

CONDOR RESOURCES PLC

HIGHLIGHTS FOR THE SIX MONTHS TO 30 JUNE 2011

23rd September 2011

Condor Resources Plc (“Condor” “Group” or the “Company”) announces its results for the interim period to 30th June 2011.

HIGHLIGHTS

- La India Project in Nicaragua increased its JORC Code Resource to 1,029,000 Million oz gold at 5.4g/t (from 41,000 oz gold at 1.2 g/t) of which 290,000 at 7.6g/t is in the Indicated Category and the balance is in the Inferred Category.
- Macquarie Bank subscribed for £3m of new ordinary shares at 9 pence per share and as a consequence, became a cornerstone investor.
- To date, 9,000m drilled by Condor of its fully funded 20,000m drill programme on La India Project.
- SRK Consulting, Condor’s independent resource consultant for La India Project, completed a 3D model, which gives greater certainty and understanding of the resource and assists in planning the drill programme.
- Estrella Concession showed encouraging initial exploration results including a trench of 9.0m at 5.44g/t
- The Government of El Salvador maintains a moratorium on all mining activity. Condor’s 1,120,000 oz gold equivalent at 2.6g/t to JORC Code in El Salvador remains suspended and the operations are on care and maintenance basis only.

POST PERIOD HIGHLIGHTS

- Discovery of wide high grade gold mineralised Central Breccia in the heart of the La India Project with a trench of 11m at 2.74g/t gold. Further exploration is underway to define the size of the discovery.
- Acquisition of the Espinito-Mendoza Concession in the heart of La India Project provides Condor with an additional 513,000 oz gold at 11.1g/t of Soviet Resource, consolidating Condor’s ownership of 2.4m oz gold at 9.5g/t to Soviet Classification in the District.
- Zopilote Adit was re-opened for resampling. It runs 400m perpendicular to the main La India Vein. A previous Canadian explorer identified 7 gold mineralised veins in the adit.

CURRENT (INC. POST PERIOD) GLOBAL JORC RESOURCE

The following Mineral Resource was certified JORC-Code compliant by independent geologists SRK Consulting (UK) Ltd. (La India), Geosure Exploration and Mining Solutions (Cacao, La Calera and part of Pescadito) and Ravensgate Resources (Part of Pescadito).

| | Tonnes (kt) | Gold | | Silver | | Gold Equivalent | | | JORC Category |
|-----------------------------|----------------|----------------|-------------------|----------------|-------------------|-----------------|-------------------|-----------------------------------|------------------|
| | | Grade (g/t) | Contained (oz) | Grade (g/t) | Contained (oz) | Grade (g/t) | Contained (oz) | Attributable Contained (oz) | |
| Nicaragua Projects | | | | | | | | | |
| La India | 1,180 | 7.6 | 290,000 | - | - | 7.6 | 290,000 | 232,000 | Indicated |
| (80%) | 3,640 | 6.0 | 698,000 | - | - | 6.0 | 698,000 | 559,000 | Inferred |
| El Cacao (100%) | 1,100 | 1.2 | 41,000 | - | - | 1.2 | 41,000 | 41,000 | Inferred |
| Total | 5,870 | 5.4 | 1,029,000 | - | - | 5.4 | 1,029,000 | 832,000 | Ind+Inf |
| El Salvador Projects | | | | | | | | | |
| Pescadito (90%) | 7,100 | 1.9 | 434,000 | 96 | 22,100,000 | 3.9 | 802,000 | 722,000 | Inferred |
| La Calera (90%) | 6,000 | 1.6 | 313,000 | - | - | 1.6 | 313,000 | 282,000 | Inferred |
| Total | 13,150 | 1.8 | 747,000 | 96 | 22,100,000 | 2.6 | 1,120,000 | 1,004,000 | Inferred |

Note that tonnage is rounded to nearest 10,000t, gold grade is rounded to nearest 0.1g/t, silver and gold equivalent grade to nearest 1g/t, contained gold and gold equivalent to nearest 1,000oz and contained silver to nearest 10,000oz. Gold equivalent is calculated using silver:gold ratio of 60:1. Attributable gold is calculated as 80% interest in La India Concessions (remaining 20% owned by B2Gold Corp) and 90% interest in El Salvador licences (remaining 10% gifted to the Condor Resources El Salvador Charitable Foundation).

