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

Updated Mineral Resource for La India Project, Nicaragua.

Highlights

- **CIM compliant, Mineral Resource of 2,375,000 oz gold at 4.6 g/t, increase by 46% and exceeds year end target of 2,000,000 oz gold**
- **Reporting of initial open pit Mineral Resource of 954,000 oz gold at 3.6g/t gold**
- **Underground Mineral Resource of 1,418,000 oz gold at 5.5g/t gold**
- **Indicated Mineral Resource 751,000 oz gold increases 285%**
- **Maiden silver Mineral Resource of 2,280,000 oz silver at 6.5g/t silver.**
- **2,410,000 oz gold equivalent (adding the gold and silver Mineral Resources)**

Mark Child, Chairman and CEO commented:

"The Resource update of 2,375,000 oz gold at 4.6 g/t gold for La India Project is split for the first time into a high grade open pit resource, of 954,000 oz gold at 3.6 g/t gold using a 1.0 g/t cut off in addition to an underground resource of 1,421,000 oz gold at 5.5 g/t gold. The Indicated Mineral Resource has increased 285% to 751,000 oz gold. I am particularly pleased that the open pit resource contains 534,000 oz gold at 3.9 g/t in the Indicated category as this provides the Company with a higher degree of certainty that La India Project can be fast tracked towards production and due to the high gold grade should be attractive from an economic perspective. The independent resource has been reported to CIM standards for the first time as opposed to JORC Code in order to broaden the appeal of the Company to North American investors. The Company intend to compile a NI43-101 style technical report to detail the current update in due course.

The La India Project has considerable potential to continue the expansion of the size of the gold Mineral Resource. It continues to develop into 3 main areas, separated by 1km to 1.5km, that could feed a centralised processing facility: The 3 main areas consist of the La India Vein Set of 1,484,000 oz gold at 4.0 g/t (containing the open pit resource), the America Vein Set of 403,000 oz gold at 6.0 g/t gold and the Mestiza Vein Set of 334,000 oz gold at 7.0g/t gold. The next phase of drilling will aim to increase the size and geological confidence of the open pit resource and determine whether the historic mine on the America vein, which produced approximately 200,000 oz gold at 13.0 g/t prior to its closure in 1956 is similar to La India vein and also has coalescing veins and contains a resource with potential for open pit mining".

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial resource on its 100%-owned La India Project in Nicaragua is pleased to announce an upgraded Mineral Resource on the La India Project. The Mineral Resource on the La India Project now stands at 16.2 Mt at 4.6 g/t for 2,375,000 oz gold, including 5.3 Mt at 4.4 g/t for 751,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category. In addition, there is 2,280,000 oz silver at a grade of 6.5 g/t silver, calculated on the La India and California Veins only where there is sufficient silver assay data. Combining the gold and silver using a 67:1 silver to gold ratio, the Mineral Resource for La India Project is 2,410,000 oz gold equivalent

The most significant development is a maiden open pit Mineral Resource reported within a US\$1,400 per ounce gold optimised Whittle pit shell above a cut-off grade of 1.0g/t gold. As a result, the in-pit Mineral Resource is 8.21 million tonnes at a grade of 3.61g/t gold containing 954,000 oz gold of which 534,000 oz gold at 3.9 g/t is an Indicated Mineral Resource and 420,000 oz gold at 3.3 g/t is an inferred mineral resource. Beneath the optimised Whittle open pit shell there is an underground resource of 2.77 million tonnes containing 432,000 oz gold split between La India Vein with 104,000 oz gold at 7.8 g/t gold and the California veins with 328,000 oz gold at 4.4 g/t gold. Furthermore, there are 1,561,000 oz silver at 5.5 g/t silver within the open pit and 719,000 oz silver at 8.1 g/t silver beneath the open pit.

Another significant development is the increase in Indicated Mineral Resources to 751,000 oz at 4.4 g/t gold, from 264,000 oz gold at 7.1 g/t gold. The current indicated resource is split between an open pitable resource of 4.22 million tonnes at a grade of 3.9 g/t gold containing 534,000 oz gold and an underground mineral resource of 1.05 million tonnes at 6.4 g/t gold containing 217,000 oz gold.

