



# Condor Gold plc

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EU (WITHDRAWAL) ACT 2018 (“MAR”).**

5 December 2022

**Condor Gold Plc  
 (“Condor” or the “Company”)**

**Proposed Open Offer to Raise up to £3.9M**

**Posting of Shareholder Circular and Notice of EGM**

Condor Gold Plc (AIM: CNR; TSX: COG) announces that further to its announcement of 28 November 2022 the Company is today posting its Open Offer Circular to Shareholders, including a Notice of EGM (the “Circular”) to seek approval for a Sub-division as further detailed below. The EGM will be held at 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX on 21 December 2022 at 11 a.m. A copy of the Circular is available on the Company’s website, [www.condorgold.com](http://www.condorgold.com) and will be available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for:

**1 Open Offer Share for every 6 Existing Ordinary Shares**

*Other than where defined, capitalised terms used in this announcement have the meanings given to them in the Circular.*

Extracts of the Circular are set out below.

**1. INTRODUCTION**

The Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 26,438,255 Open Offer Shares, to raise up to approximately £3,965,000 (before expenses), on the basis of one Open Offer Share for every six Existing Ordinary Shares held on the Open Offer Record Date, at the Issue Price of £0.15. When aggregated with the £1,000,000 raised by the issue of the Convertible Loan Notes (as announced on 28 November 2022), this would allow the Company to raise up to approximately £4,965,000. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

The New Shares will be issued pursuant to existing Shareholder authorities granted at the general meeting of the Company held in May 2022. Application will be made for the Open Offer Shares to be admitted to trading on AIM, and the TSX has granted conditional approval with regard to the listing of the Open Offer Shares on the TSX. Admission is expected to occur at 8.00 a.m. on 23 December 2022 or such later time and/or date as the Company may agree.

**The Open Offer is conditional upon Shareholder approval of the Sub-Division, which will be sought at the EGM to be held at 11 a.m. on 21 December 2022, a notice of which is set out at the end of the Circular.** Under the Act, a company is prohibited from issuing new shares at a price less than the nominal value of its shares. The Company's Existing Ordinary Shares have a nominal value of £0.20. The middle market share price of each Existing Ordinary Share on the date prior to the date of this letter was £0.1925. In order to enable the Company to offer New Ordinary Shares at a discount to Qualifying Shareholders to fund the Company through its sales process, the Company proposes subdividing each Existing Ordinary Share into one New Ordinary Share of £0.001 and one Deferred Share of £0.199. The Company expects that the Deferred Shares will never have any real value. The Deferred Shares will have no rights to vote or to dividends. The rights of the Deferred Shares to participate on a winding-up of the Company are unlikely to be realised, as such rights will be subject to the prior payment to the holders of New Ordinary Shares of the nominal capital paid up or credited as paid up on the New Ordinary Shares together with the sum of £10,000,000 on each New Ordinary Share.

The Issue Price represents a discount of 22 per cent to the closing price of the Existing Ordinary Shares on AIM on 2 December 2022.

Further details of the Open Offer and the Sub-Division are set out in the Circular, which you are encouraged to read carefully. No part of the Open Offer has been underwritten.

The purpose of the Circular is to provide you with details of and the background to and reasons for the Open Offer and the Sub-Division and to explain why the Directors believe that both the Open Offer and the Sub-Division are in the best interests of the Company and its Shareholders as a whole.

## **2. INFORMATION ON CONDOR GOLD PLC**

Condor Gold Plc is a UK incorporated gold exploration and development company, with a focus on Nicaragua. The Company's shares are admitted to trading on AIM in London and to listing on the TSX in Toronto.

The Company's principal asset is La India Project, Nicaragua, which comprises of a large, highly prospective land package of 588 sq km comprising of 12 contiguous and adjacent concessions. The Company has filed a feasibility study technical report dated 25 October 2022 and entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2022" (the "**2022 FS**") which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and was prepared in accordance with the requirements of NI 43-101. The 2022 FS indicated that La India Project hosts a high grade Mineral Resource Estimate ("**MRE**") of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The open pit MRE is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. Total underground MRE is 979 kt at 6.2 g/t gold for 194,000 oz

gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted 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 the master permit for mining operations in Nicaragua. The Company has purchased a new semi autogenous Mill (“**SAG Mill**”), which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) in the Inferred Mineral Resource category.

Other assets include approximately 1,000 hectares of land purchased for the mine site infrastructure for circa US\$4,200,000 and a new SAG Mill package purchased for US\$6,500,000.

