



# Condor Gold plc

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## Condor Gold plc (‘Condor’ or ‘the Company’)

### Settlement of NSR dispute with B2Gold and Royal Gold & Purchase of Land Surface Rights

Condor Gold (AIM: CNR), the AIM-listed gold exploration company, is pleased to announce it has reached terms of a settlement with B2Gold Corporation (“B2Gold”) (TSX-BTO) and Royal Gold, Inc. (“Royal Gold”) (Nasdaq-RGLD) over a disputed Net Smelter Return Royalty (“NSR”) over part of Condor’s flagship La India Project in Nicaragua, which hosts a high grade NI 43-101 compliant mineral resource estimate of 18.08 Mtonnes at 4.0 g/t for 2.31 Moz gold. Condor is also acquiring from B2Gold approximately 3,508 hectares of land surface rights which cover the area of the estimated mineral resource and reserves and the proposed mine site infrastructure.

#### Highlights:

- **Condor reaches terms of a settlement on 3% NSR with B2Gold and Royal Gold.**
- **The settlement clears the way for the Project to advance towards the construction of a 1Mtpa processing plant with capacity to produce 100,000 oz gold p.a. from a single open pit.**
- **Purchase from B2Gold of 3,508 hectares of land surface rights covering the mine site infrastructure and the area of the mineral resource and reserve.**
- **Purchase of land surface rights from B2Gold removes an obstacle and allows the project to progress.**
- **Settlement of NSR dispute and purchase of land surface rights de-risks the Project.**

#### Mark Child, CEO comments:

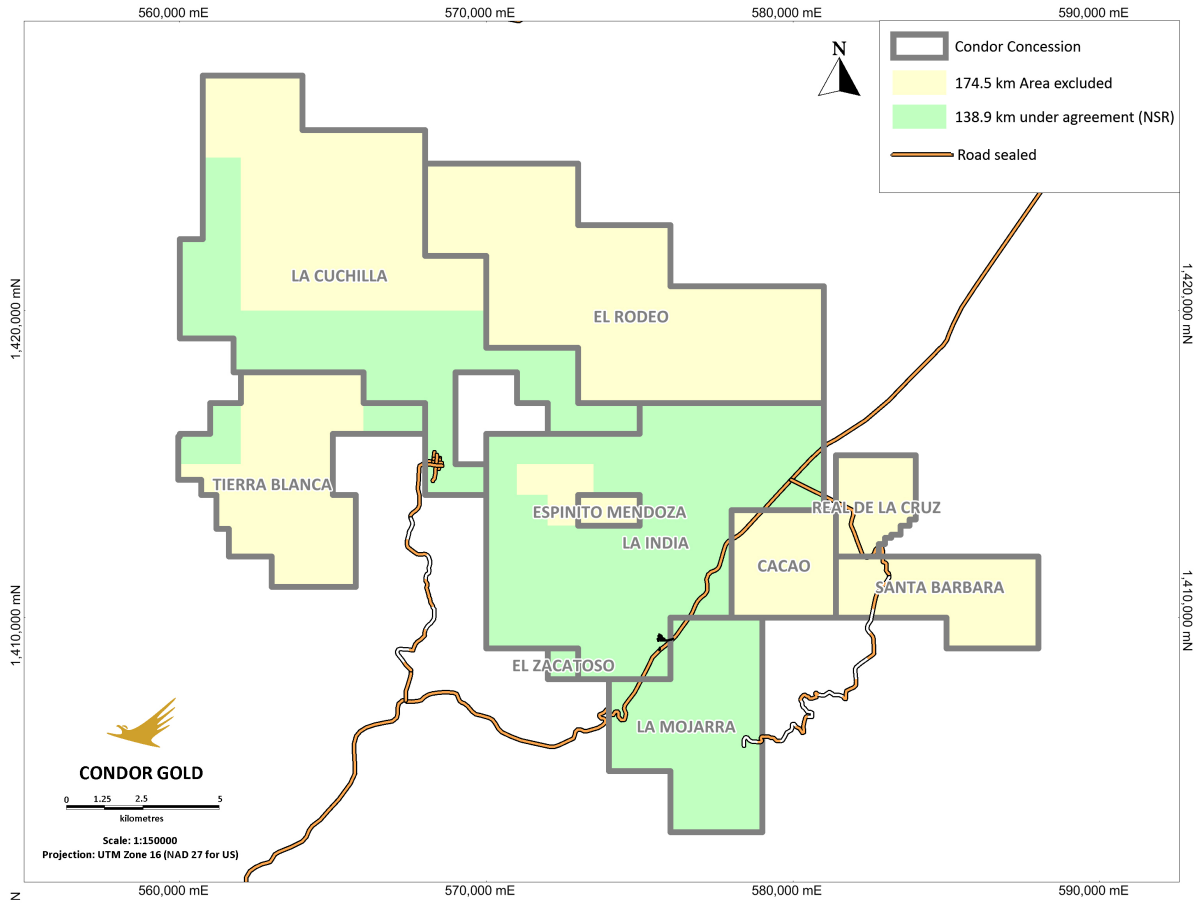
“I am pleased to have negotiated the terms of the settlement over a 3% NSR on part of Condor’s La India Project. It ends four years of litigation in the Canadian and Nicaragua courts with B2Gold and Royal Gold. It clears the way to progress Mina La India to construction by providing clarity to potential funding partners over a protracted NSR dispute. I am equally pleased to have acquired surface rights in respect of 3,508 hectares of land from B2Gold, which covers the area of the mine site infrastructure required for the base case 1Mtpa processing plant with capacity to produce 100,000 oz gold p.a. from a single open pit. The purchase of the land surface rights removes an obstacle to construction, not least because B2Gold undertook litigation against Condor in Nicaragua in relation to these rights. The purchase of land surface rights will facilitate negotiations with local land owners and allows the project to progress forming part of Condor’s strategy of de-risking the Project and achieving a clear path to production”.