CONDOR RESOURCES PLC
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS TO 30 JUNE 2011

Dear Shareholder,

I am pleased to present Condor's unaudited interim financial report for the 6 months ended 30th June 2011. The Group's JORC Resources have increased significantly during the period. In the Republic of Nicaragua ("Nicaragua"), Condor's independent resource consultant, SRK Consulting UK Ltd ("SRK") estimated a JORC Code Resource of 988,000 oz gold at 6.4g/t on Condor's 80% La India and San Pablo Concessions 13th April 2011. This increased the resource on La India Project to 1,029,000 oz gold at 5.4g/t (832,000 oz gold attributable) from 41,000 oz gold at 1.2g/t at the beginning of 2011. SRK estimated the resource following a massive data capture exercise of all available historic mining and exploration data on La India Project.

The operating loss for the 6 month period was £420,575. The cash equivalents at 30th June 2011 were £3,552,031, boosted by a £3m placement of shares to Macquarie Bank.

Condor commenced drilling on La India Project on 28th January 2011 and currently has 3 drill rigs operating, with a fourth drill rig expected in the fourth quarter of 2011. At the time of writing, Condor has completed 9,000m of a fully funded 20,000m drill programme which is primarily designed to increase the current JORC Resource by converting more of the 2,400,000 oz gold at 9.5g/t to Soviet Classification defined by a Soviet sponsored exploration programme in 1991 to a JORC Code Resource. The current JORC Code Resource of 1,029,000 oz gold at 5.4g/t, of which 290,000 oz gold at 7.6g/t is in the indicated category and the balance in the inferred category, is on nine high grade epithermal veins with an aggregate strike length of approximately 8km. A further 10km of strike length has been defined by some of the 14,000m of trenching on La India Project and underground workings, but has not been included in the Resource because it has not been drilled. At the time of writing, approximately 27,000m of drilling has been completed on La India Project by Condor and previous explorers. The average drill depth is 150m. The average resource depth is relatively shallow at 200m. The drill programme is designed to increase the resource by drilling along strike and drilling to depth.

Some 90% of the 1,029,000 oz JORC resource is on four principal veins, which could theoretically be connected by underground tunnels. La India Vein Set (comprising the La India, Teresa, Agua Caliente and Arizona Veins) hosts a resource of 451,000 oz gold in the main La India Valley, which is the location of one of the main historic mines, mined on 8 levels. Condor's drilling on La India Vein Set has three primary objectives: A) Determine whether there is a series of several parallel veins within 200m of the main La India Vein. The signs are encouraging as two drill holes have identified the California Vein parallel to and only 75m from the La India Vein and 7 veins have been identified by a previous explorer in the Zopilote Adit that runs for 400m perpendicular to La India Vein. B) To extend the depth of the resource on La India Vein by drilling into the high grade ore shoots underneath the deepest level of the historic mine. C) Determine whether the veins in La India Vein Set are inter-connected and therefore potentially assessable from a central location.

The America Vein Set (comprising the America, Constancia and Guapinol Veins) host a resource of 378,000 oz gold. The America Vein is similar to La India Vein in that it was mined on 8 levels. SRK recently completed a structural report on La India Project. SRK highlighted in the report that the valley between the America Vein and Guapinol Vein is likely to be the "centre of the epithermal gold system" as it is the point in the system where the veins to the south dip to the north and the veins to the north dip to the south. The America and Constancia Veins are only 200m apart but dip in opposite directions, appearing on the 3D model to converge at approximately 200m depth. The current drill programme is designed to increase the resource by drilling to depth and determine the shape of the vein at and below the intersection of the two veins.

On 24th August 2011, Condor announced it had acquired 100% of the Espinito-Mendoza Concession for US\$1,625,000 (see announcement for full details). The acquisition completes the purchase of all concessions in the District that host the 2.4m oz gold at 9.5g/t to Soviet Classification defined in 1991. The Directors currently expect that approximately 205,000 oz gold at 10.8g/t to Soviet C1+C2 classification should be readily converted to a JORC Code Inferred resource and if so, subsequently be added to Condor's existing JORC Code Resource of 1,029,000 oz gold @ 5.4g/t (832,000 oz gold attributable) in the District. Condor has already digitised the 4339m of drilling and 1595m of trench sampling completed on the Espinito Mendoza Concession and passed this data to SRK who have been instructed to convert to a JORC Code Resource before 31st December 2011.