On 25 October 2021 Condor announced the filing of a Preliminary Economic Assessment Technical Report (“**PEA**”) for its La India Project, Nicaragua on SEDAR <https://www.sedar.com>. The highlight of the technical study is a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54 per cent and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial nine years of gold production. The open pit mine schedules have been optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first two years from open pit material and underground mining funded out of cashflow. The Mineral Resource estimate and associated Preliminary Economic Assessment contained in the PEA are considered a historical estimate within the meaning of NI 43-101. A qualified person has not done sufficient work to classify such historical estimate as current, the Company is not treating the historical Mineral Resource estimate and associated studies as current, and the reader is cautioned not to rely upon this data as such. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company believes that the historical Mineral Resource estimate and PEA are relevant to the continuing development of the La India Project.

The 2022 FS was completed on La India vein set open pit only, which has a MRE of 8,487 kt at 3.0g/t gold in for 827,000 oz gold in the indicated mineral resource category and 893 Kt at 2.4 g/t gold for 69,000 oz gold in the inferred mineral resource category.

The Company’s strategy has been to develop the fully permitted La India Project in two stages using the new SAG Mill that has already been purchased. The delivery of a Feasibility Study on La India open pit with an average of 81,524 oz gold per annum for the initial six years for a relatively low total upfront capital cost of US\$106,000,000 is a landmark and further de-risks the Project. At US\$1,600 oz gold, the La India open pit Mineral Reserve produces total revenues of US\$888,000,000, the total operating costs of mining, process and G&A are US\$480,000,000, leading to an operating profit of US\$408,000,000 or a 46 per cent operating margin. After government and other royalties, but before sustaining capital, the operating profit is US\$355,000,000, which in Condor’s opinion is ample to repay any project debt on the relatively low upfront capex. At US\$2,000 oz gold after paying royalties, but before sustaining capital the

operating profit is US\$563,000,000. In reality, two permitted high grade feeder pits will be added during the early years of production thus increasing production ounces of gold. Early production is targeted at 100,000 oz gold p.a..

The plan has been to materially expand production with a stage two expansion by converting existing Mineral Resources into Mineral Reserves and an associated integrated mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021" detailing average annual production of 150,000 oz of gold over the initial 9 years of production from open pit and underground Mineral Resources and provides an indication of a production target. Outside the main La India open pit Mineral Reserve, there are additional open pit Mineral Resources on four deposits (America, Mestiza, Central breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescame, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated Mineral Resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred Mineral Resource category.

### **3. BACKGROUND TO AND REASONS FOR THE OPEN OFFER AND SUB-DIVISION**

On 22 November 2022, the Company announced that the Board has concluded that now is the right time to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India, a significant investment in the local area and a regeneration of the local communities. The Company has appointed Hannam and Partners to run the sales process.

On 28 November 2022, the Company announced that it had successfully raised £1,000,000 (before expenses) through an issue of Convertible Loan Notes, with warrants attached, to Galloway Limited, an 18.7 per cent shareholder, which is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon, the Company's chairman. The £1,000,000 financing provided the Company with working capital and enables it to cover its short term funding requirements.

On 28 November 2022 the Company also announced that it intended to launch an open offer providing pre-emptive rights to Qualifying Shareholders to subscribe for one New Ordinary Share for every six Existing Ordinary Shares held at the Open Offer Record Date, subject to shareholder approval of the Sub-Division. Galloway Limited will not participate in the Open Offer, but the Convertible Loan Notes will automatically convert into New Ordinary Shares at the Issue Price if the Open Offer raises £1,000,000 before expenses for the Company.

The equity markets have been difficult of late and the impact of US sanctions as announced by the Company on 27 October 2022 delayed a financing by the Company. The Board concluded that the fairest and best way to finance the Company's operations is via existing shareholders. It also considers it important that Shareholders have an opportunity (where it is practicable for them to do so) to subscribe for Open Offer Shares on the same terms as Galloway Limited subscribed for the Convertible Loan Notes, but excluding any entitlement to warrants. Therefore, the Company is making the Open Offer to Qualifying Shareholders.

The Company expects that the proceeds of the Open Offer will fund the Company through the sales process announced on 22 November 2022 and enable it to meet its short term liabilities, which

include working capital requirements at the Company's operations in Nicaragua, and the payment of the balance of US\$300,000 due for the SAG Mill purchased by the Company from First Majestic Silver in March 2021.

