

**Condor Resources PLC**  
 (“Condor”, “the Company” or “the Group”)  
**Preliminary Unaudited Results**

Condor (AIM:CNR), an exploration company with a strong focus on the development of gold and silver resources within Central America, announces its unaudited Preliminary Results for the year ended 31 December 2007.

**Highlights:**

- Successfully drilled a total of 1,675 metres of reverse circulation and diamond drilling on the El Pescadito Project prospects in El Salvador in addition to which a total of 2,174 metres of trenching were completed.
- Commenced an ongoing trenching program at La Calera, El Salvador which resulted in a significant upgrade of the projects resource base. A total of 4,598 metres of trenching have been completed during the period.
- Received positive maiden trench results of up to 7 metres width at 2.39g/t gold from the El Cacao Project in Nicaragua.
- Received significant high grade trench results from the San Albino Project in Nicaragua including 18 metres at 6.77g/t gold and received high grade drill results, including 8 metres at 8.26g/t gold and 4 metres at 17.9g/t gold.
- Completed initial trenching of 2190 metres on the El Gigante Project in El Salvador with significant encouragement provided from the wide mineralization present including 5 metres at 2.73g/t gold.
- Completed initial drilling of some 1,300 metres of combined reverse circulation and diamond core drilling at the El Cacao Prospect, Nicaragua where 14.05 metres at 6.05 g/t gold and 2.60 metres at 88.72g/t gold were returned.

**Current Global JORC Inferred Resources**

**El Salvador Projects**

	Tonnes	Average Gold Grade (g/t)	Contained Gold (oz)	Average Silver Grade (g/t)	Contained Silver (oz)	JORC Category
Pescadito	7,105,700	1.90	434,200	96.75	22,095,000	Inferred
La Calera	6,044,500	1.61	312,800	1.42	275,900	Inferred

**Nicaragua Projects**

	Tonnes	Average Gold Grade (g/t)	Contained Gold (oz)	Average Silver Grade (g/t)	Contained Silver (oz)	JORC Category
El Cacao	1,052,383	1.22	41,279	N/A	N/A	Inferred
Kuikuinita	708,750	1.10	24,789	N/A	N/A	Inferred
Arras	478,300	5.10	77,911	N/A	N/A	Inferred
<b>Total</b>	<b>15,389,633</b>	<b>1.80</b>	<b>890,979</b>	<b>41.56</b>	<b>22,371,200</b>	<b>Inferred</b>

Commenting on the results, Mark Child, Chairman of Condor, said “At the time of writing Condor has JORC compliant inferred resources of 890,979 oz of gold and 22.4 million oz of silver. The Board is confident that one of these prospects can be developed into a commercial resource of at least 1 million ounce of gold.”

**For further information:**

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**Chairman's Statement**

I am pleased to present Condor Resources PLC's ("Condor", "the Company" or "the Group") annual report for the 12 month financial period to the 31<sup>st</sup> December 2007. It has been a busy and challenging year for your company as it continues exploration activities in Central America focused on the discovery of gold, silver and base metals, with the intention of proving a commercial resource.

The main challenge has been in the Republic of El Salvador. As reported in my Chairman's statement for 2006, the Ministry of the Environment and Natural Resources (MARN) delayed issuing environmental permits to drill on one of the key projects, La Calera. I regret to inform shareholders that this remains the case some 12 months later. The Ministry of the Economy (MINEC) is to undertake a Strategic Environmental Evaluation Study of the benefits of mining to the Republic of El Salvador, which will be completed by an independent consultancy group. MINEC has said that this study is critical to allow the issue of environmental permits by MARN and to allow the Government to make a well informed decision about the benefits of mining. MINEC has also reiterated its support for the mining industry and the benefits that it will bring, however, it is clear the Ministry wishes that all mining in the country proceeds in an environmentally responsible manner. The Board, following discussions with MARN and MINEC and a number of consultants, has recently concluded that environmental permits to drill are unlikely to be issued until after the Presidential elections in March 2009.

In the Republic of El Salvador, Condor completed 2,015 metres of drilling and 9,012 metres of trenching in the 12 month period. The significant amount of trenching and relatively small amount of drilling reflects the fact that Condor does not have environmental permits to drill on some of its licences in El Salvador as mentioned above. The Company has excavated extensive trenches over land that has previously been drilled with the aim of increasing existing resources. Drilling was completed on the El Pescadito and the El Potosi Projects. However, the El Potosi Project was returned to the vendors in August 2007 leaving Condor with an interest in three exploration licences, within two exploration project areas in El Salvador at the end of the period. These two projects are the La Calera Project, which has 312,000 oz of gold and the El Pescadito Project, which has 434,000 oz of gold, both to a JORC Compliant inferred resource category. Both show excellent potential through additional drilling to produce in excess of 1 million ounce of gold resources each.

In Nicaragua, Condor completed 3,047 metres of drilling and 4,632 metres of trenching during the 12 month period. The drilling was completed on the El Cacao and San Albino-Murra licences. Condor has interest in six exploration concessions in Nicaragua at the end of the period. Subsequent to the year end, Condor announced three maiden JORC compliant inferred resources in Nicaragua of 41,000oz gold at the El Cacao licence, 78,000oz gold at the San Albino-Murra licence and 25,000oz gold at the Kuikunita licence. Although these

resources are modest, they indicate that the systems are well mineralised and the Company believes that an increased resource figure is purely a function of additional drilling. The Arras resource in the San Albino-Murra licence is particularly encouraging as the average grade is 5.1g/t gold.

