



# Condor Gold plc

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8 July 2019

## Condor Gold plc ("Condor", "Condor Gold" or the "Company")

### Condor Gold Raises £4.04 Million via a Private Placement of New Ordinary Shares

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce a placing of 20,192,520 Units (as defined below) at a price of 20p per Unit (the "Placing Price"), including a Directors' & CFO subscription of 6,350,000 Units ("Directors & CFO Subscription"), to raise in aggregate gross proceeds of approximately £4,038,504 (the "Placing"). The Placing has been undertaken directly by the Company with institutional and other investors including Related Parties as described below. Completion of the Placing is conditional, inter alia, upon admission of the Placing Shares (as defined below) to trading on AIM and the Toronto Stock Exchange ("TSX") and, in respect of the Nicaragua Milling Subscription only (as defined below) on receipt of the placing funds by 26 July 2019. The Company has received conditional approval from the TSX for the Placing. The Placing Price represents a small premium to the 30 day volume weighted average price of 18.82p on 5 July 2019.

Each Unit comprises one ordinary share of 20p each in the Company (the "Placing Shares") and one third of one share purchase warrant of the Company (a "Warrant"). Each Warrant, which is unlisted and fully transferable, will entitle the holder thereof to purchase one ordinary share at a price of 25p (which is at a 25% premium to the Placing Price) for a period of 36 months from the date on which the shares issued pursuant to the Placing are admitted to trading on AIM (the "Closing Date"). 50% of the Warrants shall be subject to an accelerated exercise period if the closing mid-market price of the ordinary shares on AIM is more than £0.30 for 10 consecutive trading days. All of the securities comprising the Units are subject to resale restrictions into Canada which will expire four months and one day from the date of issuance.

#### **Mark Child, Chairman and Chief Executive Officer of Condor, commented:**

"Condor Gold has conducted a private placement to raise gross proceeds of approximately £4.04 million by issuing new ordinary shares representing 27% of the Company's existing issued share capital. The placement proceeds will be used to advance the La India Project towards production following the grant of an Environmental Permit to construct and operate a 2,800 tonne per day processing plant with capacity to produce 100,000 oz gold per annum from La India open pit. The proceeds will also be used to meet conditions of the Environmental Permit including the completion of engineering and other technical studies and for the acquisition of some or all of land for the mine site infrastructure. La India open pit is permitted to produce approximately 600,000 oz gold over a 6 to 7 year period.

I would like to thank Jim Mellon, my fellow Director and shareholder for his staunch support and providing the lead order of £1.25million for the Placing and several other existing shareholders who have participated in the Placing. I take this opportunity to welcome Nicaragua Milling Company Limited as a 10.4% shareholder post placement. Nicaragua Milling Company Limited is controlled by Randy Martin, a mining engineer with a long history of operating in Nicaragua, Central and South America. Mr Martin was founder and CEO of RNC Gold Limited until its merger with Yamana Gold Inc in 2006. He developed Hemco Nicaragua, which operates the 1,200 tpd underground and open pit mine at Bonanza, of which 90% was sold to Mineros SA. Mr Martin is the COO of Para Resources Inc, a TSXv-listed, in-production gold mining company with projects in Arizona, Columbia and Brazil. Mr Martin has extensive experience of operating toll milling plants for artisanal miners and currently owns and operates the 200tpd Plantel Los Angelos toll milling operation in Nicaragua.

Furthermore, proceeds will be used to complete Environmental Impact Assessments which are part of the application process for Environmental Permits for 2 high-grade satellite feeder pits (see RNS dated 28 January 2019): the Mestiza open pit Mineral Resource is 92Kt at a gold grade of 12.1 g/t (36,000 oz contained gold) in the Indicated Mineral Resource category and 341Kt at a gold grade of 7.7 g/t (85,000 oz contained gold) in the Inferred Mineral Resource category; the America open pit Mineral Resource is 114Kt at a gold grade of 8.1g/t (30,000 oz contained gold) in the Indicated Mineral Resource category and 677Kt at a gold grade of 3.1g/t (67,000 oz contained gold) in the Inferred Mineral Resource category.

Condor has conducted internal scoping level studies using information from Prefeasibility Studies and Preliminary Economic Assessments (PEAs) on La India Project which indicate the combined production from the La India open pit with the Mestiza and America feeder pits is projected to be between 94,000 to 140,000 oz gold per annum for 7 years. Condor is also evaluating its 1.13M oz contained gold underground Mineral Resource and will commission a NI 43-101 compliant Preliminary Economic Assessment ("PEA") to determine what portion of the Mineral Resource has the potential to be added to a mine plan at a future date. (The underground Mineral Resource is comprised of an Indicated Mineral Resources of 1,267Kt at a gold grade of 5.8g/t (238,000 oz contained gold) and an Inferred Mineral Resource of 5,465Kt at a gold grade of 5.1g/t (889,000 oz contained gold)."

