



# Condor Resources Plc

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30<sup>th</sup> December 2011

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

### JORC Resource update of 1,620,000 oz gold at 5.6g/t for the La India Project, Nicaragua

#### Highlights:

- La India Project JORC Code Mineral Resource increases 29% to 1,620,000 oz gold at 5.6 g/t, exceeds target of 1,500,000 oz gold
- Resource update from 11,905m drilling completed by Condor in calendar 2011
- Maiden Resource for California Veins, show open pit potential pending further investigation as located up to only 50m from main La India Vein
- Former Soviet style C1+C2+P1 Resource on La India Vein Set increased by over 50% to 730,000 oz at 5.3 g/t gold to JORC Code, based on additional exploration completed.
- La India Project has developed into 3 main areas, separated by 1km to 1.5km that could feed a centralised mill: La India Vein set of 730,000 oz gold at 5.3g/t, the America Vein set of 405,000 oz gold at 6.2g/t and the Mestiza Vein set of 334,000 oz gold at 7.0g/t.

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

"To end 2011 with a JORC Code Mineral Resource of 1,620,000 oz gold at 5.6g/t on La India Project is an amazing feat compared with a JORC Code Mineral Resource of 41,000 oz gold at 1.22g/t on 1<sup>st</sup> January 2011. The resource increase of 365,000 oz gold announced today has been estimated from 11,905m drilling completed by Condor this year. La India Project has developed into 3 main areas separated by 1km to 1.5km that could feed a centralised mill: La India Vein set of 730,000 oz at 5.3g/t, the America Vein set of 405,000 oz at 6.2g/t and the Mestiza Vein set of 334,000 oz at 7.0g/t. The maiden resource on the California Vein highlights the potential for resource increases from veins that are hidden and don't outcrop at surface. The discovery is highly significant as the resource in La India Valley is over 700,000 oz gold, comprising of a series of veins that are up to 1,500m long and are separated by a combined width of only 50m, highlighting the potential for an open pit mine, with further investigation. It is also notable that the Soviet Style Resource of 2.4m oz at 9.2g/t estimated on La India Project in 1991 did not include a resource for the California Vein. As a result of Condor's drill programme, SRK has estimate a JORC Code Mineral Resource of 730,000 oz on La India Vein set, approximately 50% more than the Soviet Resource estimation in the same area. Future exploration will focus on increasing the resource in the 3 main areas and aim to identify bulk tonnage targets to compliment the high grade vein

system as well as seeking to identify a “feeder system” for the gold mineralisation in La India Project.”

Condor (AIM:CNR), the Central American gold exploration company focused on proving a large commercial resource on its 100%-owned La India Project in Nicaragua is pleased to announce an upgraded Mineral Resource on the La India Project. The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category. The increased Mineral Resource is based on an additional 66 diamond core drill holes for 11,905 m drilling completed by Condor between January and November 2011. The increase of 365,000 oz gold is all in the Inferred category and represents a 29% on the previous Mineral Resource Estimate. The Mineral Resource Estimate completed by SRK Consulting (UK) Ltd (“SRK”), has been compiled in accordance with the terms and definitions given in “The 2004 Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”), 2004 Edition, as published by the Joint Ore Reserves Committee (“JORC”) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.”

La India Project comprises of six 100% owned adjacent and contiguous concessions that Condor has acquired over the last 4 years. The concessions are: La India, Espinito Mendoza, Espinito San Pablo, El Cacao, Santa Barbara, Real de la Cruz and El Rodeo. Three concessions on La India Project have JORC Code Mineral Resource estimates completed by SRK: La India Concession 7,370 kt at 5.7 g/t for 1,353,000 oz gold, Espinito Mendoza Concession 980 kt at 6.6 g/t for 208,000 oz gold and El Cacao Concession 590 kt at 3.0 g/t for 58,000 of gold. The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold.

The bulk of the increased Mineral Resource is focused on the La India Vein Set, which has increased from 450,000 oz gold to 730,000 oz gold at 5.3 g/t and now represents 45% of the Project’s total Mineral Resource. Most of this increase can be attributed to the discovery of the California Veins in the hanging wall of the historically mined La India Vein where drilling has defined multiple veins along a 1,500 m strike length at depths of between 100m and 200m below surface, which do not outcrop at surface. The California Veins include both narrow individual high grade intercepts such as 2.40 m (2.04 m true width) at 25.37 g/t gold (drill hole LIDC067) and wider low grade zones such as 23.09 m (20.93 m true width) at 2.67 g/t gold (drill hole LIDC074) where the veins coalesce, and contain a Mineral Resource of 146,000 oz gold at 3.5 g/t in the Inferred category. The upgrade also includes an additional 84,000 oz added to the La India Vein itself through drilling down-dip below the historic mine workings, and an additional 49,000 oz on the intersecting Teresa-Agua Caliente-Arizona Veins (TACA Veins), located at the north end of La India Vein Set, derived from drilling below high grade trench intercepts and the limited historic mine workings.