Looking to the future, Condor has produced very encouraging results from several of its prospects in El Salvador and Nicaragua. At the time of writing Condor has JORC compliant inferred resources of 890,979 oz of gold with a average grade of 1.8g/t and 22.4 million oz of silver with an average grade 41.6g/t. The Board is confident that one of these prospects can be developed into a commercial resource of at least 1 million ounce of gold. Your company has been handicapped by MARN in El Salvador, which has refused to issue environmental permits to allow drilling to commence. The Board's reading of the situation is that the permits should be issued after the conclusion of the strategic environmental evaluation study has been considered by the Government. However, it is absurd that drilling should be prevented as professional drilling alone does not damage the environment. Condor requires funding to continue its drilling program on existing projects. The Board is in the process of negotiating funding from a number of sources. I would like to thank shareholders for their confidence and support during the year. My thanks also go to my fellow directors and to a loyal, motivated and hard working team who are equally excited by the discoveries they are making in Central America.

Mark Child

Non-executive Chairman

3 June 2008

## **Operations Report**

During the financial year ended 31<sup>st</sup> December 2007, exploration proceeded in both El Salvador and Nicaragua with exploration focused on two main project areas in Nicaragua and three project areas in El Salvador. Excellent progress was made in particular with the La Calera project in El Salvador and the San Albino and El Cacao projects in Nicaragua.

Within El Salvador, the Group focused exploration on three of the companies' key project areas – El Pescadito, La Calera and El Potosi.

At the El Pescadito Project further work was completed to define mineralization along three northwest trending structurally controlled vein systems: the Main Divisidero Structure; the Agua Caliente-Virginia-Taladro Structure; and the El Gigante Structure within the El Gigante licence. With the Main Divisidero Structure hosting the Divisidero-Carolina mine where Condor has a JORC compliant Inferred Resource of 279,297 ounces gold and 17.2 million ounces silver within the combined sulphide and oxide zones.

Exploration work completed at the El Gigante structure, where minor historic workings exist, the Company defined a JORC compliant inferred resource of some 39,000 ounces of gold and 1.7 million ounces of silver through the completion of trenching and channel sampling. This work has shown that further work along strike is required to define the full length of the mineralized structure and the Company will be able to define further ounces through completing drilling of the mineralized structure at depth and along strike.

Exploration conducted has included reconnaissance geological mapping and rock chip sampling for 120 samples, 4,413 metres of trenching in 107 trenches and 1,675 metres of combined RC and Diamond drilling in 25 drill holes.

The results of the exploration programs highlighted several prospects from the three main vein systems as having considerable upside potential to host significant gold and silver mineralisation: the Protectora; San Francisco Tortuga; Carolina-Divisidero prospects (Main Divisidero

Structure); the Virginia-Taladro prospects (Agua Caliente-Virginia-Taladro Structure) and the El Gigante prospect (Gigante Structure).

The La Calera Project also showed significant progress with a greater depth of knowledge gained through a significant trenching program. Work focused on defining the extent of the mineralisation on the northwest trending Rosa, Rosa West and Calichal vein systems. The Calera prospect has no historical workings, and currently has a JORC Code compliant Inferred Resource of some 312,800 ounces gold and 275,900 ounces silver.

The exploration conducted included reconnaissance geological mapping and the excavation of 4,598 metres of trenching from 46 trenches to allow the updated resource calculation. The mineralization is now defined over a 1,200 metre strike length on five vein systems with a width in excess of 300 metres and is open in both directions along strike and at depth.

A continued delay in the granting of Environmental Permits by the Ministry of Environment and Natural Resources (MARN) has frustrated exploration programs by restricting all drilling activities to the El Pescadito Concession (El Pescadito Project), where a permit was awarded previously. The company, along with all other exploration and mining companies in El Salvador, continues to lobby the government for the issue of these permits to allow drilling and mining of economic resources.

Within Nicaragua Condor has interests in five exploration concessions. After assessing several project areas held by the Mena Group, Condor relinquished the Juan Sebastian licence and acquired two new concessions, namely, Las Morritas which is 100% owned by Condor and Potrerillos which is contiguous with the San Albino-Murra Concession and therefore subject to the terms of the San Albino-Murra joint venture. Another concession, El Jicaro, also contiguous with San Albino-Murra and held by the Mena Group in application is due to come under Condor's management as soon as Condor chooses to complete the application process.

During the period, Condor focused exploration on two of the Groups' key project areas – El Cacao and San Albino Murra whilst completing further assessment work on the remaining licences in the portfolio.

Table 1: Summary of El Salvador Exploration Conducted During 1 January to 31 December 2007.

El Salvador From 1 January to 31 December 2007												
PROJECT	LICENCE	PROSPECT	Rock Chip Samples	Trenches Completed	Trenching (metres)	Trenching Samples	Drillholes Completed	Total Drilling (metres)	RC Drilling (metres)	Dimond Drilling	Rc Drilling Samples	Diamond Drilling Samples
La Calera	La Calera	La Calera		46	4598.2	4364						
El Pescadito	El Pescadito	Regional	34									
		Loma Del Caballo										
		Wirginia Aga Caliente	4	13	663	521	9	667.03	616	51.03	160	60
		El Taladro	47	1	102	94						
		La Fortuna	34									
		Corozal										
		El Tigre		20	999.1	928						
		Santo Tomas					4	204	204		51	
		Protectora		13	418.25	337	7	406.84	309	97.84	72	116
		Pepe					5	397.50	53.5		88	30
Carolina	San Francisco Tortuga		2	20	20							

		Divisidero		3	21	21						
		El Gigante	1	55	2190.2	1918						
El Potosi	El Potosi	El Potosi					2	339.4		339.4		281
		El Capulin										
TOTALS			120	153	9011.75	8203	27	2014.77	1473	541.77	371	487

Table 2: Summary of Nicaragua Exploration Conducted During 1 January to 31 December 2007.

