



# Condor Resources Plc

7<sup>th</sup> Floor  
39 St. James's Street  
London  
SW1A 1JD  
Telephone +44 020 74081067  
Fax: +44 020 74938633

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

### **868,000 oz gold @ 5.9 g/t JORC Code compliant Resource for La India Project in Nicaragua**

Condor (AIM: CNR) is pleased to announce that SRK Consulting (UK) Ltd has completed a JORC Compliant Mineral Resource estimation for La India and Espinito San Pablo concessions, together known as "La India Concession" in La India Mining District of Nicaragua. A JORC compliant Inferred Mineral Resource of 4.58 Mt at 5.9 g/t for 868,000 oz gold has been estimated over the majority of the mineralised veins. La India Concession covers an area of 69 sq km and is 80% owned by Condor and 20% by B2Gold of Canada. Condor owns 100% of a further four contiguous concessions in La India Mining District which cover a further 96 sq km and includes the JORC compliant inferred resource of 41,000 oz gold at Cacao defined by Condor in 2008. The resource estimation undertaken by SRK is restricted to La India Concession.

SRK Consulting (UK) Ltd (SRK) was engaged by Condor in September 2010 to produce a Mineral Resource estimate for La India Concession in compliance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code, 2004 Edition (The JORC Code).

SRK is an associate company of the international group holding company SRK Consulting (Global) Limited (the "SRK Group"). The SRK Group comprises over 1000 professional staff in 39 offices in 6 continents, offering expertise in a wide range of engineering disciplines. The SRK Group's independence is ensured by the fact that it holds no equity in any project. The site visit and inspection of the sample preparation facilities was undertaken in October 2010 by Ben Parsons, Senior Resource Geologist with SRK (Competent Person as designated under JORC). The individuals and team at SRK responsible for the estimate have extensive experience in the mining industry and deposit/mineralisation type and are members in good standing of appropriate professional institutions.

La India Underground Mine, which is located on La India Concession, produced an estimated 1.7Mt at 13.4g/t for 576,000oz Au between 1938 and 1956. Exploration funded by a Soviet-Nicaraguan government collaboration between 1986 and 1990 defined a Soviet GKZ style C1+C2 category resource of 2.3 Mt at 9.5g/t for 709,000 oz gold and additional Soviet GKZ style P1 category resource of 4.0 Mt at 8.8g/t for 1.13M oz gold within the La India Concession. Subsequent exploration by a number of Canadian exploration and mining companies confirmed the high grades estimated by the Soviets.

The La India Mining District contains narrow high grade low-sulphidation epithermal gold-silver mineralised veins hosted by Tertiary andesite and rhyodacite. Historical mining appears to have targeted higher grade areas and veins within the district.

The Exploration History and data available for the project is complex with Soviet-sponsored exploration and resource evaluation carried out between 1986 and 1990, and annual and technical reports released by TVX Resources between 1997 and 2000 and more recently by Gold-Ore Resources and Glencairn-Central Sun-B2Gold as the company went through various take-overs and name changes.

The low-sulphidation epithermal gold-silver mineralised veins and associated mineralisation are interpreted as having good geological continuity and can extend for 100 to 300 m along strike and 100 to at least 200 m down dip, with what is considered historically to be the main mineralised horizon based exploration and underground mining. The veins are typically up to 3 m wide, with an estimated average of some 1.5 m width.

Condor has since undertaken a major data capture programme to collate all historic data from the numerous companies into a single database for all veins. The most up-to date version of the database has been supplied to SRK for use in the current Mineral Resource Estimate. The exploration database includes some 135 drillholes for 17,600 m, 736 trenches for 10,900 m and 9,000 original underground mine grade control samples on eight of the veins. This data capture process is ongoing, and as yet not all of the data can be located in 3D locations, but at present over 90% of the available historical data has been located in 2D on Vertical Longitudinal Projections (VLP's) for use in the estimate.

A Quality Assurance/Quality Control (QAQC) programme has demonstrated that sample preparation and laboratory performance for the various drilling campaigns provided sample assays which are considered appropriate for the purpose of defining an Inferred Mineral Resource estimate. Density determinations have been provided from the previous reports and work completed by the Soviets. SRK has not independently verified the sample data used for the estimates, however has undertaken a site-visit and observed the geological setting and mineralisation.

SRK has imported all of the available sample data into Datamine Mining Software, and has projected the available 3D and 2D data onto 2D VLP's for grade estimation, using various projection and co-ordinate transformation methodologies, and have calculated single vein composite grades and horizontal vein thicknesses. SRK has produced a block model with block dimensions of 25 x 25 m into which gold accumulation (gram meters per tonne "GMT"), and horizontal vein width have been estimated per vein. All samples have been composited to a single composite across the vein. Block values have been estimated using an Inverse Distance Weighted estimate routine with oriented search ellipse following the dip and dip directions of potentially higher grade plunging features along the mineralised veins, using appropriate parameters given the geological and grade continuity and sample spacing. The resultant block grade distribution reflects the mineralisation style and continuity, which SRK consider to be an important feature of the deposit. The block gold grades have then been back calculated from the interpolated GMT and vein width block values, and validated both visually and statistically at both local and global scales.