#### **4. USE OF PROCEEDS OF THE OPEN OFFER**

The net proceeds of the Open Offer will be used to fund the Company through the sales process announced on 22 November 2022, including to:

- finance the working capital requirements at the Company's operations in Nicaragua, including keeping concessions and permits in good standing and re-registering title to land;
- pay the balance of US\$300,000 for the SAG Mill purchased by the Company from First Majestic Silver;
- cover head office expenses; and
- cover interim expenses linked to the sales process.

#### **5. DETAILS OF THE OPEN OFFER**

The Company is making an Open Offer pursuant to which it may raise a further amount of up to approximately £3,965,000 (before expenses). The Issue Price per Open Offer Share is £0.15, which is the same price as the price at which the Convertible Loan Notes were issued to Galloway Limited, an 18.7 per cent shareholder which is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon, Condor's Chairman, on 25 November 2022.

Subject to the fulfilment of the conditions set out below and in Part IV of the Circular, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Open Offer Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional on, amongst other things, the following conditions being satisfied:

- the approval by shareholders of the Resolution at the EGM; and
- admission of the Open Offer Shares becoming effective by 8.00 a.m. on or around 23 December 2022.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

The Open Offer Shares to be issued pursuant to the Open Offer will, when issued, rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

#### ***Basic Entitlement***



On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

**One Open Offer Share for every six Existing Ordinary Shares held at the Open Offer Record Date**

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

***Excess Entitlement***

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the New Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not underwritten.

If and to the extent that the Open Offer is not fully taken up by Qualifying Shareholders, the Company may place any Open Offer Shares that have not been subscribed for with non-Qualifying Shareholders or institutional investors at the Issue Price.

**Qualifying Shareholders should note that the Open Offer is not a “rights issue”. Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.**

***Overseas Shareholders***

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or any other Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates or warrant certificates for Open Offer

Shares outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of the Circular or the Application Form, the Company reserves the right to permit any Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

**PART VI of the Circular together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer. If a Qualifying Shareholder does not wish to apply for Open Offer Shares, THEY should not complete or return the Application Form or send a USE message through CREST. The Open Offer is not being made in Canada**

The Open Offer is not being made in Canada or to Canadian Shareholders and is not available for acceptance by any shareholder in Canada.

### ***Qualifying non-CREST Shareholders***

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies the Circular and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part IV of the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to arrive as soon as possible and in any event no later than 11 a.m. on 20 December 2022.

### ***Qualifying CREST Shareholders***

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 6 December 2022. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 4 of Part IV of the Circular. The relevant CREST instruction must have settled by no later than 11 a.m. on 20 December 2022.

## **6. RISK FACTORS**

Potential investors are strongly advised to read Part II of the Circular detailing the risks associated with an investment in the Company. Set out below are two risks the Board would draw to any potential investors' attention in particular:

### ***Sales Process***

Whilst the Company has launched a process to seek buyers for the Company's assets as announced on 22 November 2022, there can be no guarantee that such an offer will be forthcoming

or that it will be on terms that the Directors consider acceptable or could recommend to Shareholders. If this process were to result in no acceptable offers for the Company's assets, this could lead to the Company having to consider its future strategy and, as such, Shareholders may see a significant reduction in the value of the Company and their interest therein.

### ***Open Offer not Underwritten***

There is no guarantee that Open Offer Shares will be taken up by Shareholders and no part of the Open Offer has been underwritten. As such, should the Company not raise any additional funds under the Open Offer it expects to have sufficient cash resources available to it until 31 January 2023; at such time it would require further funding to meet its ongoing liabilities. Furthermore, the Convertible Loan Notes issued to Galloway Limited are, unless converted, due for repayment on 25 November 2023 and therefore the Company would need to raise additional funding to make the repayment or otherwise be in default of the terms of the Convertible Loan Notes; such event could see a significant impact on the value of the Company.

## **7. DETAILS OF THE SUB-DIVISION**

The Sub-Division comprises the sub-division of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares, including voting, dividend, return of capital and other rights. The Deferred Shares shall have the rights set out in the Resolution.

Application will be made 158,629,530 New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares with admission expected to become effective at 8 a.m. on 23 December 2022. Subject to Shareholder approval of the Resolution, it is expected that the Sub-Division will become effective on 22 December 2022. No application for Admission or listing on the TSX will be made in respect of the Deferred Shares. Following the Sub-Division, the ISIN Code and the SEDOL Code for the New Ordinary Shares will be the same as for the Existing Ordinary Shares.

