



Condor Gold plc

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

Condor Gold raises £2.578 million by way of a Placing. Lead Investor Ross Beaty

Condor (AIM:CNR), is pleased to announce a proposed placing ("the Placing") 6,445,000 Units (as defined below) at a price of 40p per Unit (the "Placing Price") to raise gross proceeds of approximately £2.6 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 two thirds of one share purchase warrant of the Company (a "Warrant"). Each Warrant, which is unlisted, will entitle the holder thereof to purchase one ordinary share at a price of 60p (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").

The Company is pleased to announce that Ross Beaty has subscribed for £1.5 million worth of Units and will have a 7.18% shareholding in the Company post placement on an undiluted basis. The investment follows a site visit and technical due diligence. Mr Beaty is a Canadian mining entrepreneur with a successful track record of both building mining companies and developing mineral deposits for sale. The Company has agreed to a non-dilute clause for Mr Beaty's shareholding. The Company also welcomes a specialist resource fund managed by an affiliate of Sprott Inc. as a shareholder.

Background to and reasons for the Placing

The proceeds of the Placing will be used for general working capital purposes and specifically: to fully permit Mina La India in Nicaragua, pay the remaining US\$670,000 for the purchase of the Espinito-Mendoza concession (see RNS dated 21 March 2016), secure the surface rights for the rural land that host and surround the future mine infrastructure and continue work to demonstrate the significant exploration upside of the 2.4M oz gold resource at 4.0g/t gold at La India Project.

As a general update on ongoing work on Mina La India: the Company submitted an Environmental Impact Assessment ("EIA") to the Ministry of the Environment in Nicaragua ("MARENA") in November 2015, applying for the key Environmental Permit for a 2,800tpd processing plant capable of producing approximately 100,000 oz gold per annum at an all in sustaining cash cost of approximately US\$700 per oz gold. The Nicaraguan Government remains fully supportive of permitting Mina La India. The EIA has passed the initial technical reviews, MARENA has

conducted site visits and key meetings have been held with several Government Ministries. The Company has incorporated a wholly owned Nicaraguan subsidiary company to acquire the rural land; has surveyed, valued and made offers to buy the surface rights for approximately 800 hectares of the area affected by a future mine and is currently making good progress and is securing the land by making 10% down payments with the balance paid within 2 years; Condor will continue to demonstrate the significant upside potential by expanding the soil survey programmes that have covered approximately 90 sq km to date of the 313sq km La India Project, stratigraphic mapping, prospecting and structural data collection.

Details of the Placing

The Company has conducted the Placing as principal. 6,445,000 Units (comprising of 6,445,000 ordinary shares and 4,296,667 Warrants) have been placed with placees and subscribers at the Placing Price to raise gross proceeds of GBP 2,578,000.

The completion of the Placing is conditional, inter alia, upon admission of the Placing Shares to trading on AIM. The Placing Price of 40 pence per share represents a discount of zero percent to the closing price of 40 pence per share on 1st April 2016.

Application is being made for the Placing Shares, to be admitted to trading on AIM ("Admission"), such Admission is expected to occur on or around 15th April 2016.

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 52,252,316 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, Jim Mellon, Non-Executive Director of the Company has subscribed personally for 500,000 Units at the Placing Price. Following completion of the Placing, Mr Mellon will have a direct interest in 698,820 ordinary shares and indirect interest in 522,222 ordinary shares held through Galloway Limited. Jim Mellon is the founder and a director of Regent Pacific Group, which owns 3,977,274 shares. The combined interest of 5,198,318 ordinary shares represents a 9.95% shareholding in the Company post placement on an undiluted basis. Jim Mellon will have a direct and indirect interest in 419,444 Warrants post placement.

Mark Child, Chairman and CEO of the Company has subscribed for 25,000 Units at the Placing Price. Following completion of the Placing, Mr Child will be interested in 3,967,500 ordinary shares in the Company, representing approximately 7.59% of its issued share capital as enlarged by the Placing, and will also have an interest in 16,667 Warrants. Roger Davey, Non-Executive Director of the Company has subscribed for 20,000 Units at the Placing Price. Following completion of the Placing, Mr Davey will be interested in 52,500 ordinary shares in the Company, representing approximately 0.10% of its issued share capital as enlarged by the Placing, and will also have an interest in 13,333 Warrants. The subscriptions by Jim Mellon, Mark Child and Roger Davey are a related party transaction under the AIM Rules and accordingly the independent directors, being Kate Harcourt and Peter Flindell, confirm that, having consulted with the Company's Nominated

Adviser, the terms of the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

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 31st May 2006. The Company is a gold exploration and development company with a focus on Central America.

Condor completed a Pre-Feasibility Study (PFS) and two Preliminary Economic Assessments (PEA) on La India Project in Nicaragua in December 2014. The PFS details an open pit gold mineral reserve of 6.9M tonnes at 3.0g/t gold for 675,000 oz gold producing 80,000 oz gold p.a. for 7 years. The PEA for the open pit only scenario details 100,000 oz gold production p.a. for 8 years whereas the PEA for a combination of open pit and underground details 140,000 oz gold production p.a. for 8 years. La India Project 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.

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.

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.