Nicaragua Exploitation Summary, From 01 January to 31 December 2007													
PROJECT	LICENCE	PROSPECT	Rock Chip Samples	Soil Samples	Trenches Completed	Trenching (metres)	Trenching Samples	Drillholes Completed	Total Drilling (metres)	RC Drilling (metres)	RC Drilling Samples	Diamond Drilling (metres)	Core Samples
Matagalpa	Cacao	Cacao	52		26	994	608	13	1300	950	484	350	271
		Cerro la Calera			16	597	336						
	Morritas	Morritas											
Nueva Segovia	San Albino-Murra	San Albino	226	310	8	342	453	3	283	283	102		
		Arras			30	1153	1015	12	1465	1400	558	65	65
		Conchitas			11	282	282						
		Murra			2	30	30						
	Potreriillos	Potreriillos	3		7	241	241						
Siuna	Colombus	Mina Columbus	15		8	571	524						
		El Callado			2	138	138						
	Kuikuinita	Los Indios		100	4	284	284						

## PROJECTS OVERVIEW

### EL PESCADITO PROJECT

Located in eastern El Salvador some 95km east of the capital San Salvador, the El Pescadito Project comprises three licences covering an area of 133km<sup>2</sup>. These are the El Pescadito, the Carolina and the El Gigante Licences.

Exploration at the El Pescadito Project was designed to define the location and grade of mineralisation along three significantly large northwest trending structurally controlled vein systems.

Exploration conducted on the project areas during the period includes reconnaissance geological mapping and rock chip sampling for 120 rock chips samples, trenching of 4386.4 metres from 107 trenches and 1,675 metres of combined RC and Diamond drilling in 25 drill holes.

For the reporting purposes, anomalous gold assay results were samples that returned  $\geq 0.4$  g/t gold.

#### Main Divisidero Structure (El Pescadito Project)

Prospects explored along the Main Divisidero Structure include El Tigre, Santo Tomas, Protectora, Pepe, San Francisco Tortuga, and Divisidero.

The El Tigre prospect is the north-western most prospect along the Main Divisidero Structure and is a zone dominated by WSW-NNE trending quartz veins and structures, possibly representing veins associated with a late NE trending fault that cuts the Divisidero Structure in the vicinity of the prospect. Historical workings at the prospect include shallow trenching, and the shallow test pits.

Work conducted during the period included a 20 trench, 999 metre trenching programme. Selected anomalous trench assay results includes 3.00 metres at 0.98g/t gold, 105g/t silver; 7.00 metres at 1.02g/t gold, 76.2g/t silver; 2.00 metres at 2.22g/t gold, 130g/t silver and 4.00 metres at 1.18g/t gold, 54.9g/t silver.

The trenching program failed to highlight zones of significant mineralization, and no further work is planned at the prospect.

The Santo Tomas prospect is an east-west trending structural splay near the northern end of the northwest trending Main Divisidero Structure. Initial geological investigations showed strong silicification associated with quartz veining and hematite after propylitic alteration, with evidence that mineralisation was possibly increasing in size and grade with depth. Historical workings at the prospect include the old silver mine *Minas los Santo Tomas*, represented by three to four shallow vertical shafts.

Work conducted during the period included drilling four shallow holes in a 204 metre RC drill program, to test weakly anomalous results from four trenches completed in 2006. Anomalous trench assay results include: 1.00 metre at 0.60g/t gold, 39.6g/t silver and 1.00 metres at 0.16g/t gold, 201.8g/t silver. Anomalous drill assay results include 4.00 metres at 0.15g/t gold, 40.4g/t silver.

The low tenor of the trenching and drilling results reduced the prospectivity of the area, and no further work is planned.

The Protectora prospect is situated along the northwest trending Main Divisidero Structure and consists of an epithermal quartz vein and quartz vein breccia with strong propylitic (silica, chlorite, pyrite, calcite) and hematite after chlorite alteration. Historical workings at the prospect include shallow test pits, vertical shafts, and underground mining. The historical workings were referred to as *Minas Los Protectora*.

Work conducted during the period included a 12 trench, 361 metre trenching programme, followed by a seven hole, 407 metre combination RC and Diamond drilling program to test beneath the historical workings. Selected anomalous trench assay results include 5.00 metres at 2.78g/t gold, 326.1g/t silver; 3.00 metres at 0.81g/t gold, 141.8g/t silver; 3.00 metres at 2.92g/t gold, 12.4g/t silver; 2.00 metres at 3.17g/t gold, 34.0g/t silver and 7.00 metres at 0.99g/t gold, 72.4g/t silver.

Anomalous drill assay results include 2.00 metres at 1.44g/t gold, 63.5g/t silver and 1.071 metres at 0.72g/t gold, 9.0g/t silver both from combination, reverse circulation and diamond drill holes

Drilling beneath the historical Protectora workings failed to intersect zones of significant mineralization. However, the anomalous trench results from DITR048 and DITR050 at the southeastern end of the prospect remain open at depth and to the southeast beneath cover, and further investigations are warranted.

The Pepe prospect is a west-northwest trending structural splay of the Main Divisidero Structure, adjacent to the Protectora prospect. Small outcrops of quartz veins and old workings marked the trend of the vein. Historical workings at the prospect include shallow test pits and scrapes. Work conducted during the period included RC drilling of anomalous results produced by trenching completed in 2006. Anomalous trench assay results include 1.00 metre at 1.99g/t gold, 80g/t silver and 4.00 metres at 2.52g/t gold, 73.1g/t silver.

The trench assay results were tested by a five hole, 397.5 metre combination RC and Diamond drilling program. Anomalous drill sample results include 4.00 metres at 0.15g/t gold, 40.4g/t silver.

The low tenor of the trenching and drilling results reduced the prospectivity of the area, and no further work is planned.

