



# Condor Resources Plc

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

### **Maiden Resource on Rio Luna Concession in Nicaragua**

Condor (AIM: CNR), is pleased to announce that independent geologists SRK Consulting (UK) Ltd ('SRK') have completed a maiden Joint Ore Reserves Committee ('JORC') compliant Mineral Resource Estimate on Condor's 100%-owned Rio Luna Concession, situated in the Central Highlands of Nicaragua, approximately 70km southeast of Condor's flagship La India Project. Condor was granted the 45 square kilometre Rio Luna Concession by the Government of Nicaragua on 15<sup>th</sup> June 2010 for a period of 25 years (RNS announcement 18<sup>th</sup> June 2010). SRK has estimated an Inferred Mineral Resource in accordance with the JORC code on the Rio Luna Concession as 695,000 tonnes at 3.5g/t for 80,000 oz of gold on three veins which includes a total of 280,000 tonnes at 56g/t for 500,000 oz silver. In total this is a gold equivalent Mineral Resource of 87,000 oz gold equivalent at 3.9g/t gold equivalent (using a gold:silver ratio of 1:60).

The Mineral Resource estimation has been calculated using exploration data collected by previous explorer First Point Minerals Corporation of Canada ("First Point Minerals" TSXV: FPX), who completed a programme of soil, auger, rock chip, trench and drill sampling between 2004 and 2006, prior to closing their operations in Nicaragua and relinquishing the concession towards the end of 2008 in order to focus on properties in North America. The digital database was obtained from the Government of Nicaragua when Condor was granted the Concession in accordance with Government policy, and has subsequently been verified by Condor and SRK geologists.

First Point Minerals defined over 18 kilometres of gold-bearing epithermal quartz veins on three distinct northwest-southeast trending gold vein sets within the concession area during its initial phases of exploration. Follow-up drilling tested for grade continuity below some of the high-grade trench intercepts with encouraging results. In total, 58 exploratory diamond core drill holes for 6,262m of drilling to an average depth of 108m were completed.

The current Mineral Resource is confined to five resource blocks where there is sufficient density of trench and drilling data to demonstrate continuity of gold mineralisation along strike and to depth; three resource blocks cover a combined 1,050m strike length on the El Paraiso Vein Set, with a further 200m strike length on the El Rodeo Vein Set and 500m strike length on the San Andreas Vein Set. The Mineral Resource blocks have a combined strike length of 1,750m to a depth of less than 150m below surface, except on one cross section where drilling tested to a depth of 250m below surface. SRK applied a top cut of 35g/t based on statistical analysis of the data, and a 1.5g/t gold cut off grade based on economic assumptions including a gold price of US\$1,200, US\$38/t mining and processing costs and 90% recovery.

The Table below gives SRK's JORC Compliant Mineral Resource Statement for the Rio Luna Concession as at November 2011, as signed off by Ben Parsons, a Competent Person as defined by the JORC Code.

SRK Mineral Resource Statement, Rio Luna Deposit, 28 <sup>th</sup> November 2011							
Category	Vein Name	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (oz)	Tonnes (kt)	Silver Grade (g/t)	Contained Silver (oz)
Inferred	El Paraiso	395	4.01	52,000			
Inferred	El Rodeo San Andreas	20	2.66	2,000			
Inferred	Andreas	280	2.88	26,000	26	56	500,000
Inferred	Subtotal	695	3.50	80,000	26	56	500,000

Mineral Resources are reported at a cut-off grade of 1.5 g/t. Cut-off grades are based on a price of US\$1200 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Resources plc.

This initial Mineral Resource Estimate demonstrates that where drilling has tested segments of the 18km of epithermal veining recognised at Rio Luna:

1. the gold mineralisation extends to depths of up to 250m below the surface, and
2. gold mineral concentrations are at sufficient grade to warrant further exploration.

Gold mineralisation on all five prospects included in the Mineral Resource remains open along strike and to depth. Trenching has already defined surface mineralisation along strike of the resource blocks on all three vein sets with some significant mineralised zones remaining to be drill tested and brought into the Mineral Resource, such as 2.2m at 8.3g/t gold from trenching on the Santa Juana Prospect on the El Paraiso Vein Set.

When added to the Company's existing Mineral Resource on the La India Project, the addition of the maiden Rio Luna Mineral Resource brings Condor's Resource base in Nicaragua to 6.1Mt at 5.7g/t for 1,125,000 oz gold and 280,000t at 56g/t for 500,000 oz silver, including 1.18 Mt at 7.6g/t for 290,000 oz gold in the Indicated category at the Company's flagship La India Project. The Company's total gold equivalent Mineral Resource in Nicaragua now stands at 1,133,000 oz at 5.8g/t gold equivalent.

Mark Child, Executive Chairman and CEO of Condor Resources plc, commented:

"I am delighted that SRK has estimated a maiden JORC Code Inferred Resource on Condor's wholly owned Rio Luna Concession of 80,000 oz gold at 3.5g/t and 500,000 oz silver at 56g/t. The resource was estimated using exploration data from the previous holder of the concession; First Point Minerals of Canada ("FPM"). FPM completed 6,250m drilling, 7,000m trenching and identified 18km of epithermal veining at Rio Luna. The resource has been estimated over an aggregate strike length of only 1,750m and to an average depth of 110m. SRK considers the current estimate to show the potential for economic gold mineralisation at Rio Luna and the potential to find additional resources following further drilling under known drill ready targets and along the strike extensions of the current estimate. The maiden JORC Mineral Resource confirms Condor's view that the Rio Luna Concession provides another exciting exploration target with economic potential in Nicaragua"

## **Competent Person's Declaration**

The information in this announcement that relates to Exploration Results and database 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 sixteen years of experience in the exploration and definition of precious and base metal Mineral Resources. Luc English is a full-time employee of Condor Resources plc and has sufficient experience which 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 Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Luc English consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

The Mineral Resource estimate has been completed by Ben Parsons, a Senior Resource Geologist with SRK Consulting (UK) Ltd, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Ben Parsons has some ten years experience in the exploration, definition and mining of precious and base metal Mineral Resources. Ben Parsons is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which 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 Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Ben Parsons consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears 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 gold and silver resource projects in Central America. The Company was admitted to AIM on 31<sup>st</sup> May 2006 with the stated strategy to prove up JORC Resources in Nicaragua and El Salvador. Condor has seven 100% owned concessions in La India Mining District ("La India Project"); three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor's concession holdings in Nicaragua currently contain an attributable JORC compliant resource base of 1,133,000 ounces of gold equivalent at 5.8g/t in Nicaragua and an attributable 1,008,000 oz gold equivalent at 2.6g/t JORC compliant resource base in El Salvador. The Resource calculations are compiled by independent geologists SRK Consulting (UK) Limited and Ravensgate.

### **Disclaimer**

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

## Technical Glossary

Channel sample	Samples taken from a rockface along a specified line for a distance along which the sample volume per unit length is constant in order to collect a representative sample.
g/t	grams per tonne
inferred resource	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited, or of uncertain quality and reliability
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral resources and ore reserves
mineral resource	a concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and portrayed geological model
quartz veins	veins of quartz rock develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling
strike length	The longest horizontal dimension of an ore body or zone of mineralisation