***Cautionary Statement*** *The reader is advised that the production schedule combining La India open pit and the Mestiza and America Feeder pits summarized in this news release are intended to provide only an initial, high-level review of the project potential and expansion options. The initial mine plans and economic models include numerous assumptions and the use of Inferred Mineral Resources. The internal scoping study is preliminary in nature, and it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no guarantee that Inferred Mineral Resources can be converted to Indicated or Measured Mineral Resources and, consequently, there is no guarantee the production estimates or project economics described herein will be achieved.*

#### **Details of the Placing and the Directors' & CFO and Nicaragua Milling Limited's Subscriptions**

The Company has conducted the Placing as principal. A total of 20,192,520 Units (comprising of 20,192,520 ordinary shares and 6,730,835 Warrants) have been placed with placees at the Placing Price to raise gross proceeds of £4,038,504.

As part of the Placing, the Company advises that three Directors of the Company, namely Mark Child, Chairman and CEO, Andrew Cheatle and Jim Mellon, (both non-Executive Directors) along with Jeffrey Karoly (Chief Financial Officer), have subscribed for 50,000, 25,000, 6,250,000 and 25,000 Units respectively (together: the “**Directors & CFO Subscription**”), for a total of 6,350,000 Units (comprising 6,350,000 shares and 2,116,665 share purchase warrants of the Company).

Jim Mellon has subscribed (the “**Mellon Subscription**”), through Galloway Limited, a limited company which is wholly owned by Burnbrae Group Limited, which is in turn wholly owned by Jim Mellon, for a total of 6,250,000 Units (comprising 6,250,000 Ordinary shares (the “**Mellon Shares**”) and 2,083,333 share purchase warrants of the Company) on the same terms for a sum of £1,250,000. Following completion of the Mellon Subscription, Jim Mellon will own a direct and indirect aggregate shareholding of 14,078,105 Ordinary Shares or 14.9% of the Company. His direct interest will be in 2,889,883 Ordinary Shares and the indirect interest will be in 11,188,222 Ordinary Shares held through Galloway Limited.

Andrew Cheatle has subscribed (the “**Cheatle Subscription**”) for a total of 25,000 Units (comprising 25,000 Ordinary shares and 8,333 share purchase warrants of the Company). Following completion of the Cheatle Subscription, Andrew Cheatle now owns directly and indirectly a shareholding of 89,884 Ordinary shares of the Company, representing 0.1% of the resultant issued share capital.

Mark Child has subscribed (the “**Child Subscription**”) for a total of 50,000 Units (comprising 50,000 Ordinary shares and 16,666 share purchase warrants of the Company). Following completion of the Child Subscription, Mark Child now owns directly and indirectly a shareholding of 4,144,167 Ordinary shares of the Company, representing 4.4% of the resultant issued share capital.

Jeffrey Karoly has subscribed (the “**Karoly Subscription**”) for a total of 25,000 Units (comprising 25,000 Ordinary shares and 8,333 share purchase warrants of the Company). Following completion of the Karoly Subscription, Jeffrey Karoly now owns directly and indirectly a shareholding of 122,412 Ordinary shares of the Company, representing 0.1% of the resultant issued share capital.

Nicaragua Milling Company Limited (the “**Nicaragua Milling Subscription**”) has subscribed for a total of 9,842,520 Units (comprising of 9,842,520 Ordinary shares (the “**Nicaragua Milling Shares**”) and 3,280,840 share purchase warrants of the Company), representing 10.4% of the resultant issued share capital. Nicaragua Milling Company Limited does not currently own any Ordinary shares of the Company.

Application has been made for the Placing Shares to be admitted to trading on AIM (“**Admission**”), with Admission of the Placing Shares excluding the Nicaragua Milling Shares expected to occur on or around 15 July 2019. The subscription by Nicaragua Milling Company Limited is conditional on receipt of funds by the Company by 26 July 2019 and accordingly Admission of the Nicaragua Milling Shares is anticipated to occur on or around 2 August 2019, subject to regulatory approvals.

The Placing Shares will rank pari passu with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared after the date of their issue.

Following Admission of the Placing Shares and excluding the Nicaragua Milling Shares, the Company will have 84,821,002 ordinary shares of 20p each in issue with voting rights and admitted to trading on AIM and the TSX and, following Admission of the Nicaragua Milling Shares, the Company will have a total of 94,663,522 ordinary shares of 20p each in issue with voting rights and admitted to trading on AIM and the TSX. This figure may then be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules and National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Rules* of the Canadian securities administrators.