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CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS TO 30 JUNE 2011

Work was undertaken on three of Condor's other concessions in Nicaragua during the period. The data for 6,250m drilling and over 7,000m of trenching on the Rio Luna Concession was sent to SRK to estimate a maiden JORC Code resource, which should be available in the near future. Initial trench results on the Estrella Concession were very promising with a highlight of 9m at 5.44g/t gold. B2Gold commenced preliminary exploration work on Condor's 20% owned Cerro Quiroz Concession, drilling is expected to commence in the 4th quarter of 2011.

In El Salvador, the Tau Group, www.taugroup.com has completed its final round of consultative meetings with parties effected by a potential resumption of mining in El Salvador. Condor understands the Tau Group's study titled "The Strategic Environmental Evaluation of the Metallic Mining Sector of El Salvador" ("EAE") has been completed and is being reviewed by various ministries. We understand this will be made public in due course. The EAE will likely lead to a Mining Policy Review and amendments to the current mining law. In May 2011, Condor gifted 10% of its wholly owned El Salvador subsidiary into a UK charitable trust regulated by the UK Charities Commission. The beneficiaries of the charitable trust are the most needy people in El Salvador and benefit from a 10% carried interest in the 1,121,000 oz gold equivalent on Condor's concessions.

The outlook for Condor remains highly promising. The corporate object remains to double the current JORC Resource on La India Project to 2 million oz gold at which stage the Board, in consultation with key shareholders and advisers, will decide whether to continue drilling to increase the overall size of the resource or infill drill to take to a Bankable Feasibility Study. We expect two JORC Resource increases for La India Project by 31st December 2011; from the conversion of the Soviet Resource on the recently acquired Espinito Mendoza Concession and from the current drill programme.

Mark Child
Executive Chairman and CEO

22nd September 2011

CONDOR RESOURCES PLC

OPERATIONS REPORT AND PROJECT OVERVIEW **FOR THE SIX MONTHS TO 30 JUNE 2011**

EL SALVADOR

In El Salvador, the government department responsible for the environment, MARN has continued to delay processing any permit applications relating to the metallic mining industry, including permits to undertake exploration drilling. During the period, and post-period, all of Condor's exploration licences in El Salvador passed renewal dates. Since the exploration licence renewal process also requires renewal of environmental permits, which have not been processed or granted by MARN, the licence renewals have not been completed. In order to protect the Company's ownership of the exploration licences in El Salvador, Condor, through its wholly owned local subsidiary, Minerales Morazan SA de CV, has filed legal actions against both the government department responsible for issuing exploration licences, MINEC, and the government department responsible for issuing drilling permits, MARN. The actions are based on the argument that the Company has not been able to meet all the requirements for an exploration licence renewal because MARN has not met its legal obligation to process applications for drilling permits within a thirty day period. Consequently all of Condor's exploration licences in El Salvador remain frozen in a state of application for extension.

The inaction of MARN described above is the instrument of an unofficial moratorium on metallic mining that was instigated in 2007. In actual fact the government of El Salvador has not committed itself to a policy for or against mining in the country and has commissioned an independent 'Strategic Environmental Study of the Metallic Mining sector in El Salvador'. While there remains uncertainty about the El Salvador government's policy regarding future mining operations Condor has maintained an administrative presence in El Salvador in order to protect Condor's assets and position the Company to act quickly to apply for new prospective exploration licences should the Government elect to support metallic mining in the near future.

The Tau Group, www.taugroup.com has completed its final round of consultative meetings with various stakeholders in the future mining policy of El Salvador. Condor understands the Tau Group's study titled "The Strategic Environmental Evaluation of the Metallic Mining Sector of El Salvador" ("EAE") has been completed and is being reviewed by various ministries. We understand this will be made public in due course. The EAE will likely lead to a Mining Policy Review and amendments to the current mining law.

In May 2011, Condor gifted 10% of its wholly owned El Salvador subsidiary into a UK charitable trust regulated by the UK Charities Commission. The beneficiaries of the charitable trust are the most needy people in El Salvador and benefit from a 10% carried interest in the 1,121,000 oz gold equivalent on Condor's concessions.