Existing share certificates will continue to be valid following the Sub-Division and no new share certificates will be issued in respect of the New Ordinary Shares. No share certificates will be issued in respect of the Deferred Shares.

Following the Sub-Division, all mandates and other instructions, including communication preferences given to the Company by Shareholders and in force at the Sub-Division Record Date shall, unless and until revoked, be deemed to be valid and effective mandates or instructions in relation to the New Ordinary Shares.

Shareholders will not need to take any action in connection with the Sub-Division. In Canada, Computershare Investor Services Inc. will deliver the appropriate number of Deferred Shares to CDS Clearing and Depository Services Inc. ("**CDS**") upon the effectiveness of the Sub-Division for distribution to beneficial owners whose shares are held through CDS. Such beneficial owners who hold their Existing Ordinary Shares in an account with their investment dealer or another intermediary will have their accounts automatically updated to reflect the Sub-Division in accordance with the applicable brokerage account providers' typical procedures. The Deferred Shares will not be transferrable; as a result, holders of Existing Ordinary Shares who sell or



otherwise transfer their New Ordinary Shares following the Sub-Division will not be able to sell or otherwise transfer their Deferred Shares.

## **8. ADMISSION, SETTLEMENT AND CREST**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and the TSX has conditionally approved the listing of the Open Offer Shares on the TSX. It is expected that Admission of the Open Offer Shares will become effective at 8 a.m. on 23 December 2022 and that dealings in the Open Offer Shares will commence at that time.

No application for Admission to trading on AIM or for listing on the TSX will be made in respect of the Deferred Shares arising on the Sub-Division. Following the Sub-Division, the ISIN Code for the New Ordinary Shares and the SEDOL Code will remain the same as for the Existing Ordinary Shares.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic computerised paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the Open Offer Shares will also be eligible for settlement in CREST.

It is expected that the Open Offer Shares due to uncertificated holders will be delivered in CREST on 23 December 2022.

## **9. OVERSEAS SHAREHOLDERS**

The offer of Open Offer Shares and the distribution of the Circular and the Application Form to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. The Open Offer is not being made in Canada or to Canadian shareholders and is not available for acceptance by any shareholder in Canada.

Accordingly, any persons into whose possession the Circular comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company that would permit possession or distribution of the Circular in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

You will find set out at the end of the Circular, a notice convening an extraordinary general meeting to be held at the Company's registered office address, 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX on 21 December 2022 at 11 a.m.

Shareholders may find enclosed a Form of Proxy for use at the EGM. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive with the Company Secretary at GBH Law Limited, 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX or by email to [condor2022@condorgold.com](mailto:condor2022@condorgold.com), or, for Canadian shareholders, to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th

Floor, Toronto, Ontario M5J 2Y1 Canada, as soon as possible and in any event, no later than 11 a.m. on 19 December 2022.

**In order for the Open Offer to proceed, Shareholders will need to approve the Resolution. If the Resolution is not passed, the Open Offer will not proceed with the result that the anticipated net proceeds of the Open Offer will not become available to fund the Company through its sales process and the Company could be materially adversely affected as a result. Accordingly, it is important that Shareholders vote in favour of the Resolution so the Open Offer can proceed.**

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Open Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 4 of Part IV of the Circular and on the accompanying Application Form and return it with the appropriate payment to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive no later than 11 a.m. on 20 December 2022.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 4 of Part IV of the Circular. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4 of Part IV of the Circular by no later than 11 a.m. on 20 December 2022.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with the Circular and the Open Offer.

## **11. RECOMMENDATION**

The Board considers the Open Offer to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution at the EGM, as the Directors intend to do so in respect of their own beneficial holdings of the Company's Ordinary Shares, representing approximately 21.5 per cent. of the Company's Existing Ordinary Shares.