The San Francisco Tortuga prospect is a west-northwest trending structural splay of the Main Divisidero Structure, adjacent to the Divisidero prospect. Transported cover blankets much of the

prospect, but sub-cropping quartz veins and old workings highlighted the line of vein. Historical works include shallow test pits and scrapes.

Work conducted during the period included a twenty metre, two trench program with the only anomalous trench assay results being 6.00 metres at 0.76g/t gold, 30.6g/t silver.

The results of the trenching have not closed off the potential to host significant mineralization, and further work including drilling is planned at the prospect.

The Divisidero prospect is located in the Carolina Concession, and forms part of the historic Divisidero – Carolina Mine which is hosted by the Main Divisidero Structure. The mine has a reported JORC Code compliant inferred resource of 279,297 ounces of gold, 17.2 million ounces of silver. Historical works included test pits, shafts, scrapes, adits, and underground mining.

Work conducted during the period was restricted to a fifty-one metre four trench program at the northern end of the prospect. Selected anomalous trench assay results include 3.00 metres at 0.71g/t gold, 62.7g/t silver and 6.00 metres at 1.23g/t gold and 65.8g/t silver.

The results of the trenching have not closed off the potential to host significant near surface mineralization, as indicated by significant 2006 trenching results, and further investigations including drilling is planned.

#### **Agua Caliente - Virginia – Taladro Structure (El Pescadito Project)**

Prospects explored along the Agua Caliente–Virginia-Taladro structure include Agua Caliente-Virginia, Taladro and La Fortuna.

The Agua Caliente -Virginia prospect is situated at the north western end of the ACV-Taladro Structure. The ACV- Toladro vein structure is an epithermal quartz vein and quartz vein breccia with strong propylitic (silica, chlorite, pyrite, calcite) and hematite after chlorite alteration. Historical workings at the prospect include shallow test pits, vertical shafts, and underground mining. The historical workings were referred to as *Mina la Chivera*, *Mina la Virginia*, *Mine el Jocote*, and *Mina el Guarumo*.

Work conducted during the period included geological mapping and rock chip sampling (4 samples) followed by a 13 trench, 663 metre trenching programme. A nine hole, 667.03 metre combination RC and Diamond drilling program was completed in conjunction with the trenching. Only thin zones of minor mineralisation were intersected by the first eight holes. Drill hole ACRD009 was designed to test the main ACV-Taladro vein system, and was drilled beneath trench ACVTR001. The hole intersected significant bedrock mineralisation. Significant assay results from rock chip sampling of up to 35.8g/t gold, 1,043 g/t silver, trenching, and exploratory drilling identified a mineralized zone of up to 15 metres width of strongly propylitically altered quartz and calcite veins and vein breccias. Selected anomalous trench assay results include 31.00metre at 1.80g/t gold, 283.0g/t silver; 3.00 metre at 1.14g/t gold, 38.37g/t silver and 15.00 metres at 1.00g/t gold, 105.0g/t silver. Selected anomalous drill assay results include 10.78 metres at 1.35g/t gold, 369.0g/t silver.

The results of the trenching and drilling have not closed off the potential to host significant near surface mineralization and further work is planned.

The Taladro prospect is situated towards the southeast end of the ACV-Taladro Structure, where the Structure appears to separate into several splays of individual veins of considerable thickness. Historical workings at the prospect include shallow test pits, vertical shafts, and underground workings, all referred to as the *Mina Encuentros* or *Mina El Taladro*. The historic mine produced ore at approximate grades of 6-8g/t gold and 350g/t silver from workings over a strike length of up to 500m.

Work conducted during the period included geological mapping and rock chip sampling for 47 samples, followed by a single trench of 102 metres. Anomalous results from the trenching include 7.00 metres at 1.48g/t gold, 70.0g/t silver and 4.00 metres at 1.11g/t gold, 56g/t silver.

Significant assay results from rock chip sampling of up to 17.4g/t gold, 1,422g/t silver, and trenching highlight the potential of the prospect to host significant gold and silver mineralisation, and follow-up trenching programs are in progress.

The La Fortuna prospect is situated at the southeast end of the ACV-Taladro Structure. The main Agua Caliente – Virginia vein structure appears to resolve into more discrete singular veins at the prospect. The northwest trending veins are occasionally displaced up to 50 metre by sinistral offsets (left lateral) along late northeast trending faults. Historical workings at the prospect are minimal, mostly shallow test pits.

Work conducted on the prospect during the period included reconnaissance geological mapping and rock chip sampling for 34 samples. Anomalous rock chip samples collected from vein outcrops produced results of up to 7.7 g/t gold and 337 g/t silver. Further field investigations including sampling and trenching are planned.

### **El Gigante Structure (El Pescadito Project)**

The El Gigante Structure is a series of northwest trending epithermal quartz + calcite vein and vein breccias. The structure trends west-northwest, and dips moderately to the north-northeast. The system appears to be controlled along the contact between propylitically altered andesitic volcanoclastic units and a rhyo-dacitic unit of possible intrusive origin. Historical workings at the prospect include shallow test pits, vertical shafts, adits, and underground mining (which occurred during the 1930's to 1950's). The workings covered approximately 500m of strike length of the vein system, down to a depth of 80 metres. The historical workings were referred to as *Mina el Gigante*.