NICARAGUA

In Nicaragua the Company focussed exploration on the flagship La India Project. Since 2010 Condor has been the majority concession holder in the historic La India Gold Mining District (the "District") through ownership of the Cacao, El Rodeo, Real de la Cruz and Santa Barbara concessions and 80% interest in the La India and Espinito San Pablo Concessions (together 'La India Concession'). The post-Period acquisition of the Espinito Mendoza Concession increased the company's majority interest to a 166.66 square kilometre area including an estimated 98% of the historic gold mines. The District is centred on the La India Mine which produced an estimated 575,000 oz gold at 13.4g/t between 1938 and 1956. An extensive study undertaken in the late 1980's with Soviet Government support concluded that the District contained a Soviet GKZ style resource of 2.4 million oz at 9.5g/t gold of which 924,000 oz at 9.4g/t gold was in the C1 + C2 category and the balance was in the more prognostic P1 category. The mining and exploration data compiled by the original miners, the Soviet-sponsored exploration and various Canadian explorers in the 1990's and 2000's was digitised by Condor in the second half of 2010 and this data was used by Independent Geological Consultants SRK Consulting (UK) Ltd to complete a Mineral Resource Estimation to JORC Code which was announced on the 4th January 2011; 868,000 oz gold at 5.9g/t on Condor's 80% owned La India Concession. In April 2011 this initial resource was upgraded to a JORC Mineral Resource of 988,000 oz gold at 6.4 g/t, of which 290,000 oz gold at 7.6 g/t is in the indicated category and 698,000 oz gold at 6.0 g/t is in the inferred category. The increase in gold resource and the improvement in confidence were achieved by including additional historical exploration data and new assay results for eight previously drilled holes for which the original assay data was unavailable. When combined with 41,000 oz gold on the Cacao vein, Condor currently has defined a resource of 1,029,000 oz gold in the Project area.

CONDOR RESOURCES PLC

OPERATIONS REPORT AND PROJECT OVERVIEW FOR THE SIX MONTHS TO 30 JUNE 2011

At the end of January 2011 Condor commenced a diamond core drilling programme on the La India Project designed to increase the inferred resource, initially with a single rig, and since the end of May, with two rigs. The initial drilling targeted extensions to the existing resource blocks by drilling along strike where previous trench sampling has demonstrated continuity in mineralisation, and down-dip beneath existing mine workings and drill intercepts to extend the resource blocks to depth, initially to depths of up to 200m below surface. Drilling results to date have confirmed the observation, derived from the historic mining data, that the gold is unevenly distributed along the strike length of the veins as steep high grade shoots, with the gold hosted by quartz veins and/or fault gouge, typically 1m to 3m thick, separated by zones of thin quartz veins and quartz stockwork typically assaying at less than 1g/t gold. The high grade shoots typically extend for 100m to 300m along strike and the intervening low grade zones appear to have similar dimensions. A structural geology study undertaken by a consultant geologist from SRK Consulting (UK) Ltd suggested that the gold distribution is likely to be further complicated in the vertical plane by post-mineralisation extensional faulting causing variations in thickness of the veins down-dip. In these ground conditions the 100m drill spacing employed by Condor in order to obtain the maximum possible Inferred resource from the least possible drill meterage will be expected to return as many low grade intercepts as high grade, but remains a valid method of defining the District-wide resource potential.

During the reporting period assay results were received for 21 drillholes for 2464m drilling, with drilling successfully defining a new high grade shoot on the Eastern extension of the America-Constancia Vein with a best intercept of 1.4m at 17.6g/t gold from 63.9m drill depth, and extending the width and depth of high grade mineralisation on the Tatiana Vein with a best intercept of 0.8m at 10.5g/t gold from 65.3m drill depth. Both of these areas retain potential at depth to be followed up in the future. In other areas the drilling appears to have closed off mineralisation: infill drilling between two resource blocks on the Guapinol Vein delineated a low grade zone; drilling beneath high grade trenches on the western strike extension of the America-Constancia Vein showed that mineralisation became thinner and lower grade with depth, and drilling beneath the historic mine workings on the San Lucas Vein encountered two veins, but with low grades.