SRK has considered quality of the digitised database, sampling density, distance of block estimates from samples and estimation methodology and quality in order to classify the deposit in accordance with The JORC Code. Data quality, drill hole spacing and the interpreted continuity of grades controlled by the veins have allowed SRK to classify the portions of the deposit as an Inferred Mineral Resource within the current estimate. It is SRK's opinion that the sample spacing and data quality in places would have been sufficient to classify material in the Indicated Mineral Resource Category, however due to uncertainty of the true 3D location of a large percentage of samples and therefore vein in three dimensional space, and the inability to produce 3D wireframe

and block models, SRK has decided to classify the Mineral Resource within the Inferred category at the present time. Following a further stage of data verification it is anticipated these areas could be moved into the Indicated category without any further exploration.

The Table below gives SRK's JORC Compliant Mineral Resource Statement as at 31<sup>st</sup> December 2010, as signed off by Ben Parsons, a Competent Person as defined by the JORC Code. The statement has been depleted for historical mining, discounted for areas falling outside of the concession area, and all remaining mineralised material within the SRK model reported at a cut-off grade of 1.5 GMT, which has been calculated using a gold price of USD1105/oz, and suitable benchmarked technical and economic parameters for underground mining and conventional gold mineralised material processing.

<b>Inferred Mineral Resource</b>			
<b>Vein Name</b>	<b>Tonnes (kt)</b>	<b>Au Grade (g/t)</b>	<b>Contained Au (oz)</b>
La India	1,930	5.4	334,000
America-Constancia	1,060	6.9	234,00
Tatiana	300	7.6	72,000
Guapinol	850	5.3	143,000
San Lucas	190	5.7	34,000
Cristalito-Tatescame	250	6.3	51,000
<b>Total Inferred</b>	<b>4,580</b>	<b>5.9</b>	<b>868,000</b>

The current Mineral Resource estimate does not include three additional veins, namely Arizona, Teresa and Espinito, which offer excellent potential to add additional Inferred Mineral Resource following further data validation and capture and resource estimation. In addition to the La India Concession, Condor's wholly owned contiguous concessions to the north and east have excellent potential and require further exploration and analysis during 2011.

Condor are currently working on verifying and updating the sample database to be fully 3D, which will be followed by a Mineral Resource estimate update to be completed in the first quarter of 2011.

SRK will produce a full report for the estimate presented here by the end of January 2011 along with recommendations for further verification work and 3D geological modelling required to convert parts of the current estimated resource to higher confidence categories and recommendations on bringing some of the Russian-style P1 resource estimates into the JORC MineralResource statement, where data quantity and quality allows.

In addition to this, Condor is currently exploring on the wholly-owned concessions in the North and East of the District through mapping and trench sampling, and is well advanced in obtaining all the permits required to initiate a drilling programme on La India Concession. This exploration is expected to verify and increase the current Mineral Resource base. It is anticipated that this exploration will begin during the first quarter of 2011. This data will also be included in a further Mineral Resource update upon receipt of the additional sample assay results, the results of which likely to be announced in the second quarter of 2011.

Mark Child, Chairman of Condor Resources, commented:

"I am delighted that SRK has certified an independent JORC Mineral Resource of 868,000 oz gold at 5.9 /g/t on La India Concession, which hosted the historic La India Mine which produced some 576,000 oz of gold at 13.4 g/t up until its closure in 1956, demonstrating the technical viability of the deposit. Since acquiring the concession in September 2010, Condor undertook a massive data capture exercise in a very short period of time. The sheer volume of data has presented unique problems, which have been largely resolved. Due to the self imposed deadline of announcing a JORC Mineral Resource to the stock market, the statement excludes 3 of the smaller veins and has only been completed in 2D. The data capture is on going. I am pleased to note that in SRK's opinion, a portion of the Inferred Mineral Resource could be moved into the Indicated category, without the need for exploration expenditure, once the remaining data validation is completed and a 3D model is produced to better represent the continuity of mineralisation by the end of the first quarter of 2011. It is also noteworthy that SRK's block model has highlighted the continuity of the grade and distinct higher grade oreshoots to depth, which SRK highlight as an important feature of the deposit. I would like to take this opportunity to thank SRK for working over Christmas and the New Year to produce the JORC Mineral Resource statement for the first day of trading in 2011."

### ***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 fifteen 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). 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:

Condor Resources plc	Mark Child, Chairman +44 (0) 20 7408 1067	Luc English, Country Manager Nicaragua & El Salvador +505 8854 0753
Ambrian Partners Limited	Samantha Harrison +44 (0) 20 7634 4700	
Farm Street Media	Simon Robinson +44 (0) 7593 340107	

**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 four 100% owned licenses and 80% of La India concession in La India Mining District; three 100% owned licences in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 100% ownership of four licences in two project areas.

Condor's concession holdings currently contain a JORC compliant inferred resource base of 909,000 ounces of gold in Nicaragua and 747,000 ounces of gold and 22 million ounces of silver in El Salvador. The Resource calculations are compiled by independent geologists Ravensgate, Geosure and SRK.