Work conducted during the period included reconnaissance geological mapping, a single rock chip sample followed by 2,190 metres of trenching in 55 trenches. Selected anomalous trench assay results include:

Trench Identifier	Intercept (metres)	From (metres)	Average Gold Grade (g/t)	Average Silver Grade (g/t)
GGCT007	6	64	1.38	183.00
GGTR008	7	2	1.72	34.30
GGTR008	9	25	1.04	56.70
GGTR004	10	69	1.43	24.40
GGTR010	21	76	1.50	25.60
GGTR014	27	10	1.46	34.20
Including	1	14	9.93	207.00
GGTR014	5	43	1.17	82.90
GGTR022	13	30	1.01	3.70
GGTR024	7	0.00	2.79	6.40
GGTR024	12	24	0.99	2.40
GGTR025	7	13	1.37	112.10
GGTR027	23	48	0.99	28.90
GGCT032	9	0.00	1.60	6.80
GGCT035	13	12	0.72	57.70
GGCT037	5	0.00	2.73	145.10
GGCT047	7	0.00	1.21	89.20

The analytical results and geological interpretations confirmed the continuity of strike and grade of at least two mineralized sub parallel vein systems over the main 600 metre zone, where anomalous trench results are co-incident with anomalous historic underground sample results. The gold mineralization in this zone compliments previous drilling results received by Intrepid Minerals Corp. of Canada. Statistical analysis of the assay data suggests that average gold grades increase from 1.5g/t at surface to greater than 5g/t gold at 100 metres depth within the historical workings, with significant silver credits.

Outcropping quartz veins have been traced a further 600 metres along strike, and field work including infill and step-out trenching at 80 metre centres continues to define the structure which

remains open in all directions. Further field investigations including trenching and drilling are planned. The Company now has a JORC compliant inferred resource of some 39,000 ounces of gold and 1.7 million ounces of silver.

### LA CALERA PROJECT

The Calera project has no historical workings, and currently has a JORC compliant inferred resource of some 312,800 ounces gold and 275,900 ounces silver based on trenching and combination RC and Diamond drilling assay results.

Exploration conducted included 4,598 metres of trenching from 46 trenches. The trenches were excavated during three phases of follow-up trenching, with the initial phase being completed and reported in 2006. Selected anomalous trench assay results ( $\geq 0.4$  g/t gold) from the three phases include:

Trench Identifier	Intercept (metres)	From (metres)	Average Gold Grade (g/t)	Average Silver Grade (g/t)
LCTR040	2	0.25	5.39	2.40
LCTR045	3	63	4.74	2.20
LCTR049	9	6	1.08	2.90
LCTR049	11	2	1.06	1.00
LCTR053	3	114	18.94	14.10
Includes	152	1	42.50	28.60
LCTR054	107	8	2.07	1.40
LCTR054A	6	3	6.06	7.30
Includes	7	1	15.73	15.73
LCTR054B	12	1	12.32	5.70
LCTR057B	1	2	7.52	3.00
LCTR058	11	1	13.70	0.10
LCTR058	28	6	4.21	7.40
LCTR058	43	9	8.36	14.10
Includes	44	1	13.02	15.10
LCTR058	135	24	5.34	2.46
Includes	135	1	33.04	13.30
LCTR059	127	9	2.94	1.41
LCTR060	115	4	3.27	1.97
LCTR063	59	2	4.95	6.90
LCTR064	45	2	4.60	9.50
LCTR064	170	2	11.30	20.00
Includes	71	1	20.72	32.70
LCTR070	47	1	11.14	16.90
LCTR072	64	9	1.90	1.07
LCTR077	4	11	1.34	0.69

The trenching programs delineated a total of five vein systems at the prospect. From the west these are referred to as the Acevedo, Escobar, Calichal, Rosa West, and Rosa veins, with the Rosa, Rosa West and Calichal veins being interpreted as the principal veins in terms of grade, continuity of strike and dip, and thickness. The Acevedo and the Escobar veins are more structurally complex and are thought to be quartz stock-work zones related to shearing.

The analytical results and geological interpretations confirmed the continuity of veining and high grade mineralization of the main Rosa, Rosa West and Calichal vein systems over a 600 metre strike length with the longest single vein, the Rosa vein, being traced for approximately 1,200 metres. Indications of hydrothermal alteration further along the mineralized trend suggest an overall potential strike length of some 2,000 metres.

Further field investigations including trenching and drilling are planned.

## **EL POTOSI PROJECT**

The Company renegotiated the agreement with Brett Resources of Canada for the El Potosi project. Limited further work was implemented and targeted the "F" Vein or Potosi Vein.

This work consisted of 339.9 metres of diamond drilling within 2 holes and a review of exploration data collected to date. Anomalous drill assay results include 0.50 metres at 6.96g/t gold, 2.2g/t silver from 100.50 metres in PTDH0025; 1.30 metres at 2.62g/t gold, 1.3g/t silver from 138.60 metres in PTDH0025 and 8.00 metres at 2.16g/t gold, 1.7g/t silver (from 129.00 metres) – PTDH0026

The two diamond holes were cored from surface and designed to target the significant gold mineralization intersected by PTDT013, a hole cored in 2006 that returned 6.36 metres at 18.66g/t gold, 7.3g/t silver from 106.80 metres including a 11.13 metre sample grading 98.60g/t gold, 41.1g/t silver from 110.22 metres.

Drill hole PTDH0025 tested 50 metres below PTDT0013, and did not intersect the high grade intercept of 013. Drill hole PTDH0026 was drilled a section line 40 metres south of 013 and this hole also failed to repeat the significant grades produced by 013, instead intersecting a vein running 8.00 metres at 2.16g/t gold, 1.7g/t silver from 129.00 metres.

The results of the two diamond holes downgraded the potential of the southern area of the Potosi vein system.

The mixed drilling results initiated a total review of all available surface and underground data, to plan the next phase of exploration. The results of the review indicated that although gold was present in the system, the mineralised structures appeared narrow, discrete and structurally complex and with little or no wall-rock alteration, thus proving a difficult and expensive target to further define.

It was therefore decided that the US\$1.25 million payment due to Brett Resources within 30 days of the 24th August under the El Potosi Option Agreement would be more effectively spent funding exploration and development of other projects in the group's portfolio. Condor formally withdrew from the El Potosi Option agreement in August 2007.