## **Warrants**

The exercise period for 50 per cent of the Warrants (“**Accelerated Warrants**”) shall be accelerated if the closing mid-market share price of the Company’s ordinary shares on AIM is more than £0.30 for 10 consecutive trading days (an “**Acceleration Trigger Date**”), further to which a notice (an “**Acceleration Notice**”) shall be delivered by the Company to holders of Warrants (“**Warrant Holders**”) informing them that an Acceleration Trigger Date has occurred. Warrant Holders who wish to exercise the rights attaching to the Accelerated Warrants must do so by the later of the date falling 10 Business Days after receipt of the Acceleration Notice by the Warrant Holders; or the date falling 10 Business Days after the end of a Closed Period, which means the period of 30 calendar days before the announcement of an interim financial report or year-end report (which includes preliminary financial results) which the Company is obliged to make public, as defined in Article 19(11) of the Market Abuse Regulation (regulation No 596/2014 of the European Parliament and of the Council); or such other date (which is more than 10 Business Days after receipt of the Acceleration Notice) as the Company may notify the Warrant Holders in the Acceleration Notice (“**Accelerated Warrants Expiry Date**”). Any Warrant Rights relating to the Accelerated Warrants that are not exercised by the Accelerated Warrants Expiry Date shall lapse and shall no longer be exercisable.

## **Related Party Transaction**

The subscription by each of Jim Mellon (through Galloway Limited), Mark Child and Andrew Cheatle (“**Directors Subscriptions**”) is a Related Party Transaction under Rule 13 of the AIM Rules for Companies by virtue of Jim Mellon, Andrew Cheatle and Mark Child being Directors of the Company and Jim Mellon having a 10.5% existing interest in the Company (prior to the Placing). Accordingly, the Independent Director, being Kate Harcourt, confirms that, having consulted with the Company’s Nominated Adviser, the terms of their subscription are fair and reasonable insofar as the Company’s shareholders are concerned.

## **Canadian Securities Law Matters**

The Directors' Subscription will constitute a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with the Directors' Subscription in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as neither the fair market value of the securities received by such parties nor the proceeds for such securities received by the Company exceeds 25% of the Company's market capitalisation as calculated in accordance with MI 61-101. The board of directors of the Company has approved the Placing, with Jim Mellon abstaining from voting.

A material change report with respect to the Placing is expected to be filed less than 21 days prior to the closing of the transaction. This time period is reasonable and necessary in the circumstances as the Company wishes to complete the transaction on an expedited basis for sound business reasons.

## **Special note concerning the Market Abuse Regulation**

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 ("MAR"). Market soundings, as defined in MAR, were taken in respect of the Placing, with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

**- Ends -**

For further information please visit [www.condorgold.com](http://www.condorgold.com) or contact:

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Condor Gold plc was admitted to AIM in May 2006 and dual listed on the TSX in January 2018. The Company is a gold exploration and development company with a focus on Nicaragua.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Company the Environmental Permit ("EP") for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at its wholly-owned La India gold project ("La India Project"). The EP is considered to be the master permit for mining operations in Nicaragua. Condor Gold published a Pre-Feasibility Study ("PFS") on La India Project in December 2014, as summarised in the Technical Report entitled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", dated November 13, 2017 with an effective date of December 21, 2014 (the "**Technical Report**"), prepared in accordance with NI 43-101. The Technical Report was prepared by or under the supervision of Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Principal Consultant (Mining), Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, and Neil Lincoln of Lycopodium Minerals Canada Ltd., each of whom is an independent "qualified person" as defined by NI 43-101. The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years. La India Project contains a Mineral Resource in the Indicated category of 9,850Kt at 3.6 g/t gold for 1,140Koz gold in the Indicated category and 8,479Kt at 4.3g/t gold for 1,179Koz gold in the Inferred category. The Indicated Mineral Resource is inclusive of the Mineral Reserve.

## Qualified Persons

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., who is a "qualified person" as defined by NI 43-101.

## Disclaimer

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

## Forward Looking Statements

*All statements in this press release, other than statements of historical fact, are 'forward-looking information' with respect to the Company within the meaning of applicable securities laws, including but not limited to statements with respect to: use of funds, the closing of the Placing, the Admission of the Placing Shares the Mineral Resources, Mineral Reserves and future production rates and plans at the La India Project. Forward-looking information is often, but not always, identified by the use of words such as: "seek", "anticipate", "plan", "continue", "strategies", "estimate", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", "could", "might", "will" and similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations.*

*Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.*

*Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: mineral exploration, development and operating risks; estimation of mineralisation, resources and reserves; environmental, health and safety regulations of the resource industry; competitive conditions; operational risks; liquidity and financing risks; funding risk; exploration costs; uninsurable risks; conflicts of interest; risks of operating in Nicaragua; government policy changes; ownership risks; permitting and licencing risks; artisanal miners and community relations; difficulty in enforcement of judgments; market conditions; stress in the global economy; current global financial condition; exchange rate and currency risks; commodity prices; reliance on key personnel; dilution risk; payment of dividends; as well as those factors discussed under the heading "Risk Factors" in the Company's annual information form for the fiscal year ended December 31, 2018 dated March 22, 2019, available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*