**Background:** In September 2010, Condor and B2Gold (the “Parties”) entered into a legally binding agreement to swap concessions in Nicaragua (see RNS dated 6<sup>th</sup> September 2010). In summary, Condor owned the 22sq km Cerro Quiroz Concession, which is adjacent to B2Gold’s producing mining on the La Libertad Concession and B2Gold owned the 65 sq km La India Concession. B2Gold wanted to acquire the Cerro Quiroz Concession as it increased its

concession package adjacent to a producing gold mine. Condor had accumulated a package of four concessions that cover an area of 96 sq km around the historic gold mine on the La India Concession, had worked in the area for 4 years and was consolidating a concession package in La India Gold District. The Parties incorporated two new companies in Nicaragua. La India Gold S.A. which today is 100% owned by Condor and Cerro Quiroz S.A. which is currently 80% owned by B2Gold and 20% by Condor. The concession swap agreement resulted in the transfer of the La India Concession to La India Gold S.A. and the Cerro Quiroz Concession to Cerro Quiroz S.A. Condor was aware of a 3% NSR on the La India Concession at the time of the concession swap, but was not provided with a copy of the NSR agreement until almost 2 years later. After consulting legal counsel, the Board of Directors of Condor determined that the NSR was not applicable to the La India Concession. B2Gold and Royal Gold jointly sued Condor in Canada and B2Gold's Nicaragua subsidiary company, Triton Minera S.A. filed four court cases against Condor's local subsidiary in Nicaragua.

**The Settlement:** Condor has entered into an Amended and Restated Net Smelter Royalty Agreement ("A&R NSR Agreement") with International Royalty Corporation ("IRC", a subsidiary of Royal Gold), which is conditional upon (among other things) the withdrawal of all law suits in British Columbia, Canada and Nicaragua by B2Gold and Royal Gold against Condor and its affiliate companies (the "Settlement"). As part of the Settlement, Condor, B2Gold and IRC will enter into an Assignment, Assumption, Novation and Consent Agreement whereby Condor will assume the liability of a 3% NSR within an Area of Interest ("AOI") on La India Project in favour of IRC. In addition, the Settlement provides for covenants not to sue and releases to be mutually given by the parties in respect of matters relating to the Settlement. Due to a number of necessary steps required to withdraw litigation in the courts in Nicaragua and registering the security on the concessions impacted by the AOI as defined by the A&R NSR Agreement, it is expected that it may take three months for the Settlement to complete.

The La India Project covers an area of 313.4 sq km and comprises ten contiguous and adjacent concessions that are 100% owned by Condor; they have been acquired over a 10 year period. The four concessions total 96 sq km (El Rodeo, El Cacao, Real De La Cruz and Santa Barbara) acquired by Condor prior the concession swap with B2Gold are excluded from the 3% NSR under the A&R NSR Agreement. The La India Concession and some or all of the concessions acquired by Condor after the concession swap with B2Gold will be subject to the 3% NSR: La Cuchilla, Tierra Blanca, El Zacatoso, La Mojarra with the exception of the Espinito-Mendoza concession and the area covered by the former Espinito San Pablo concession. Condor estimates a total of 138.9 sq km is within the AOI. This means approximately 90% of the Company's current indicated and inferred resources on La India Project will be subject to a 3% NSR under the A&R NSR Agreement. An area of 174.5 sq km is excluded from the AOI and 3% NSR. See Map below:



### Acquisition of 3,508 Hectares of Land Surface Rights from B2Gold and disposal of 20% Cerro Quiroz S.A.

Following the execution and delivery of a settlement agreement to effect the Settlement, Triton Mineral S.A. will execute and deliver to Condor a document transferring certain land surface rights covering the area that hosts an estimated resource of 18.08 Mtonnes at 4.0 g/t for 2.31 Moz gold. In 1996, a predecessor company to B2Gold paid approximately US\$720,000 to acquire approximately 3,508 hectares of land surface rights (known locally as possession rights) from over 120 individuals. As part of the Settlement, Condor will acquire these land surface rights from B2Gold in exchange for its 20% shareholding in Cerro Quiroz S.A. which owns the Cerro Quiroz Concession adjacent to La Libertad Concession. Condor is in the process of acquiring 800 to 1,000 hectares of rural land required for the mine site infrastructure to support a 1mtpa, 2,800tpd processing plant capable of processing 100,000 oz gold p.a. The area of the mine site infrastructure is within the 3,508 hectares of land surface rights. The acquisition of the land surface rights removes an obstacle and should greatly assist Condor's land acquisition team in its negotiations with local property vendors within the 3,508 hectares area.

**This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.**

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 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 6.9 Mtonnes at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold pa for 7 years. The PEA for the open pit only scenario details 100,000 oz gold production pa for 8 years whereas the PEA for a combination of open pit and underground details 140,000 oz gold production pa for 8 years. La India Project contains a total attributable mineral resource of 18.08 Mtonnes at 4.0 g/t for 2.31 Moz gold and 2.68 Moz silver at 6.2 g/t to the CIM Code.

In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6 g/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**

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