## **NICARAGUA**

### **MATAGALPA PROJECT**

#### **El Cacao Concession**

Trenching initiated at the beginning of the year on the El Cacao Concession tested the El Cacao vein with its known >1g/t gold rock chip samples, along with six other outcropping quartz veins in the western part of the concession. The El Cacao vein returned some good intersections over its entire 600 metre strike length with a best of 7 metres at 2.39g/t gold. Of the other outcropping quartz veins on the concession the only other positive assay result came from the Cerro la Calera vein with a single intersection of 1 metre at 1.39g/t gold which remains open to the east.

The first phase of drilling on the El Cacao vein started in July with nine reverse circulation and combination reverse circulation-diamond core drillholes for a total of 733 metres of RC and 223.45 metres of diamond core. The drilling results show that the mineralised structure consists of at least two zones or shoots with a total defined strike length of some 330 metres. The western zone remains open to the west. Mineralised structures of up to 14 metres width at grades of 6.05g/t gold were returned from drilling, including a high grade mineralised quartz vein assaying 0.95 metres at 99g/t gold. The second phase of drilling started in November with four drill holes completed for 223 metres of reverse circulation and 113 metres of diamond core drilling. Brecciated quartz veins were intersected where the mineralized zones were expected. An additional thin quartz vein with strongly altered wall rock was intersected to the south of the main veins and may represent the tip of a third mineralized vein. Assay results are pending. A further

six drill holes including two deep diamond core drill holes, are planned on the El Cacao Prospect on the current drilling programme which were expected to be completed early February.

#### Las Morritas Concession

Three reconnaissance trips to the Las Morritas Concession have failed to locate any quartz veining to sample in the area of the reported soil anomaly. It is planned to run an orientation soil survey across the reported anomaly to check the validity and if no further encouragement is received the licence will be relinquished.

### **NUEVA SEGOVIA PROJECT**

#### San Albino-Murra Concession

Exploration during 2007 focused on the Aguja de Arras (Arras) prospect where early trench sampling identified gold mineralisation with a northeast-southwest strike.

Several phases of infill and strike extension trenching were undertaken during the year which defined a mineralised zone over a 200 metre strike extent with intersections of up to 18 metres at 6.80g/t gold. The gold mineralisation at Arras, as at the nearby San Albino mine, is hosted by a thick package of graphitic schist.

Two back-to-back phases of drilling were completed between August and November. The first phase comprised a ten hole combined reverse circulation and diamond core drill holes for 1,292 metres of RC and 65 metres of diamond core drilling. Six of the seven drill holes were designed to test for a south-westerly or vertical dip to the mineralisation, as inferred from the dominant orientation of the primary foliation. These holes returned disappointing assay results with a best intercept of 1 metre at 2.87g/t gold from 31 metres in SARD001. The only significant gold intercept was returned from the only hole drilled with a south-westerly azimuth from the other side of the mineralised trenches with 4 metres at 17.60g/t gold from 8 metres in drill hole SARC005.

Contrary to the original geological model, this result indicated that the mineralisation actually dips at between 35° and 45° to the north-west. A second phase of drilling tested this model with five reverse circulation drill holes for 691 metres. This phase of drilling revealed a west-north-west plunge to the mineralisation with three of the five drill holes returning 4 metre composite intersections exceeding 1g/t gold, with a best intercept of 8 metres at 8.26g/t gold from surface in SARC013 (Table 3). The drilling has closed off mineralisation to the northeast, however it remains open to the southwest.

Table 3: Drilling intersections exceeding 1g/t Au from the Arras Prospect.

Prospect	Drill hole	From (m)	To (m)	Intercept (m)	Average Gold (g/t)	Comments
Arras	SARD001	31	32	1	2.87	
Arras	SARD002	2	3	1	2.54	
Arras	SARD003	18	20	2	0.9	
Arras	SARD005	8	12	4	17.9	
Arras	SARD013	3	7	4	28.16	Including 1 m at 102g/t gold
	SARD013	11	14	3	10.89	
Arras	SARD014	0	3	3	2.89	
	SARD014	23	24	1	2.60	
Arras	SARD015	30	31	1	0.56	Adjacent to adit at 31-32m (ie void)
	SARD015	36	38	2	1.61	

At the San Albino Mine trend trenching was designed to test two targets: The first a line of old mine shafts and the second a trend defined by gold-mineralised rock chip samples, with disappointing results from both targets. Three reverse circulation drill holes, for a total of 283 metres were drilled into the mineralised structure of the historical San Albino Mine.

Drilling targeted zones beneath the “300 foot” and “400 foot” mine levels, as defined by old mine plans and some outcrop data. As at the Arras Prospect, the two holes drilled towards the northwest failed to intercept gold mineralisation, whereas drill hole SARC010, which was drilled in the opposite direction (towards the southeast) intercepted two gold mineralised zones. Composite assay results returned the following two anomalous results 1 metre at 4.20g/t gold from 14 metres depth and 1 metre at 2.12g/t gold from 95 metres depth:

These results suggest that mineralisation is dipping in a northerly direction. Results of the 1 metre riffle split samples from the mineralised intervals are pending. Historical records indicate that higher grade material, greater than 1 ounce or 31 grams per tonne gold, was extracted from the San Albino Mine before civil unrest halted production in the 1930’s, and rock chip samples of mine spoil collected from the entrance to some of the mine adits has returned assay results of over 20g/t gold and up to 100g/t gold. Further drilling is planned to test for a higher grade zone along strike or dip.