SRK has produced the maiden silver Mineral Resource for the La India and California veins of 10.9 Mt at 6.5 g/t silver for 2,280,000 oz. The addition of the silver in the form of a gold equivalent increases the Mineral Resource for the La India and California veins from 1,386,000 oz to 1,420,000 oz gold equivalent, with a resultant increase in the grade from 3.9 g/t gold to 4.0 g/t gold equivalent. Gold equivalent have been calculated based on the formula gold equivalent = (gold g/t + 0.0148 * silver g/t).

The resource update is based on some 40,298 m of drilling, 7,200 m of trench sampling and over 9,000 original underground mine grade control channel samples on nine of the veins within the La India Project area. The company completed fifty-nine drill holes for 7,096 m and 2,500 m of trenching between mid-April and the end of July 2012, on the India-California vein trend with the aim of increasing the confidence in the estimates to an Indicated category by targeting areas considered to have open pit and underground mining potential. All samples taken during the 2011 and 2012 programme have been assayed for gold and silver.

The bulk of the increased in the Mineral Resource is focused on the La India Vein Set, which has increased from 730,000 oz gold at 5.3 g/t to 1,484,000 oz gold at 4.0 g/t and now represents 62% of the Project's total Mineral Resource.

The increase in tonnage and drop in grade can be attributed to the re-modelling of the La India and California veins (wider lower grade, coalescing). The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures into a central brecciated zone, based on a few significant drill hole intersections. Subsequent drilling during 2012 has confirmed and further emphasised the presence of coalescing veins highlighted in the last Mineral Resource Estimate for

the project, most notably within the 'central zone' (La India and California veins) of the mineralised structure, which has significantly increase the modelled vein thickness. The 2012 model has focused on the four targets along the Southern and Central segments of the India-California structure where gold mineralisation is concentrated into wide moderate to high-grade shoots using 50m drill and trench spacing; the 'South' target where a high-grade zone is recognised at and beyond the southern limit of the historic mine workings, and the 650m long 'Central Zone' target which, although historically mined to a depth of up to 200m below surface has been shown to retain significant gold mineralisation in the wallrock of the historic mine workings.

The modelled veins are geologically continuous along strike for up to 2.5 km, showing a down-dip extent that ranges from 150 m to greater than 350 m, and a thickness that commonly varies between 0.5 to 2.5 m, reaching over 20 m in areas of significant swelling. Locally, the mineralised veins display anastomosing and bifurcating features, pinch and swell structures, fault brecciation and fault gouge.

The La India and California veins modelled during the September 2012 update have dimensions broadly comparable with other veins on the La India Concession. SRK estimates the historic La India mine workings to have an average thickness of approximately 2.0 m, while by comparison the aggregate remnant wallrock mineralisation and the California veins can average between 2.5 and 10.0 m in different portions of the deposit, and reaching up to 25 m wide in areas where multiple veins coalesce.

On the nearby America Vein Set the addition of 4 drill holes on the Guapinol vein has acted to increase the overall tonnage (as a function of widening the modelled vein at depth), however a single low-grade intercept has resulted in an associated drop in grade, with the resultant contained metal showing limited variation.

The latest Resource has established the La India Vein Set as the principal resource area with wide zones of moderate to high-grade gold mineralisation on the India-California veins now recognised as having the potential for a large open-pit mine development and the potential for the discovery of additional resources with both open-pit and underground mining potential on the depth and strike extension of this vein trend.

Table 1 below gives SRK's CIM compliant Mineral Resource Statement as at 14 September 2012 for the La India Project, as signed off by Ben Parsons, a Competent Person as defined by the CIM Code.