The trenching, artisanal mine shaft channel sampling and air-leg rock drill sampling programme initiated in 2010 to define the surface mineralisation of the 2.3km long Andrea Vein on Condor's wholly owned **El Rodeo** Concession in the north of the District was completed with the last 4 artisanal mine adits sampled at the beginning of the year. A total of four enrichment zones are now recognised with a combined strike length of 1.3km, connected by low-grade zones. The highest grade intercepts are found at the margins of the central enrichment zone where intercepts of 1.9m at 6.53 g/t gold and 1.4m at 6.63 g/t gold were returned from trenches located 250m apart along strike. The other enrichment zones returned best intercepts of 3.25m at 1.55 g/t gold, 1.8m at 2.08 g/t and 3.6m at 1.92 g/t gold respectively. They are now considered drill targets to test whether the mineralisation improves in grade and consistency at depth, to be prioritised against Condor's other targets in the district. 4,694,794

A reconnaissance exploration trip to the **Estrella** Concession in Nicaragua's historic 'Mining Triangle' in the northeast of the country confirmed high grade gold intercepts reported by previous explorers over a 400m strike length that defines the historic Estrella Gold Mine. Three trenches were excavated for 58m with a best intercept of 9.0m at 5.44g/t gold demonstrating that mineralisation occurs along at least two close-spaced sub-parallel structures, and that the mineralisation extends beyond the veins into the wall rock in the weathered zone. Intense artisanal mining activity was taking place at the time of the visit along a 100m strike length where the vein passed close to a river, and channel sampling of the artisanal miners pits returned average grades of 11.85g/t gold over 1m intervals across the high-grade core of the veins. Condor geologists took advantage of a 14m long section of the historic mine that has been opened-up by artisanal miners to collect the first underground channel samples since the mine closed and was rewarded with three intercepts averaging 0.9m at 8.53g/t gold. The Company is encouraged that this gold mineralised epithermal vein is one of two to three parallel veins separated by short intervals of 5 to 10m of country rock. The challenge on this concession is to extend the size of the mineralised zone beyond the 400m strike length defined to date. It is highly unlikely that the mineralised fluids that deposited this ore body were restricted to an isolated structure and future exploration activity will aim to discover extensions to the known structure and/or other gold mineralised veins in the vicinity.

CONDOR RESOURCES PLC

OPERATIONS REPORT AND PROJECT OVERVIEW FOR THE SIX MONTHS TO 30 JUNE 2011

Post-Period Developments

Post period drilling has focussed on the **La India Vein Set** (comprising the La India, Teresa, Agua Caliente and Arizona veins) where 451,000 oz gold at 7.0 g/t or 45% of the current resource is contained. An intercept of 6.3m at 3.65g/t gold, including 2.1m at 7.99g/t gold approximately 100m down-dip of the historic Arizona Mine shows that this mineralisation is open to depth and also along strike to the East where trenching is not feasible due to a thick alluvial cover. Wide spaced drilling further west along the TACA Veins trend (comprising the Teresa, Agua Caliente and Arizona veins) also returned some narrow high grade intercepts beneath high grade trenches, including 0.6m at 5.23g/t gold from 66.8m drill depth and 0.18m at 9.45g/t from 176.6m drill depth. The wide spacing of these drillholes means that it is not possible to determine whether these intercepts represent the edges of high grade shoots or a consistently narrow structure. At the western end of the trend drilling beneath the historic Teresa and Agua Caliente mine workings was less encouraging with a best intercept of 1.28m at 2.51g/t gold from 77.72m drill depth near the historic Teresa Mine.

In addition to the drilling on La India Vein Set an intercept of 4.5m at 3.82g/t Au from 42m drill depth including 0.65m at 19.5g/t Au returned from one of three drillholes targeting a zone of high grade trench mineralisation on the San Lucas-Capulin Vein, to the south of the historic mine workings indicates that the potential remains to define additional resources on this vein set despite the disappointing assay results beneath the historic workings.

A third drilling rig capable of drilling to depths of between 300m and 400m was brought on site in July to test mineralisation beneath the principal historically mined areas on the La India and America-Constancia veins. Drilling initiated on La India Vein with the aim of intersecting both the La India Vein at depth and a number of other veins, including the California Vein, in the hanging wall zone. Success in intersecting the California Vein on the first hole with an intercept of 3.4m at 3.24g/t gold from 175.5m drill depth was offset by problems in penetrating and recovering broken ground in the La India Vein.