Further south at Las Conchitas two trenches across the site of anomalous rock chip samples identified two separate mineralised zones returning 2 metre at 3.10g/t gold and 1 metre at 6.80g/t gold respectively. Step-out trenches along the inferred strike direction failed to locate the mineralisation. However positive results from rock chip samples over more than 1,000 metres strike length and along more than one trend indicate that there is widespread gold mineralisation in the area and a second phase of trenching was initiated towards the end of the year. The trenching targeted all greater than 1g/t gold rock chip samples to test the width of the mineralisation. At the end of the year three trenches had been completed for 87 metres at Conchitas with assay results including 4 metres at 4.46g/t gold open to the east in SATR036 and 4 metres at 2.31g/t gold in SATR038. A wide intersection assaying 8 metres at 3.20g/t gold in the same trench was subsequently identified as mullock.

In the Santo Domingo area, north of the town of Murra, rock chip sampling continued to define widespread gold mineralisation. Mapping and trenching indicates that the mineralised quartz veins are parallel to the primary foliation of the host graphitic schist, undulating around a flat-lying orientation, with localised variations in dip of up to 50° measured within ten metres of horizontal foliation and veining. Further mapping was initiated and future exploration will be aimed at channel sampling along vertical sections using pits and river bank face sampling. Two trenches were completed with 1 metre at 1.29g/t gold returned from MUTR001 and 2 metres at 18.26g/t gold reported from trench MUTR002. However these were both sampled at a low angle to a flat-lying to undulating quartz vein and so the true thickness may be considerably thinner than the intersection reported.

#### Potreriillos Concession

The Potreriillos Concession was granted to Condor during 2007 and environmental approval for exploration was granted in the second half of the year. Rock chip sampling identified a dozen targets with greater than 1g/t gold rock chip assay results and towards the end of the year a programme of trench sampling to establish the width of gold mineralisation was initiated. Six trenches and one road cutting for 235 metres were completed. Positive assay results include 1 metre at 2.30g/t gold from POTR001 on the San Antonio Prospect and 1 metre at 1.77g/t gold from 9 metres also 1 metre at 1.20g/t gold from 14 metres and 1 metre at 7.95g/t gold from 17 metres from POTR006 on the Piedra Negra Prospect near the San Albino Mine Plant; and 2 metres at 2.20g/t gold from a road cutting (POCT001) near the old Potreriillos mine.

## **SIUNA PROJECT**

### **Columbus Concession**

Five trenches at approximately 100m spacing were excavated at the Mina Columbus Prospect and one trench and one cutting of an abandoned artisanal open pit were sampled at Cerro El Callado. Work was interrupted on the Columbus project at the end of August by an armed robbery, and then further disrupted by the passage of Hurricane Felix over the concession at the beginning of September.

At Mina Columbus the trenching showed that gold mineralisation is restricted to quartz-specularite breccias and sheared andesite zones up to 6 metres thick with best intercepts such as 1 metre at 5.33g/t gold in trench CBTR003 and 3 metres at 2.21g/t gold in CBCT001. Note that this sample is part of a wider intersection of 10 metres at 1.09g/t gold, but the wider intersection is here interpreted as downslope physical and/or chemical dispersion of gold in a supergene environment. Mapping at prospect scale was completed in November 2007.

At nearby Cerro El Callado assay results from face sampling the old pit and a trench suggesting that the fracture-controlled specular haematite mineralisation visible in the old pit wall were disappointing with a best result of 1 metre at 0.51g/t gold from 34.8 metres in the trench (CDTR002). It is noted that there are no records of successful extraction of gold from this old working. However the soil sample gold anomaly at Cerro El Callado that was tested by the trench remains unexplained.

The relatively narrow gold intersections returned from trench sampling at Mina Columbus led to a re-assessment of the Prospect in the second half of the year. Gold mineralisation is now thought to be part of an epithermal system associated with andesitic volcanic pipes further investigative work was underway, and will be supplemented by drill core re-logging.

### **Kuikuinita Concession**

In the first half of 2007 three trenches for 250 metres were excavated on the Los Indios Prospect. The trenches were designed to step-out along the interpreted strike direction to test continuity of mineralisation.

All three trenches returned disappointing assay results suggesting that mineralisation is either of a limited extent or has a different orientation to the previously inferred north-south direction. Close-spaced soil sampling for one hundred samples and a twenty-three metre long trench was completed at the end of the year to try to better establish the orientation and extent of mineralisation. Assay results for the latter were disappointing.

A review of the style of mineralisation is also underway based on re-logging of existing drill core supplemented by petrographical analysis of five selected thin-sections. Initial observations suggest that the gold mineralisation is hosted by massive sulphide in the matrix of a breccia and associated with intense chlorite-carbonate alteration and minor calcite-quartz veining. The host rock appears to be an andesite. The host rock assemblage; andesite in proximity to ultramafic, is similar to the nearby Siuna mine which has variously been described as a skarn deposit or hydrothermal system. Further work is required to fully understand the prospect.

### **Juan Sebastian Concession**

The Juan Sebastian Concession was formally relinquished in June 2007. Twenty rock chip samples were collected during a field trip in April, including some quartz vein fragments. Following negative assay results and a review of geology it was decided to return the Juan Sebastian Licence in June 2007 to the vendors. The generally low tenor of the soil anomalies returned from the prospect, the massive, unaltered nature of the host rock where malachite staining was observed, and the abundance of massive, thick, trap basalts over the licence area is not considered prospective for high concentrations of copper mineralisation.

