect, has raised the combined global resource estimates as defined by JORC Code standards to some 747,000 oz gold and 22.3 Moz silver within two project areas.

The Company's objective is to prove up significant gold and silver resources of between 1 to 2 million ounces of gold and 30 to 50 million ounces of silver to JORC reportable standards by the 31<sup>st</sup> May 2008. The Company intends to continue to drill test targets within its Project areas as required by each prospect. Drilling is expected to commence in El Salvador upon granting of the necessary Environmental Permits by the Ministry of Environment. Drilling currently continues with two drill rigs on two projects areas in Nicaragua.