Condor geologists discovered a wide high-grade gold mineralised breccia on the La India Project at the centre of the District's epithermal gold system. Follow-up trenching of a 13.6g/t gold rock chip sample returned 11m at 2.74g/t gold, including 2m at 6.77g/t gold at the southern end of the trench (the "Central Breccia"). The thickness and lateral continuity of the Central Breccia have not yet been established, and until they are the economic significance of the discovery cannot be assessed. However it is unusual to have high grade gold mineralisation in a breccia in the District, and the location is highly prospective as the gold-mineralised Central Breccia is located at the structural centre of the epithermal gold system, along the central axis where gold-bearing structures converge; to the south of this axis the principal structures dip towards the north whereas to the north of this axis the principal structures dip to the south. Significant structural deformation would be expected at the point of convergence of these structures which would form a favourable host for gold mineralisation. Further trenching in the vicinity is underway to try to better establish the extent of the mineralisation at surface before drilling is considered.

In August 2011 Condor entered into an agreement to acquire the 2km² **Espinito-Mendoza Concession** which covers a significant strike section of four gold mineralised veins; the Espinito, Tatiana, Jicaro, and Buenos Aires 1 and 2 veins in the heart of District, within Condor's 80% owned La India Concession, and contains the last significant known gold mineralisation within the District that was not previously under Condor's control. The Concession contains a significant concentration of gold mineralisation within a small area with over 3.8km of gold mineralised veins already defined, including historic underground mine workings along a 500m strike length and the northwestern strike extension of Condor's Tatiana Resource. Soviet sponsored exploration in the late 1980's concluded that the Concession area has a Soviet GKZ style resource of 513,000 oz gold at a grade of 11.1g/t. Of this amount 205,000 oz gold at 10.8g/t was assigned to the more confident C1+C2 category, the remainder being in the P1 category which describes the anticipated return on exploration of targets identified at surface. The concentration of gold veins attracted the attention of Canadian Miners in 1996-1997 who drove an 88m long cross-cut which successfully accessed the Buenos Aires 1 and 2 veins and reached the Jicaro Vein, but was abandoned before reaching the Tatiana Vein at a time when the gold price fell sharply on global markets. The Agreement follows several months of negotiation and increases Condor's concession holdings to incorporate 98% of the District's entire gold resource of 2.4 million oz gold at 9.5g/t as estimated by the Soviet's to Soviet GKZ classification in 1991.

Dr. Luc English:
Country Manager El Salvador and Nicaragua

CONDOR RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 JUNE 2011

| | Six months to 30.06.11 unaudited £ | Six months to 30.06.10 unaudited £ |
|--|---|---|
| Revenue | - | - |
| Net loss arising on foreign translations | (19,533) | (706) |
| Administrative expenses | (401,043) | (207,565) |
| Operating loss | <u>(420,576)</u> | <u>(208,271)</u> |
| Finance income | 1,492 | 593 |
| Net gain on financial assets at fair value through profit and loss account | - | - |
| Loss before income tax | <u>(419,084)</u> | <u>(207,678)</u> |
| Income tax expense | <u>(7,074)</u> | <u>(6,329)</u> |
| Loss for the period | <u>(426,158)</u> | <u>(214,007)</u> |
| Other comprehensive income: | | |
| Currency translation differences | <u>(198,084)</u> | <u>135,614</u> |
| Other comprehensive (loss)/income for the period | <u>(198,084)</u> | <u>135,614</u> |
| Total comprehensive loss for the period | <u>(624,242)</u> | <u>(78,393)</u> |
| Income/(loss) attributable to: | | |
| Non-controlling interest | (50) | - |
| Owners of the parent | <u>(426,108)</u> | <u>(214,007)</u> |
| Total comprehensive income/(loss) attributable to: | | |
| Non-controlling interest | (50) | - |
| Owners of the parent | <u>(624,192)</u> | <u>(78,393)</u> |
| Loss per share expressed in pence per share: | | |
| Basic and diluted | Note 5 <u>0.0</u> | <u>(0.0)</u> |