**- Ends -**

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

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## APPENDIX - TIMETABLE

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date and time for entitlements under the Open Offer	6 p.m. on 1 December 2022
Canadian Record Date for Extraordinary General Meeting	6 p.m. on 1 December 2022
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 5 December 2022
Announcement of the Open Offer	7 a.m. on 5 December 2022
Posting of Circular, Forms of Proxy and Application Forms	5 December 2022
Basic Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	As soon as possible after 8 a.m. on 6 December 2022
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 14 December 2022
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3p.m. on 15 December 2022
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3 p.m. on 16 December 2022
<b>Latest time and date for receipt of Forms of Proxy</b>	<b>11 a.m. on 19 December 2022</b>
<b>Latest time and date for receipt of completed Application Forms and payment in full under the</b>	<b>11a.m. on 20 December 2022</b>

## Open Offer or settlement of relevant CREST instructions (as appropriate)

Extraordinary General Meeting	11 a.m. on 21 December
Record Date for the Sub-Division	6 p.m. on 21 December 2022
Announcement of result of Open Offer and EGM Voting Results	21 December 2022
Effective Date of the Sub-Division	22 December 2022
Admission and commencement of dealings Open Offer Shares on AIM	8.00 a.m. on 23 December 2022
CREST accounts expected to be credited for the Open Offer Shares to be held in uncertificated form	23 December 2022
Latest date for posting of share certificates for the Open Offer Shares in certificated form	9 January 2022

**Notes:** Each of the times and dates referred to above and where used elsewhere in this Announcement refer to GMT (unless otherwise stated) and are subject to change by the Company, in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.

### About Condor Gold plc:

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.

The Company's principal asset is La India Project, Nicaragua, which comprises of a large, highly prospective land package of 588 sq km comprising of 12 contiguous and adjacent concessions. The Company has filed a feasibility study technical report dated 25 October 2022 and entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2022" (the "**2022 FS**") which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and was prepared in accordance with the requirements of NI 43-101. The 2022 FS indicated that La India Project hosts a high grade Mineral Resource Estimate ("**MRE**") of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The open pit MRE is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. Total underground MRE is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

The 2022 FS replaces the previously reported Preliminary Economic Assessment (“PEA”) as presented in the Technical Report filed on SEDAR in October 2021 as the current technical report for the La India project.

The 2021 PEA considered the expanded Project inclusive of the exploitation of the Mineral Resources associated to the La India, Mestiza, America and Central Breccia deposits. The strategic study covers two scenarios: Scenario A, in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone (“CBZ”), which targets a plant feed rate of 1.225 million tonnes per annum (“Mtpa”); and Scenario B, where the mining is extended to include three underground operations at La India, America and Mestiza, in which the processing rate is increased to 1.4 Mtpa. The 2021 PEA Scenario B presented a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54% and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial 9 years of gold production. The open pit mine schedules were optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first 2 years from open pit material and underground mining funded out of cashflow. The 2021 PEA Scenario A presented a post-tax, post upfront capital expenditure NPV of US\$302 million, with an IRR of 58% and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of approximately 120,000 oz gold per annum for the initial 6 years of gold production. The Mineral Resource estimate and associated Preliminary Economic Assessment contained in the 2021 PEA are considered a historical estimate within the meaning of NI 43-101, a qualified person has not done sufficient work to classify such historical estimate as current, and the Company is not treating the historical Mineral Resource estimate and associated studies as current, and the reader is cautioned not to rely upon this data as such. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company believes that the historical Mineral Resource estimate and Preliminary Economic assessment is relevant to the continuing development of the La India Project.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted 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 the master permit for mining operations in Nicaragua. Condor has purchased a new SAG Mill, which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) in the Inferred Mineral Resource category. Following the permitting of the Mestiza and America open pits, together with the La India open pit Condor has 1.12 M oz gold open pit Mineral Resources permitted for extraction.

#### 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.



## TSX Matters

For the purposes of TSX approvals in connection with the Open Offer, the Company is relying on the exemption set forth in Section 602.1 of the TSX Company Manual, which provides that the TSX will not apply its standards to certain transactions involving “eligible interlisted issuers” such as Condor whose shares are also listed on a recognized exchange such as AIM.

## Qualified Persons

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., a director of Condor Gold plc, and Gerald D. Crawford, P.E., the Chief Technical Officer of Condor Gold plc, each of whom is a “qualified person” as defined by NI 43-101.

## Important Notice(s)

### 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 the open offer and the potential conversion of the Convertible Loan Notes; the subdivision of the Company’s existing ordinary shares and the meeting of shareholders to approve such subdivision; future development and production plans, projected capital and operating costs, mine life and production rates, metal or mineral recovery estimates, Mineral Resource, Mineral Reserve estimates at the La India Project, the potential to convert Mineral Resources into Mineral Reserves; and the Company’s strategic plans and ongoing sales process. 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 and resources; 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, 2021 dated March 29, 2022 and 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.

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