SRK MINERAL RESOURCE STATEMENT as of 14 September 2012																	
Area Name	Vein Name	Cut-Off	Indicated					Inferred					Total Indicated & Inferred				
			gold			silver		gold			silver		gold			silver	
			Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)	Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)	Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
La India veinset	La India/California ⁽¹⁾	1.0 g/t (OP)	4220	3.9	534	6.3	850	3990	3.3	420	5.6	724	8210	3.6	954	5.9	1561
	La India ⁽²⁾	2.3 g/t (UG)	200	7.1	45	7.0	45	250	7.3	59	4.3	35	450	7.2	104	5.5	80
	California ⁽²⁾	2.3 g/t (UG)	370	4.3	52	5.9	70	1950	4.4	276	9.0	568	2320	4.4	328	8.6	639
	Arizona ⁽³⁾	1.5 g/t						430	4.2	58			430	4.2	58		
	Teresa ⁽³⁾	1.5 g/t						70	12.4	29			70	12.4	29		
	Agua Caliente ⁽³⁾	1.5 g/t						40	9.0	13			40	9.0	13		
America veinset	America ⁽³⁾	1.5 g/t	280	8.0	73			540	5.6	99			830	6.5	172		
	Escondido ⁽³⁾	1.5 g/t	90	4.7	13			90	4.6	13			180	4.6	26		
	Constancia ⁽³⁾	1.5 g/t	110	9.8	34			240	7.2	56			350	8.0	90		
	Guapinol ⁽³⁾	1.5 g/t						750	4.8	116			750	4.8	116		
Mestiza veinset	Tatiana ⁽³⁾	1.5 g/t						1080	6.7	230			1080	6.7	230		
	Buenos Aires ⁽³⁾	1.5 g/t						210	8.0	53			210	8.0	53		
	Espenito ⁽³⁾	1.5 g/t						200	7.7	50			200	7.7	50		
San Lucas	San Lucas ⁽³⁾	1.5 g/t					330	5.6	59			330	5.6	59			
Cristolito-Tatescame	Cristolito-Tatescame ⁽³⁾	1.5 g/t					200	5.3	34			200	5.3	34			
El Cacao	El Cacao ⁽³⁾	1.5 g/t					590	3.0	58			590	3.0	58			
Subtotal Areas	La India veinset	1.0 g/t (OP)	4220	3.9	534	6.3	850	3990	3.3	420	5.6	724	8210	3.6	954	5.9	1561
		2.3 g/t (UG)	570	5.3	97	6.3	115	2200	4.7	336	8.5	604	2770	4.9	432	8.1	719
		1.5 g/t						540	5.8	100			540	5.8	100		
	America veinset	1.5 g/t	480	7.8	120			1620	5.5	284			2100	6.0	404		
	Mestiza veinset	1.5 g/t						1490	7.0	333			1490	7.0	333		
	Other veins	1.5 g/t						1120	4.2	151			1120	4.2	151		
Grand total	All veins	1.0 g/t (OP)	4220	3.9	534	6.3	850	3990	3.3	420	5.6	724	8210	3.6	954	5.9	1561
		2.3 g/t (UG)	570	5.3	97	6.3	115	2200	4.7	336	8.5	604	2770	4.9	432	8.1	719
		1.5 g/t	480	7.8	120			4770	5.7	868			5250	5.9	988		

⁽¹⁾ Open Pit Mineral Resource is reported at a cut-off grade of 1.0 g/t gold. Cut-off grades are based on a price of US\$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources

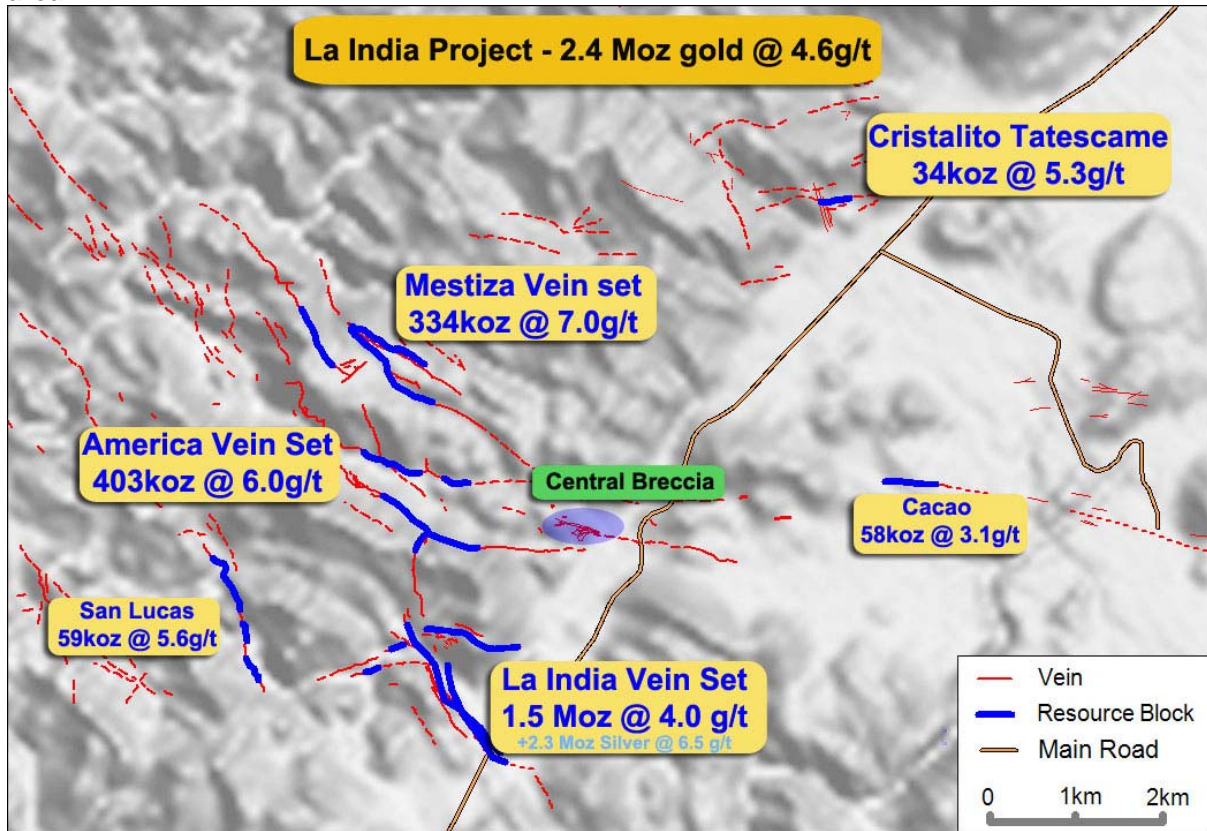
⁽²⁾ Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.3 g/t gold. Cut-off grades are based on a price of US\$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals.

⁽³⁾ Mineral Resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t.

⁽⁴⁾ Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

There is also considerable potential for the discovery and definition of further Mineral Resource in La India Project on the neighbouring America and Mestiza vein sets and elsewhere within the La India Project. Three styles of mineralisation are targeted: (1) wider zones of lower grade mineralisation hosted by multiple close spaced veins and/or quartz breccias that may be amenable to bulk open pit mining, focusing on the America and Mestiza Vein sets and also the Central Breccia Prospect. (2) Further extension to depth and along strike of the principal veins, (3) definition of new narrow vein resource where previous trench sampling has already defined the veins at surface.

Figure 1. Location of the La India Vein Set Mineral Resources within the La India Project area.



Resource Estimate Notes

The Mineral Resource Estimate completed by SRK Consulting (UK) Ltd (“SRK”), and the reporting standard adopted for the reporting of the Mineral Resources is that defined by the terms and definitions adopted the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (December 2005) as required by National Instrument 43-101.

The majority of the drilling during 2012 has been focused on the La India and California veins for which SRK created a block model was generated using block dimensions of 25 metres x 25 metres x 10 metres, into which up to 24 x 2 metre composite samples per block were used for estimation employing an ordinary kriging routine. All composites have been capped where appropriate.

SRK has considered geological continuity, grade continuity, quality of the digitised database, sampling density, distance of block estimates from samples and estimation quality in order to classify the deposit in accordance with The CIM Code. Data quality, drill hole spacing and the interpreted continuity of grades controlled by the veins has allowed SRK to classify portions of the veins in the Indicated and Inferred Mineral Resource categories. The resource statement has been depleted for historical mining.

The La India and California Mineral Resource is constrained within an optimised Whittle open pit shell, with SRK electing to use a 30% premium applied to market consensus long term gold price forecasts from over 30 contributors, resulting in a long term optimistic gold price of US\$1400 /oz; this approach is in line with other gold producing companies' reporting methods. For the other optimised Whittle input parameters, SRK has briefly reviewed typical mining, processing, and administrative costs for a range of gold mines in the region. Based on the assumed costs and a recovery of 90% using conventional gold mineralised material processing. SRK has applied a cut off grade of 1.0 g/t gold for the material with potential to be mined from surface, based on benchmarked parameters defined as part of an initial conceptual study and a cut-off grade to 2.3 g/t gold material with the potential to be mined underground.