**Jim Mellon**

1 Details of the person discharging managerial responsibilities / person closely associated

a)	Name	<i>Jim Mellon</i>				
<b>2 Reason for notification</b>						
a)	Position / status	<i>Non-Executive Director</i>				
b)	Initial notification /Amendment	<i>Initial</i>				
<b>3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>						
a)	Name	<i>Condor Gold plc</i>				
b)	LEI	<i>213800PKETQA86RHL82</i>				
<b>4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>						
a)	Description of the financial instrument, type of instrument  Identification code	<i>6,250,000 Ordinary shares of 20 pence each in Condor Gold plc  ISIN GB00B8225591</i>				
	Nature of the transaction	<i>Director's participation in a Subscription</i>				
c)	Price(s) and volumes(s)	<table border="1"> <tr> <td>Price(s)</td> <td>Volumes(s)</td> </tr> <tr> <td>20 pence</td> <td>6,250,000</td> </tr> </table>	Price(s)	Volumes(s)	20 pence	6,250,000
Price(s)	Volumes(s)					
20 pence	6,250,000					
d)	Aggregated information	<i>n/a</i>				
e)	Date of the transaction	<i>8 July 2019</i>				
f)	Place of the transaction	<i>London Stock Exchange, AIM (XLON)</i>				

**Andrew Cheatle**

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>
a)	Name <i>Andrew Cheatle</i>
<b>2 Reason for notification</b>	

a)	Position / status	<i>Non-Executive Director</i>				
b)	Initial notification /Amendment	<i>Initial</i>				
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>					
a)	Name	<i>Condor Gold plc</i>				
b)	LEI	<i>213800PFKETQA86RHL82</i>				
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>					
a)	Description of the financial instrument, type of instrument	<i>25,000 Ordinary shares of 20 pence each in Condor Gold plc</i>				
	Identification code	<i>ISIN GB00B8225591</i>				
	Nature of the transaction	Director's participation in a Subscription				
c)	Price(s) and volumes(s)	<table border="1"> <tr> <th>Price(s)</th> <th>Volumes(s)</th> </tr> <tr> <td><i>20 pence</i></td> <td><i>25,000</i></td> </tr> </table>	Price(s)	Volumes(s)	<i>20 pence</i>	<i>25,000</i>
Price(s)	Volumes(s)					
<i>20 pence</i>	<i>25,000</i>					
d)	Aggregated information	<i>n/a</i>				
e)	Date of the transaction	<i>8 July 2019</i>				
f)	Place of the transaction	<i>London Stock Exchange, AIM (XLON)</i>				

### Mark Child

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>	
a)	Name	<i>Mark Child</i>
<b>2</b>	<b>Reason for notification</b>	
a)	Position / status	<i>Executive Chairman</i>
b)	Initial notification /Amendment	<i>Initial</i>
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	<i>Condor Gold plc</i>
b)	LEI	<i>213800PFKETQA86RHL82</i>

<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>					
a)	Description of the financial instrument, type of instrument  Identification code	50,000 Ordinary shares of 20 pence each in Condor Gold plc  ISIN GB00B8225591				
	Nature of the transaction	Director's participation in a Subscription				
c)	Price(s) and volumes(s)	<table border="1"> <tr> <th>Price(s)</th> <th>Volumes(s)</th> </tr> <tr> <td>20 pence</td> <td>50,000</td> </tr> </table>	Price(s)	Volumes(s)	20 pence	50,000
Price(s)	Volumes(s)					
20 pence	50,000					
d)	Aggregated information	n/a				
e)	Date of the transaction	8 July 2019				
f)	Place of the transaction	London Stock Exchange, AIM (XLON)				

### Jeffrey Karoly

<b>1</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>	
a)	Name	Jeffrey Karoly
<b>2</b>	<b>Reason for notification</b>	
a)	Position / status	Chief Financial Officer
b)	Initial notification /Amendment	Initial
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Condor Gold plc
b)	LEI	213800PFKETQA86RHL82
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument  Identification code	25,000 Ordinary shares of 20 pence each in Condor Gold plc  ISIN GB00B8225591

	Nature of the transaction	Participation in a Subscription				
c)	Price(s) and volumes(s)	<table border="1"> <tr> <th>Price(s)</th><th>Volumes(s)</th></tr> <tr> <td>20 pence</td><td>25,000</td></tr> </table>	Price(s)	Volumes(s)	20 pence	25,000
Price(s)	Volumes(s)					
20 pence	25,000					
d)	Aggregated information	n/a				
e)	Date of the transaction	8 July 2019				
f)	Place of the transaction	<i>London Stock Exchange, AIM (XLON)</i>				