Drill testing the down-dip extension to the Tatiana Vein has extended the depth of the Mineral Resource on the eastern half of the vein where it lies within the La India Concession: an increase of 24,000 oz gold, representing a 24% increase on the previous resource, to 125,000 oz contained within a 600m strike length. When added to the extension of the Tatiana Vein which lies within Condor’s 100%-owned Espinito Mendoza Concession to the west, the Tatiana Vein contains a 230,000 oz at 6.6 g/t Mineral Resource over a 1,300m strike length, and when taken with the adjacent Espinito and Buenos Aires veins this constitutes a net 8% Mineral Resource increase to a total of 334,000 oz at 6.98g/t on the Mestiza Vein Set.

Elsewhere a Mineral Resource increase of 31,000 oz was returned on the America Vein Set where Condor's drilling has tested an additional 500 m strike length to a depth of 200 m along strike of the historic mine workings on the Constancia end of the America-Constancia Vein and discovered a new high grade shoot. This increase is partially offset by two drill holes that tested a gap in the Guapinol Vein Resource blocks and did not intersect any significant mineralisation, resulting in a minor resource decrease on that vein. Overall the Mineral Resource on the America Vein Set, which comprises the America, Constancia, Escondido and Guapinol veins, returned a net 7% Mineral Resource increase of 27,000 oz to bring it to a total of 405,000 oz gold at 6.23g/t. A re-interpretation of the intersection of the America and Constancia Veins and the Escondido Vein (which was previously included in the America Vein Resource Block) combined with the new drilling results resulted in a slight decrease in the amount of material included in the Indicated category; from 144,000 oz to 120,000 oz gold.

The remaining Mineral Resource increase comes from the San Lucas-Capulín Vein where drilling demonstrated that high grade gold mineralisation extends below a high grade surface expression defined by existing trenching in the Capulín Zone, approximately 500 m along strike of the historic mine workings. Condor's drilling has more than doubled the previous resource with an additional 35,000 oz to bring it to a total of 59,000 oz along a 1000 m strike length.

Table 1 below gives SRK's JORC Compliant Mineral Resource Statement as at 22nd December 2011 for the La India Project, as signed off by Ben Parsons, a Competent Person as defined by the JORC Code. The Mineral Resource stated has been reported at a 1.5g/t gold cut off grade based on economic assumptions including a gold price of USD 1,200/oz, USD 38/t mining and processing costs and 90% recovery, for underground mining and conventional gold mineralised material processing.

**Table 1: SRK JORC Compliant Mineral Resource Statement as at 22<sup>nd</sup> December 2011 for the La India Project, which comprises of six 100% owned contiguous and adjacent concession areas: La India, Espinito Mendoza, El Cacao, Santa Barbara, Real de la Cruz, El Rodeo.**

<b>SRK MINERAL RESOURCE STATEMENT as of 22<sup>nd</sup> December 2011 @1.5 g/t Au cut off</b>										
Area Name	Vein Name	Indicated Au			Inferred Au			Total Indicated & Inferred Au		
		Tonnes (kt)	Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Grade (g/t)	Contained Au (koz)
La India veinset	La India	680	6.6	144	1,790	5.9	340	2,460	6.1	484
	California				1,300	3.5	146	1,300	3.5	146
	Arizona				430	4.2	58	430	4.2	58
	Teresa				70	12.4	29	70	12.4	29
	Agua Caliente				40	9.0	13	40	9.0	13
America veinset	America	280	8.0	73	540	5.6	99	830	6.5	172
	Escondido	90	4.7	13	90	4.6	13	180	4.6	26
	Constancia	110	9.8	34	240	7.2	56	350	8.0	90
	Guapinol				670	5.5	117	670	5.5	117
Mestiza veinset	Tatiana (LI)				510	7.6	125	510	7.6	125
	Tatiana (EM)				570	5.8	105	570	5.8	105
	Buenos Aires				210	8.0	53	210	8.0	53
	Espinito				200	7.7	50	200	7.7	50

San Lucas	San Lucas		330	5.6	59	330	5.6	59
Cristolito-Tatescame	Cristolito-Tatescame		200	5.3	34	200	5.3	34
Cacao	Cacao		590	3.0	58	590	3.0	58