CONDOR RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 JUNE 2011

| | 30.06.11 unaudited £ | 31.12.10 £ | 30.06.10 unaudited £ |
|--|----------------------------|-------------------------|----------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 63,665 | 39,930 | 21,095 |
| Intangible assets | 5,214,456 | 4,877,835 | 4,847,546 |
| | <u>5,278,121</u> | <u>4,917,765</u> | <u>4,868,641</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | 473,135 | 129,963 | 100,689 |
| Financial assets at fair value through profit and loss | - | - | 1,496,487 |
| Cash and cash equivalents | 3,078,896 | 922,275 | 426,365 |
| | <u>3,552,031</u> | <u>1,052,238</u> | <u>2,023,541</u> |
| TOTAL ASSETS | <u>8,830,152</u> | <u>5,970,003</u> | <u>6,892,182</u> |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | - | - | 5,817 |
| | <u>-</u> | <u>-</u> | <u>5,817</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 174,510 | 92,620 | 140,721 |
| | <u>174,510</u> | <u>92,620</u> | <u>140,721</u> |
| TOTAL LIABILITIES | <u>174,510</u> | <u>92,620</u> | <u>146,538</u> |
| NET CURRENT ASSETS | <u>3,377,521</u> | <u>959,618</u> | <u>1,877,003</u> |
| NET ASSETS | <u>8,655,642</u> | <u>5,877,383</u> | <u>6,745,644</u> |
| SHAREHOLDERS' EQUITY | | | |
| Called up share capital | 5,583,451 | 4,922,618 | 4,717,118 |
| Share premium | 10,000,847 | 7,259,179 | 7,149,141 |
| Legal reserves | 71 | 71 | 71 |
| Exchange difference reserve | 553,616 | 751,700 | 915,115 |
| Share options reserve | 163,215 | 163,215 | 198,253 |
| Retained earnings | (7,588,574) | (7,219,400) | (6,234,054) |
| Non-controlling interest | (56,984) | - | - |
| | <u>(56,984)</u> | <u>-</u> | <u>-</u> |
| TOTAL EQUITY | <u>8,655,642</u> | <u>5,877,383</u> | <u>6,745,644</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | 30.06.11 unaudited £ | 31.12.10 £ | 30.06.10 unaudited £ |
|----------------------------------|----------------------------|-------------------------|----------------------------|
| Opening reserves | 5,877,383 | 6,824,037 | 6,824,037 |
| Comprehensive income: | | | |
| Loss for the period | (426,158) | (1,199,353) | (214,007) |
| Other comprehensive income: | | | |
| Currency translation differences | (198,084) | (27,801) | 135,614 |
| New shares issued | 3,402,501 | 280,500 | - |
| Share issue costs | - | - | - |
| Share based payment | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Closing reserves | <u>8,655,642</u> | <u>5,877,383</u> | <u>6,745,644</u> |

CONDOR RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2011

1. COMPLIANCE WITH ACCOUNTING STANDARDS

Basis of preparation

This financial information has been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union. The standards have been applied consistently. The statutory accounts for the year ended 31 December 2010, which have been filed with the Registrar of Companies, were prepared under IFRS and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their account under IFRS. The auditors reported on those accounts; their Audit Report was unqualified and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 2006.

The Interim Report is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006.

The Interim Report for the six months ended 30 June 2011 was approved by the Directors on 22nd September 2011.

The comparative period presented is that of 30 June 2010. The directors are of the opinion that due to the nature of the group’s activities and the events during that period these are the most appropriate comparatives for the current period.

Copies of the Interim Report are available from the Company’s website www.condorresourcesplc.com.

2. ACCOUNTING POLICIES

The interim financial information for the six months ended 30 June 2011 have been prepared on the basis of the accounting policies set out in the most recently published financial statements for the Group for the year ended 31 December 2010, which are available on the Company’s website www.condorresourcesplc.com, as the company does not anticipate the addition of new standard to the Group’s results for the year ended 31 December 2010.

3. REVENUE AND SEGMENTAL REPORTING

The Group has not generated any revenue during the period.

The Group’s operations are located in England, El Salvador and Nicaragua.

The following is an analysis of the carrying amount of segment assets, and additions to plant and equipment, analysed by geographical area in which the assets are located.

