

11 September 2014

**Condor Gold plc**

**("Condor" or "the Company")**

**Condor Gold raises up to £6.41M by way of a Placing and a Subscription with the IFC**

Condor (AIM:CNR), is pleased to announce a proposed placing and subscription ("the Placing") of 3,222,222 Units (as defined below) at a price of 90p per Unit (the "Placing Price") to raise gross proceeds of approximately GBP2.9 million. The completion of the Placing is conditional, inter alia, upon admission of the Placing Shares to trading on AIM.

Each Unit is comprised of one ordinary share of 20p each in the Company ("Placing Share") and one half of one share purchase warrant of the Company (a "Warrant"). Each Warrant, which are unlisted, will entitle the holder thereof to purchase one share at a price of 144p (which is at a 60% premium to the Placing Price) for a period of 48 months from the date on which the shares issued pursuant to the Placing are admitted to trading on AIM (the "Closing Date").

In addition to the Placing, the Company is pleased to announce that it has reached an agreement in principle with International Finance Corporation ("IFC"), the private sector arm of the World Bank Group, for a proposed subscription of 3.9 million Units at the Placing Price to raise gross proceeds of approximately GBP3.51 million (the "IFC Subscription").

**Background to and reasons for the Placing and IFC Subscription**

The Company is currently finalising a Pre-Feasibility Study ("PFS") on its La India Open Pit project, which currently has an indicated resource of 840,000 oz at 3.1g/t, which it expects to complete by the end of the month. The PFS will include two annexes to a Preliminary Economic Assessment ("PEA") standard showing the potential upside of mainly inferred resources of: 1) a further 300,000 oz gold at circa 3 g/t of open pitable resources and 2) the inclusion of underground resources on the La India and America Vein Sets.

Whilst the PFS is not finalised and is subject to revision, the directors of the Company are targeting it to show La India Open Pit having a lower quartile All In Sustaining Cash Cost and a Low Capital Intensity relative to peer development projects.

Following completion of the PFS, it is the Company's intention to proceed directly to a Bankable Feasibility Study ("BFS") based either on La India Open Pit, or with the inclusion of the additional 300,000 oz gold open pitable resources as described above.

As at 30<sup>th</sup> June the Company had cash equivalents of £754,938, since which time it has, inter alia, continued apace with its investment in its forthcoming PFS, and at 30<sup>th</sup> August 2014 had cash equivalents of £90,400. The net proceeds of the Placing and IFC Subscription will be used to assist funding the Company towards completion of a BFS and for general working capital purposes. The net proceeds of the Placing are anticipated to fund the company into the first quarter of 2015.

**Details of the Placing and TVR**

The Company has entered into a placing agreement (the "Placing Agreement") with Numis Securities Limited on customary terms and conditions pursuant to which they will use their

reasonable endeavours to procure placees. 3,222,222 Units have been placed with placees and subscribers at the Placing Price to raise gross proceeds of GBP 2.9 million.

The completion of the Placing is conditional, inter alia, upon admission of the Placing Shares to trading on AIM. The Placing Price of 90 pence per share represents a discount of 3.2% per cent. to the close price of 93 pence per share on 10 September 2014.

Application is being made for the Placing Shares, to be admitted to trading on AIM ("Admission") and subject to the Placing Agreement not having been terminated in accordance with its terms, such Admission is expected to occur on or around 16 September 2014.

On Admission the Placing Shares will rank pari passu in all respects with the existing ordinary shares of the Company, including the right to receive all dividends and other distributions declared after the date of their issue.

Following Admission the Company will then have 41,832,316 ordinary shares of 20p each in issue with voting rights and admitted to trading on AIM. 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.

### **Director Participation**

Pursuant to the Placing, Galloway Limited, a company connected to Jim Mellon, Non-Executive Director of the Company has subscribed for 172,222 Units at the Placing Price. Following completion of the Placing, Mr Mellon will be interested in 561,042 ordinary shares in the Company, representing approximately 1.34 per cent of its issued share capital as enlarged by the Placing, and will also have an interest in 86,111 Warrants. Mr Mellon also has interest in 650,000 options in the Company.

### **Details of the IFC Subscription**

The closing of the IFC Subscription is subject to the completion of due diligence by IFC and certain conditions, including approval by IFC's Board of Directors following completion of a required 30 day public disclosure period and the finalisation and execution of definitive agreements. Subject to these conditions precedent being satisfied, the IFC Subscription is expected to close by the end of October 2014.

Upon closing of the IFC Subscription, Condor will be required to meet IFC's environmental, social and safety standards on an ongoing basis. Upon closing IFC will have the right to appoint an observer to the Company's board of directors. IFC will have the right, but not the obligation, to maintain its pro rata shareholding in any future equity financing and, subject to maintaining a minimum shareholding position, on the earlier of 18 months after closing or the publication of the PFS, the IFC may nominate a director to the Company's board of directors.

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

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**About Condor Gold plc:**

Condor Gold plc is an AIM listed exploration company focused on developing gold and silver resource projects in Central America. The Company was admitted to AIM on 31st May 2006 with the stated strategy to prove up CIM/JORC Resources in Nicaragua and El Salvador. Condor has eight 100% owned concessions in La India Mining District (“La India Project”); three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor’s La India Project in Nicaragua currently contains a total attributable mineral resource of 18.4Mt at 3.9g/t for 2.33M oz gold and 2.68M oz silver at 6.2g/t to the CIM Code. Total gold equivalent of 2.37M oz. Including: Indicated mineral resource of 9.6Mt at 3.5g/t for 1.08M oz gold, Inferred mineral resource of 8.8Mt at 4.4g/t for 1.25M oz gold. Total open pit mineral resources of 1.14M oz gold at 3.1g/t. In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource. The resource calculations are compiled by independent geologists SRK Consulting (UK) Limited for Nicaragua and Ravensgate and Geosure for El Salvador.