In the case of veins not updated as part of the 2012 update SRK has quoted the Mineral Resource as reported in the previous Mineral Resource Statement (dated 30 December 2011), using a cut-off grade of 1.5 g/t gold.

Competent Person's Declaration

The information in this announcement that relates to Exploration Results and database is based on information compiled by and reviewed by Dr Luc English, the Country Exploration Manager, who is a Chartered Geologist and Fellow of the Geological Society of London, and a geologist with seventeen years of experience in the exploration and definition of precious and base metal Mineral Resources. Luc English is a full-time employee of Condor Gold plc and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Luc English consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

The Mineral Resource estimate has been completed by Ben Parsons, a Principal Resource Geologist with SRK Consulting (UK) Ltd, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Ben Parsons has some twelve years experience in the exploration, definition and mining of precious and base metal Mineral Resources. Ben Parsons is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Ben Parsons consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

- Ends -

For further information please visit 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 JORC Resources in Nicaragua and El Salvador. Condor has six 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 concession holdings in Nicaragua currently contain an attributable JORC compliant resource base of 1,707,000 ounces of gold equivalent at 5.5 g/t in Nicaragua and an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource base in El Salvador. 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.

Technical Glossary

Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as parts per million which is equivalent to grams of the mineral (i.e. gold) per tonne of rock
CIM Code	The reporting standard adopted for the reporting of the Mineral Resources is that defined by the terms and definitions given in the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (December 2005) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee
Diamond core drilling	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.
Dip	A line directed down the steepest axis of a planar structure including a planar ore body or zone of mineralisation. The dip has a measurable direction and inclination from horizontal.
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
Fault	The plane along which two rock masses have moved or slide against each other in opposing directions
Fault breccia	A rock made up of angular rock fragments cemented together by a finer grained matrix formed by the mechanical grinding of rock along the fault plane during movement of the fault
Fault gouge	Clay filling a fault that was formed by the mechanical grinding of rock along the fault plane during movement of the fault
Foot wall	The rock adjacent to and below an ore or mineralised

	body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the foot wall will be inclined nearer to the vertical than horizontal.
Gold Equivalent	Gold equivalent grade is calculated by dividing the silver assay result by 60, adding it to the gold value and assuming 100% metallurgical recovery
Grade	The proportion of a mineral within a rock or other material. For gold mineralisation this is usually reported as grams of gold per tonne of rock (g/t)
g/t	grams per tonne
Hanging wall	The rock adjacent to and above an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the hanging wall will be inclined nearer to the vertical than horizontal.
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited, or of uncertain quality and reliability
Indicated resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept is described by the entire thickness and the average grade of mineralisation
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral resources and ore reserves
koz	Thousand troy ounces
kt	Thousand tonnes
Mineral Resource	A concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and portrayed geological model
Open pit mining	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in the open air (as opposed to underground mining).
oz	Troy ounce, equivalent to 31.103477 grams
Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geothermal liquids filling the space between the rock fragments.
Quartz veins	Deposit of quartz rock that develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling, taking on the

	shape of the cracks that they fill.
Resource block	A 3-Dimensional model of the ore/mineralised body containing a Mineral Resource estimation.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
Trench	The excavation of a horizontally elongate pit (trench), typically up to 2m deep and up to 1.5m wide in order to access fresh or weathered bedrock and take channel samples across a mineralised structure. The trench is normally orientated such that samples taken along the longest wall are perpendicular to the mineralised structure.
True width	The shortest axis of a 3 dimensional object (i.e. ore/mineralised body), usually perpendicular to the longest plane. This often has to be calculated where channel or drill sampling was not exactly perpendicular to the long axis. The true width will always be less than the apparent width of an obliquely intersect sample.
Wallrock	The rock adjacent to an ore or mineralised body or geological fault.
Mt	Million tonnes