<b>Subtotal Areas</b>	<b>La India veinset</b>	<b>680</b>	<b>6.6</b>	<b>144</b>	<b>3,630</b>	<b>5.0</b>	<b>586</b>	<b>4,310</b>	<b>5.3</b>	<b>730</b>
	<b>America veinset</b>	<b>480</b>	<b>7.8</b>	<b>120</b>	<b>1,540</b>	<b>5.7</b>	<b>285</b>	<b>2,020</b>	<b>6.2</b>	<b>405</b>
	<b>Mestiza veinset</b>				<b>1,490</b>	<b>7.0</b>	<b>334</b>	<b>1,490</b>	<b>7.0</b>	<b>334</b>
	<b>Other veins</b>				<b>1,120</b>	<b>4.2</b>	<b>151</b>	<b>1,120</b>	<b>4.2</b>	<b>151</b>

<b>Total</b>	<b>All veins</b>	<b>1,160</b>	<b>7.1</b>	<b>264</b>	<b>7,790</b>	<b>5.4</b>	<b>1,356</b>	<b>8,940</b>	<b>5.6</b>	<b>1,620</b>
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Mineral Resources are reported at a cut-off grade of 1.5 g/t. Cut-off grades are based on a price of USD1200 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 and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Resources plc.

The latest Resource has established the La India Vein Set as the principal Resource area, with the California Veins recognised as an exploration priority as they have only been tested by wide spaced drilling to date and are still poorly defined; gold mineralisation remains open up and down-dip as well as along strike, and not all of the multiple veins have been correlated between the drill holes for inclusion in the Mineral Resource. There is also considerable potential for the discovery and definition of further Mineral Resources in La India Project with three styles of mineralisation targeted. (1) Further extension to depth and along strike of the principal veins, (2) definition of new narrow vein resource where previous trench sampling has already defined the veins at surface, (3) wider zones of lower grade mineralisation hosted by multiple close spaced veins and/or quartz breccias that may be amenable to bulk open pit mining. The first two target styles are well established in the Project area. Exploration is currently focused on the wider low grade mineralisation targets such as the breccia zones where the sub-parallel India and California Veins nearly coalesce, and also the Central Breccia where trench sampling has returned assays of 19m at 2.7 g/t gold open across strike (see announcement dated 7<sup>th</sup> September 2011).

There is already potential for a future resource increase when the assay results are returned for a further 12 drillholes for 2,651 m that were completed at the end of 2011. The drilling not included on the current Mineral Resource update is mainly on the America Vein Set, testing the down-dip extension of the Guapinol and America Veins, including the projected location of the intersection of the two veins. Assay results are also pending for two exploratory drill holes in the Central Breccia and for one drill hole testing the India and California veins.

Condor's total JORC Code Mineral Resource for Nicaragua, combining La India Project and the Rio Luna Project now stands at 9.64Mt at 5.5g/t gold for 1,699,000 oz gold and 280kt at 56 g/t silver for 502,000 oz silver for a total gold equivalent resource of 1,707,000 oz at 5.5g/t. Condor's attributable JORC Code Mineral Resource in El Salvador remains at 1,004,000 oz gold equivalent at 2.6g/t.

## **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 eleven 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 six 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 1,707,000 ounces of gold equivalent at 5.5 g/t in Nicaragua and an attributable 1,004,000 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

Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as parts per million which is equivalent to grams of the mineral (i.e. gold) per tonne of rock
Diamond core drilling	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
Gold Equivalent	Gold equivalent grade is calculated by dividing the silver assay result by 60, adding it to the gold value and assuming 100% metallurgical recovery
Grade	The proportion of a mineral within a rock or other material. For gold mineralisation this is usually reported as grams of gold per tonne of rock (g/t)
g/t	grams per tonne
Inferred Mineral 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
Indicated resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept is described by

	the entire thickness and the average grade of mineralisation
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
Open pit mining	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in the open air (as opposed to underground mining).
oz	Troy ounce
Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geothermal liquids filling the space between the rock fragments.
Quartz veins	Deposit of quartz rock that 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, taking on the shape of the cracks that they fill.
Resource block	A 3-Dimensional model of the ore/mineralised body containing a Mineral Resource estimation.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation
Trench	The excavation of a horizontally elongate pit (trench), typically up to 2m deep and up to 1.5m wide in order to access fresh or weathered bedrock and take channel samples across a mineralised structure. The trench is normally orientated such that samples taken along the longest wall are perpendicular to the mineralised structure.
True width	The shortest axis of a 3 dimensional object (i.e. ore/mineralised body), usually perpendicular to the longest plane. This often has to be calculated where channel or drill sampling was not exactly perpendicular to the long axis. The true width will always be less than the apparent width of an obliquely intersect

	sample.
Mt	Million tonnes