



# Condor Resources Plc

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## **Condor Resources Plc**

("Condor" or "the Company")

### **Sale of Shares in Grafton Resource Investments Limited ("Grafton")**

On 26 October 2010 Condor sold its shareholding in Grafton to a company ("the Buyer") introduced by personnel at Grafton for a net cash consideration of US\$1,110,760.

Condor acquired its shares in Grafton on 12 June 2009 at an aggregate value of £1,400,000 as part of a share swap arrangement. Grafton sold its shares in Condor on 30 July 2010. The sale by Condor of its shares in Grafton unwinds the share swap.

Condor has realised a total paper loss on its investment in Grafton of £878,000, being a loss of £807,000 on the difference in the purchase and sale price plus an exchange rate loss of £71,000.

Condor had been looking for a buyer for these shares for several months and, given the desire to raise funds for verification drilling and trenching at the recently acquired La India concession and the lack of liquidity in Grafton shares, the board of Condor considered that it would be in the best interests of shareholders to take the opportunity offered to it by the Buyer.

Mark Child, Chairman of Condor, commented as follows:

"I am really pleased to have sold Condor's shareholding in Grafton for a net consideration of US\$1,110,760. The sale proceeds have been received in cleared funds by Condor and will be kept in USD as the operating expenses in Nicaragua and El Salvador are USD based. The share swap in June 2009 was conducted at roughly double the share price that Condor's shares had been trading at in the previous weeks. This was negotiated in the knowledge that closed end investment funds such as Grafton can trade at substantial discounts to NAV. Selling Grafton shares, which were a non core asset, creates a paper loss, but provides cash to help fund the conversion of an estimated 1.84m oz gold resource at 9g/t, calculated to Russian standards to JORC Code on Condor's 80% owned La India project in Nicaragua."

-Ends-

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 natural resource projects in Central America. The Company was admitted to AIM on 31st May 2006 with the stated strategy to prove up JORC Resources in Nicaragua and El Salvador. Condor has eight 100% owned licenses contained within four project areas in Nicaragua. In El Salvador, Condor has 100% ownership of four licences in two project areas.

Since Admission to AIM, Condor has increased its JORC compliant inferred resources from 350,000 ounces of gold and 18 million ounces of silver to 788,000 ounces of gold and 22 million ounces of silver. The Resource calculations are compiled by independent geologists Ravensgate and Geosure. As announced on 30 September 2010 Condor's net cash position was circa £426,000 at the 30<sup>th</sup> June 2010. Condor also owns approximately £1,496,000 worth of shares in Grafton Resources investments Limited as a result of a share exchange approved by shareholders at an AGM on 12th June 2009.