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	Year Ended 31.12.07 £	Year Ended 31.12.06 £
<b>CONTINUING OPERATIONS</b>			
Administrative expenses		<u>(1,474,129)</u>	<u>(807,565)</u>
<b>OPERATING LOSS</b>		(1,474,129)	(807,565)
Finance income		<u>114,136</u>	<u>117,342</u>
Loss before tax		(1,359,993)	(690,223)
Tax		<u>-</u>	<u>(241)</u>
<b>LOSS FOR THE YEAR</b>		<u>(1,359,993)</u>	<u>(690,464)</u>
Attributable to:			
Equity holders of the parent		<u>(1,359,993)</u>	<u>(690,464)</u>
Earnings per share expressed in pence per share:			
Basic and diluted	3	<u>(1.04)</u>	<u>(0.72)</u>

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	31.12.07 £	31.12.06 £
<b>ASSETS:</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	143,281	69,473
Intangible assets	5,525,962	4,464,040
Trade and other receivables	<u>19,725</u>	<u>170,076</u>
	<u>5,688,968</u>	<u>4,703,589</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	59,841	40,818
Cash and cash equivalents	<u>1,111,020</u>	<u>3,456,183</u>
	<u>1,170,861</u>	<u>3,497,001</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	<u>13,127</u>	<u>-</u>
	<u>13,127</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	107,846	176,934
Tax payable	<u>-</u>	<u>241</u>
	<u>107,846</u>	<u>177,175</u>
<b>NET CURRENT ASSETS</b>	<u>1,063,015</u>	<u>3,319,826</u>
<b>NET ASSETS</b>	<u>6,738,856</u>	<u>8,023,415</u>
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	1,303,118	1,298,118
Share premium	7,352,508	7,306,486
Legal reserves	71	60
Exchange difference reserve	(1,062)	-
Share options reserve	134,738	109,275
Retained earnings	<u>(2,050,517)</u>	<u>(690,524)</u>
<b>TOTAL EQUITY</b>	<u>6,738,856</u>	<u>8,023,415</u>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	31.12.07	31.12.06
	£	£
<b>Cash flows from operating activities</b>		
Loss before tax	(1,359,993)	(690,223)
Share based payment	25,463	109,275
Depreciation charges	51,993	4,332
Impairment intangible assets	576,270	-
Exchange rate differences	79,996	11,310
Profit on disposal of fixed assets	-	(690)
Finance income	<u>(114,136)</u>	<u>(117,342)</u>
	(740,407)	(683,338)
Decrease/(increase) in trade and other receivables	131,329	(208,454)
(Decrease)/increase in trade and other payables	(55,962)	176,934
Income tax paid	<u>(241)</u>	<u>-</u>
Net cash from operating activities	<u>(665,281)</u>	<u>(714,858)</u>
<b>Cash flows from investing activities</b>		
Purchase of subsidiaries	-	(55,570)
Purchase of intangible fixed assets	(186,207)	(234,807)
Purchase of tangible fixed assets	(125,801)	(74,736)
Increase in exploration costs	(1,482,010)	(354,327)
Sale of tangible fixed assets	-	4,710
Interest received	<u>114,136</u>	<u>117,342</u>
Net cash from investing activities	<u>(1,679,882)</u>	<u>(597,388)</u>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	-	5,545,000
Less issue costs	<u>-</u>	<u>(776,571)</u>
Net cash from financing activities	-	4,768,429
Increase in cash and cash equivalents	(2,345,163)	3,456,183
Cash and cash equivalents at beginning of year	<u>3,456,183</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>1,111,020</u>	<u>3,456,183</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2007**

	Share capital £	Share premium £	Legal Reserve £	Exchange difference reserve £	Share option reserve £	Profit and loss reserve £	Total £
<b>Group</b>							
At 1 January 2006	-	-	-	-	-	-	-
New shares issued	1,298,118	7,306,486	-	-	-	-	8,604,604
Loss for the period	-	-	-	-	-	(690,464)	(690,464)
Transfer to legal reserve	-	-	60	-	-	(60)	-
Share based payment	-	-	-	-	109,275	-	109,275
At 31December 2006	1,298,118	7,306,486	60	-	109,275	(690,524)	8,023,415
New shares issued	5,000	46,022	-	-	-	-	51,022
Loss for the period	-	-	-	-	-	(1,359,993)	(1,359,993)
Exchange difference	-	-	-	(1,051)	-	-	(1,051)
Transfer to legal reserve	-	-	11	(11)	-	-	-
Share based payment	-	-	-	-	25,463	-	25,463
At 31December 2007	1,303,118	7,352,508	71	(1,062)	134,738	(2,050,517)	6,738,856

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

### **1. General information**

The financial information set out in this announcement does not constitute the Company's statutory accounts as defined in Sections 240 of the Companies Act 1985 for the years ended 31 December 2007 and 2006. Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS) this announcement itself does not contain sufficient financial information to comply with IFRS. A copy of the statutory accounts prepared under IFRS for the year ended 31 December 2007 will be issued to shareholders prior to the Company's Annual General Meeting. The announcement has been agreed with the auditors and was approved by the Board of Directors on 3<sup>rd</sup> June 2008. The financial information for the year ended 31 December 2006 is derived from the financial statements for that year. The auditors have reported on the 2006 financial statements and their report was unqualified. The financial information for the year ended 31 December 2007 is derived from the financial statements for that year. The auditors have reported on the 2007 financial statements and their report was unqualified with the following emphasis of matter:

"In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Group's and Company's ability to continue as a going concern. As disclosed in note 1, the Group is reliant on obtaining further funding in order for the going concern basis to be appropriate. At the date of this report, the Group has yet to obtain such funding. This indicates the existence of a material uncertainty which may cast significant doubt about the group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern".

### **Basis of preparation**

The Group financial information has been prepared in accordance with the accounting policies adopted by the Group which are consistent with those adopted in the interim results for the six months ended 30<sup>th</sup> June 2007 and with the recognition and measurement criteria of IFRS as adopted for use in the European Union. The Group financial statements consolidate the financial statements of the Company and all operating subsidiaries.

### **2. Basic and diluted earnings per ordinary share.**

The calculation of basic loss per share is based on the loss after taxation of £1,359,993 (2006 – £690,464) and on 130,311,753 ordinary shares (2006 – 129,811,753). In accordance with IAS 33 as the group has reported a loss for the period, the share options are not dilutive.