



# Condor Resources Plc

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

## **Trading update**

Condor Resources Plc (AIM: CNR) is pleased to announce that intends to provide an update of its resources and operations in Central America shortly. Resource calculations are currently being finalised for both the Arras Prospect in the San Albino Project and for the Kuikuinita Project, both in Nicaragua.

In El Salvador, Condor, has not to date been issued the necessary environmental permits to enable drill testing of its key projects. Condor has worked assiduously in the best interests of shareholders to obtain immediate release of the environmental permits through regular meetings with the Ministry of Economy (MINEC), Ministry of Environment (MARN) and Director of Mines, but without success to date. Condor has also lobbied the Special Mining Sub-Committee of Congress, established by the National Assembly, to review proposed beneficial changes to the Mining Law which would allow the almost immediate release of environmental permits. This process is ongoing. Additionally, we are of the opinion that there is no intention in this review process that will change Condor's security of tenure on licences in El Salvador.

MINEC is to undertake a Strategic Environmental Evaluation Study of the benefits of mining to the Republic of El Salvador and will be completed by an independent consultancy group. MINEC has advised that the study will be completed in three stages with an active involvement by all interested parties throughout the process. A final document will be submitted to MINEC by the end of 2008. It is the opinion of MINEC that this study is critical to allow issue of the environmental permits by MARN and to allow the Government to make a well informed decision moving forward. MINEC have again reiterated their support for the mining industry and the benefits that it will bring.

Condor's Board has therefore reached the conclusion that no environmental permits will be issued by MARN until after December 2008 at the earliest and most probably after the Presidential elections scheduled for March 2009. Condor has made the decision to scale back its activities in El Salvador only committing funds necessary to keep the licences in good standing with the Government, until the environmental permits are awarded by MARN. The Sub Committee of Congress will continue to meet and review the proposed changes, which may allow earlier release of permits to allowing drilling activities.

Condor's Chief Executive, Mr. Nigel Ferguson, stated: "To be in this situation is extremely frustrating. With the La Calera project, with 312,000oz of gold and the El Pescadito project with 434,000oz of gold, both showing excellent potential to produce plus million ounce resources through additional drilling, which would have allowed us to meet our corporate targets. We believe that MINEC are working in the best interests of the industry by undertaking this study. We also consider from our dialogue with MINEC and the Mining Sub Committee, that there will be a positive outcome, with the key concern being the desire to conduct mining in an environmentally

friendly manner as is achieved in other parts of the world. In the intervening period, Condor believes it is a better use of shareholders funds to: concentrate its efforts on increasing resources in Nicaragua; assess and secure more advanced projects in Nicaragua; and assess other projects as the opportunities arise.”

**- Ends -**

**Enquiries:**

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