The Group’s results by reportable segment for the year ended 30 June 2011 are as follows:

| | UK 2011 £ | El Salvador 2011 £ | Nicaragua 2011 £ | Consolidation 2011 £ |
|---------------------------|--------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| RESULTS | | | | |
| Operating profit / (loss) | (432,391) | (505) | 12,320 | (420,576) |
| Interest income | 1,483 | 9 | - | 1,492 |
| Income tax expense | - | - | (7,074) | (7,074) |

CONDOR RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS TO 30 JUNE 2011

3. REVENUE AND SEGMENTAL REPORTING - continued

Assets

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses.

| | UK 2011 £ | El Salvador 2011 £ | Nicaragua 2011 £ | Consolidation 2011 £ |
|--------------------|--------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| ASSETS | | | | |
| Total assets | <u>3,373,215</u> | <u>4,694,794</u> | <u>762,143</u> | <u>8,830,152</u> |
| | | | | |
| | UK 2011 £ | El Salvador 2011 £ | Nicaragua 2011 £ | Consolidation 2011 £ |
| LIABILITIES | | | | |
| Total liabilities | <u>93,586</u> | <u>2,877</u> | <u>78,047</u> | <u>174,510</u> |

The Group's results by reportable segment for the year ended 30 June 2010 are as follows:

| | UK 2010 £ | El Salvador 2010 £ | Nicaragua 2010 £ | Consolidation 2010 £ |
|---|--------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| RESULTS | | | | |
| Operating loss | (207,156) | - | (1,115) | (208,271) |
| Interest income | 563 | 30 | - | 593 |
| Income tax expense | - | - | (6,329) | (6,329) |
| | | | | |
| Included in operating loss | | | | |
| Depreciation | 905 | - | - | 905 |
| Net gain from fair value adjustment on financial assets | - | - | - | - |

Assets

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses.

| | UK 2010 £ | El Salvador 2010 £ | Nicaragua 2010 £ | Consolidation 2010 £ |
|--------------------|--------------------------|-----------------------------------|---------------------------------|-------------------------------------|
| ASSETS | | | | |
| Total assets | <u>4,866,326</u> | <u>1,786,212</u> | <u>239,644</u> | <u>6,892,182</u> |
| | | | | |
| | UK 2010 £ | El Salvador 2010 £ | Nicaragua 2010 £ | Consolidation 2010 £ |
| LIABILITIES | | | | |
| Total liabilities | <u>129,958</u> | <u>3,062</u> | <u>13,518</u> | <u>146,538</u> |

CONDOR RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2011

4. TAXATION

There is no current tax charge for the period. The accounts do not include a deferred tax asset in respect of carry forward unused tax losses as the Directors are unable to assess that there will be probable future taxable profits available against which the unused tax losses can be utilised.

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

A reconciliation is set out below:

| | Six months to 30.06.11 | Six months to 30.06.10 |
|-----------------------------------|---------------------------|---------------------------|
| Basic EPS | | |
| Loss for the period | (426,158) | (214,007) |
| Weighted average number of shares | 531,927,031 | 471,711,753 |
| Loss per share (in pence) | <u>(0.0)</u> | <u>(0.0)</u> |

In accordance with IAS 33, as the Group has reported a loss for the period, diluted earnings per share is not included.

6. CALLED-UP SHARE CAPITAL

| | 30.06.11 £ | 30.06.10 £ |
|--|------------------|------------------|
| Allotted and fully paid | | |
| 558,345,086 (30.06.10: 471,711,753) ordinary shares of 1p each | <u>5,583,451</u> | <u>4,717,118</u> |

7. RELATED PARTY TRANSACTIONS

During the half year the company received consultancy advice from the following related parties:

| Company | Related party | 30.06.11 | | 30.06.10 | |
|--------------------------|---------------|---------------|-----------------------------|---------------|-----------------------------|
| | | Payments £ | Outstanding balance £ | Payments £ | Outstanding balance £ |
| Iguana Resources Pty Ltd | Klaus Eckhof | 2,000 | - | 3,000 | - |
| Axial Associates Limited | Mark Child | 140,400 | - | 63,450 | - |
| | Jim Mellon | 3,000 | - | - | - |

8. SEASONALITY OF THE GROUP'S BUSINESS OPERATIONS

There are no seasonal factors which affects the trade of any company in the group.