



Condor Gold plc

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

Condor Gold Raises £2.5 million

Condor Gold (AIM: CNR; OTCQX: CNFGF; TSX: COG) is pleased to announce a placing ("the Placing") of 5,197,674 Units (as defined below) at a price of 43p per Unit (the "Placing Price") together with a proposed Directors' subscription of 616,279 Units ("Directors' Subscription") to raise in aggregate gross proceeds of £2.5 million. The Placing has been undertaken by the Company with institutional and other investors. The completion of the Placing and proposed Directors' Subscription is conditional, inter alia, upon admission of the Placing Shares (as defined below) to trading on AIM. The Company has received conditional approval from the Toronto Stock Exchange (the "TSX") for the Placing.

Each Unit comprises one ordinary share of 20p each in the Company ("Placing Share") and half 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 65p (which is at a 50% premium to the Placing Price) for a period of 24 months from the date on which the shares issued pursuant to the Placing are admitted to trading on AIM (the "Closing Date").

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

"Condor Gold has conducted a small private placement, issuing new ordinary shares representing 9.5% of the Company's existing issued share capital, to raise gross proceeds of £2.5 million, the overwhelming majority of the placement consideration is from existing shareholders. The placement proceeds will be used to see the Company through the final stages of permitting a 2,800tpd processing plant with capacity to produce 100,000 oz gold per annum at La India Project, Nicaragua.

On 26th February 2018, the Company announced it had re-designed the proposed mine site infrastructure at La India Project to avoid the resettlement of approximately 330 houses or 1,000 people and submitted an amendment to its Environmental and Social Impact Assessment, as part of the application for the Environmental Permit. There have subsequently been further meetings with senior Nicaraguan Ministers and a site visit inspection of the re-designed mine site infrastructure. The Company believes it has made

significant progress towards obtaining permits and we are in the final stages of the permitting process.”

Background to and reasons for the Placing

The net proceeds of the Placing and proposed Directors' Subscriptions amounts to approximately £2.4 million. It will be used for general working capital purposes and to continue with the strategy to fully permit the La India Project in Nicaragua for a 2,800tpd processing plant with capacity to produce 100,000 oz gold p.a. On 28th February 2018, the Company announced it had redesigned the proposed mine site infrastructure to avoid resettlement of approximately 330 houses or 1,000 people and submitted an amendment to its Environmental and Social Impact Assessment, as part of the application for the Environmental Permit.

Details of the Placing and proposed Directors' Subscription

The Company has conducted the Placing as principal. A total of 5,813,953 Units (comprising of 5,813,953 ordinary shares and 2,906,977 Warrants) have been and will be placed with places at the Placing Price to raise gross proceeds of £2,500,000.

The completion of the Placing is conditional, inter alia, upon admission of the Placing Shares to trading on AIM. The Company has received conditional approval from the TSX for the Placing. The Placing Price of 43 pence per share represents a small discount to the current share price.

In addition, the Company advises that two directors of the Company, namely Jim Mellon and Andrew Cheate, intend to subscribe for a total of 616,279 Units (comprising 616,279 ordinary shares (the “Directors' Shares”) and 308,148 share purchase warrants of the Company) on the same terms for a sum of £265,000 following the announcement of the Placing.

Application is being made for the Placing Shares and Directors' Shares, to be admitted to trading on AIM (“Admission”), such Admission is expected to occur on or around 4th April 2018.

On Admission the Placing Shares and Directors' 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 of the Placing Shares and Directors' Shares, the Company will then have 67,179,335 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.

Canadian Securities Law Matters

The proposed Directors' Subscription by Mr. Mellon and Mr. Cheatle 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 capitalization as calculated in accordance with MI 61-101. The board of directors of the Company has approved the Placing, with Mr. Mellon and Mr. Cheatle 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.

A further announcement will be made shortly.

- Ends -

For further information please visit www.condorgold.com or contact:

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About Condor Gold plc:

Condor Gold plc was admitted to AIM on 31 May 2006. The Company is a gold exploration and development company with a focus on Central America.

Condor published a Pre-Feasibility Study (“PFS”) on its wholly owned La India Project in Nicaragua in December 2014, as summarized in the Technical Report (as defined below). 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 9.6 Mt at 3.5 g/t for 1.08 million oz gold and a total mineral resource in the Inferred category of 8.5 Mt at 4.5 g/t for 1.23 million oz gold. The Indicated mineral resource is inclusive of the mineral reserve.

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.

Technical Information

Certain disclosure contained in this news release of a scientific or technical nature has been summarized or extracted from 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 National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“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 such term is defined in NI 43-101.

David Crawford, Chief Technical Officer of the Company and a Qualified Person as defined by NI 43-101, has approved the written disclosure in this press release.

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 statements with respect to: completion of the Placing and the Directors' Subscription, the admission of the Placing Shares and Directors' Shares on AIM, the use of proceeds of the Placing, the Company's receipt of permits for the La India Project, estimates of future production at the La India Project, and estimates of mineral resources and mineral reserves. 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 long-form prospectus dated December 21, 2017, available under the Company's SEDAR profile at 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.