

## Regulatory Announcement

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**Company** Condor Resources PLC  
**TIDM** CNR  
**Headline** Drilling Report  
**Released** 15:28 26-Sep-06  
**Number** 5021J

26<sup>th</sup> September 2006

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

#### Commencement of Drilling at the El Pescadito Project and Corporate Update,

##### Commencement of Drilling

Condor Resources Plc (AIM: CNR) is pleased to announce that it has commenced drilling at the Loma del Caballo Prospect within the El Pescadito Project in El Salvador.

Condor plans to drill 835m of HQ diameter coring in this initial phase at the Loma del Caballo quartz vein breccia stockwork system, which is at least 650m long with widths of up to 60m and is open along strike and down dip, to obtain structural geological information that will allow better drill location planning for the major Reverse Circulation programme that the Company expects to start later in the year.

The subsurface mineralisation intercepted in drill holes will be joined to surface mineralisation exposed in trenching to allow wire-framing of the ore zones and calculation of mineral resources.

Chief Executive Officer, Nigel Ferguson, commented: "We are delighted that this first phase of drilling has started at Loma del Caballo as it is an important step in our strategy to increase the known resources at the El Pescadito Project. We look forward to announcing results from the drilling programmes in due course."

##### Trenching

Since listing on AIM, Condor has completed a total of 1005 metres of trenching on the El Pescadito and La Calera Projects in addition to mapping of further prospects within El Salvador. Mineralised and altered zones encountered within the trenches provide confirmation of Condor's target model of broad zones of gold mineralisation with inter-fingering high grade quartz veins. Complete assay results will be available shortly, however, in an update to the initial trenching results at the Loma del Caballo Prospect (RNS 17/08/06) complete results for that area are presented below:

Trench	Structure	Intercept (m)	Gold (g/t)	Silver (g/t)	Comment
LOTR1	Main	2	2.18	18.5	Open
LOTR2	Main	2	0.69	13.9	Open
and	Main	5	0.62	29.8	
LOTR3	Main	7	1.88	17.6	Open
Inc	Main	1	5.01	27.4	
LOTR4	Main	15	3.24	42.0	Open
Inc	Main	2	17.52	229.2	
LOTR5	Main				No significant results
LOTR6	Main	2	1.78	24.6	

LOTR7	Main	13	1.97	59.0	
LOTR8	Main	11	2.59	188.5	Open
Inc	Main	2	11.11	680.2	
and	Main	3	0.63	52.6	
and	Main	4	0.68	44.4	
and	Main	1	0	2,298.3	

#### Qualified Person's Declaration

The information in this announcement that relates to exploration results is based on information compiled and reviewed by Nigel Ferguson, CEO, who is a Member of the Australian Institute of Mining and Metallurgy and a geologist with 20 years of experience in the exploration and definition of precious and base metal Mineral Resources and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the type of activity which he is undertaking to qualify as a Qualified Person as defined in the March 2006 Edition of the AIM Guidance Note for Mining, Oil and Gas Companies. He consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears and confirms that this information is accurate and not false or misleading

#### Corporate Update

The Company has appointed Breams Registrars and Nominees Limited of 52 Bedford Row, London, WC1R 4LR as Secretary to the Company and the Company's registered address has been changed accordingly.

In order to align the accounting reference date of Condor with its operating subsidiaries, the Company has changed its accounting reference date from 31 October to 31 December and the first accounting period of the company will be extended to 31 December 2006. The first half-yearly report will be in respect of the six months ended 31 August 2006 and will be announced by 30 November 2006.

**Ends**

#### **Enquiries:**

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#### **Notes to Editors**

##### **About Condor Resources Plc**

Condor Resources Plc (AIM: CNR) is a London based mineral resources company with a focus on gold and silver exploration within Central America. The Company controls a portfolio of concessions largely prospective for high grade epithermal gold and silver in El Salvador and Nicaragua in Central America.

The Group holds the rights to, or the rights to farm into, mineral exploration concessions over a combined area of some 980km<sup>2</sup> of ground in prospective areas of El Salvador and Nicaragua.

Within the two contiguous licences contained within the El Pescadito Project in El Salvador, Ravensgate has reported Inferred Mineral Resources, as defined by the JORC standard, of some 354,500 ounces of gold and 18.3 million ounces of silver. The Company commenced exploration in late 2003 in El Salvador and has continued actively to evaluate new projects and develop its key assets at the El Pescadito and El Potosi Projects in El Salvador. Condor was recently awarded the El Gigante licence (RNS dated 17/08/2006) which is adjacent to the two El Pescadito Project licences already held and affords Condor a consolidation of ground holding in the area and further additional targets.

The Group's principal objective is to update and extend its mineral resources. In addition the

Company intends to drill test several other targets within the projects. The drilling programme is planned to be between 20,000m to 40,000m of combined reverse circulation and diamond drilling.

#### **Exploration Areas:**

##### **El Salvador**

Within the **El Pescadito Project** in El Salvador, Condor has reported Inferred Mineral Resources, as defined by to JORC standard, of some 354,500 ounces of gold and 18.3 million ounces of silver within two contiguous licences.

At the **La Calera Project**, a 100 per cent. owned licence, previous drill testing has outlined mineralised structures in the Rosa and Rosa West and Calichal veins with excellent potential for shallow, potentially open pittable gold resources as well as subsequent high grade underground gold resources. Trenching has recently been completed at La Calera and results are expected soon. The fourth licence area, the **El Potosi Project**, where Condor is earning a 100 per cent interest, contains the historical El Potosi Mine which produced an estimated 60,000 ounces of gold at between 18 and 30g/t prior to 1950. Condor has completed a first phase drilling programme of Reverse Circulation ('R.C.') and diamond drilling to test these structures with positive results. Further drilling is planned.

##### **Nicaragua**

An option and farm in Agreement within Nicaragua over five licences and one licence which is under application, contained within three project areas, affords Condor exposure to a number of projects, many of which have historical mines and workings. Further assessment work on other opportunities continues.

At the **Segovia Project** area, Condor has concentrated on the high grade structures containing the historical San Albino Mine, and field work to date has confirmed several high grade quartz veins within the district, some of which contain visible gold.

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