

Condor negotiate revised terms to acquire the Espinito-Mendoza Concession

Condor Gold Plc {AIM: CNR} has negotiated revised terms and will acquire the Espinito-Mendoza Concession now these have been agreed.

A small \$30,000 dollar initial deposit to be followed by \$470,000 by the end of June possibly suggests a financing will occur between the two dates.

Revised Terms to Acquire the Espinito-Mendoza Concession

Condor {AIM:CNR}, is pleased to announce, with reference to its announcements of 24 August 2011 and 12 December 2011, that it has successfully re-negotiated the terms to acquire 100% of the Espinito Mendoza Concession (the "Concession") in the heart of La India Project, Nicaragua. The revised terms end a dispute between the sellers of the Espinito-Mendoza Concession and the Company as detailed in Condor's interim report and accounts to 30th June 2015. The resolution allows the Company to advance the Concession on terms acceptable to the Company.

Highlights:

Revised terms to acquire 100% of the 200 hectare Espinito-Mendoza Concession at the heart of La India Project settle a dispute on improved terms and allows progress of the Concession on terms acceptable to Condor.

Espinito-Mendoza Concession hosts a NI 43-101 compliant Mineral Resource Estimate of 908kt at 6.66g/t for 208,000 oz gold and a Soviet classified Mineral Resource of 1,442kt at

13.03g/t gold for 513,492 oz gold.

The enlarged Mestiza Vein Set includes epithermal gold veins on the Espinito Mendoza Concession and the surrounding La India Concession and has a NI 43-101 compliant Mineral Resource of 1,490kt at 7.47g/t for 333,000 oz gold and a Soviet classified Mineral Resource of 2,392kt at 10.21g/t for 785,684 oz gold.

The Mestiza Vein Set is excluded from Condor's PFS and PEAs and has potential to increase NI 43-101 compliant resources, reserves and gold mineral production from La India Project. Micon International produced a report in February 1998 stating: "It is Micon's opinion that La Mestiza is a property of merit, with good potential to become a small (500 to 800tpd), low cost mine."

Mark Child Condor Gold CEO commented: "I am pleased, after many months of negotiation, to have settled a dispute over the purchase of the high grade Espinito-Mendoza Concession, which clears the way to advance the Concession and convert more of the Soviet classified resource on the Mestiza Vein Set of 2,392kt at 10.21g/t for 785,684 oz gold to western standards. The Mestiza Vein set hosts a NI 43-101 compliant mineral resource estimate of 1,490kt at 7.47g/t for 333,000 oz gold. In our experience, the Soviet GKZ classified resources on La India Project have generally converted to western standards upon tighter drill spacing and verification drilling of the previous drill holes. It is some comfort that Micon International's 1998 report on the Concession concluded that the property has good potential to become a small (500 to 800tpd), low cost mine. The Mestiza Vein Set is excluded from the Whittle Enterprise Optimisation of the PFS and PEA studies, which detailed 4 production scenarios ranging from 91,000 to 165,000 oz gold production per annum. We remain convinced that La India Project hosts a substantial gold field with considerable upside potential."

Background

Condor and Empresa Minera La Mestiza S.A. ("Mestiza"), together (the 'Parties') executed an Agreement on 18th August 2011 to transfer 100% of the Concession to Condor's wholly owned Nicaraguan subsidiary, Condor S.A. for a consideration of US\$1,625,000 spread over 36 months payable in cash and shares. (the "Original Agreement"). Condor has paid US\$1,155,000 of this consideration and US\$470,000 is due. A dispute arose over the transfer of clean surface rights on the Concession to Condor, a 5,000m drill commitment by the Company and a bonus to be paid to Mestiza on a Mineral Reserve estimation on the Concession.

The Agreed Settlement

Condor has made a cash payment of US\$30,000 to Mestiza, a further cash payment (the "Further Payment") of US\$470,000 is due by 1st June 2016. Additional payments of US\$10,000 per month are payable for 20 months commencing 30 days after the Further Payment. Mestiza remains entitled to a 2.25% NSR on mineral extraction from the Concession, but not a bonus on reserve estimation. Both were part of the Original Agreement. Condor is not obligated to conduct a 5,000m drilling programme and assumes responsibility to clean up the surface rights.

Geology

The Espinito Mendoza Concession covers a rectangular 2 sq km area containing one of the highest concentrations of epithermal veins on La India Project. It is located at the heart of La India Project in the middle of Condor's wholly owned La India Concession.

As elsewhere in the District, the gold is low sulphidation epithermal mineralisation contained within quartz veins, breccias, stockwork zones and fault gouge clay, hosted by a Tertiary felsic to andesitic volcanic sequence. The gold mineralisation is open along strike and to depth.

Mineral Resource Estimates

A Soviet back exploration campaign estimated a Soviet GKZ

mineral resource of 1,422k tonnes at 13.03g/t gold for 513,492 oz gold on the Concession. See table 1 below. SRK Consulting (UK) Limited converted the Soviet mineral resource estimate to 980k tonnes at 6.66g/t gold for 208,000 oz gold. See Table 2 below:

Table 1 Espinito-Mendoza Concession Soviet GKZ Resource Estimate

Soviet GKZ mineral resource estimate (1991) Espinito Mendoza concession

Vein Category Tons (kt) Grade (g/t) Au (oz)

Espinito C1,C2,P1 237 9.83 85,199

Buenos Aires C2, P1 317 16.80 171,489

Tatiana C2,P1 887 9.00 256,804

TOTAL 1,442 13.03 513,492

Table 2 Espinito Mendoza Concession NI 43-101 Mineral Resource Estimate

SRK NI-43-101 resource estimate (30-09-2014) Espinito Mendoza concession

Vein Category Tons (kt) Grade (g/t) Au (oz)

Espinito Inferred 200 7.70 50,000

Buenos Aires Inferred 210 8.00 53,000

Tatiana Inferred 570 5.80 105,000

TOTAL 980 6.66 208,000

The Mestiza Vein Set is defined as the area of the Espinito Mendoza Concession including veins that overlap the surrounding La India Concession. A Soviet backed exploration campaign estimated a Soviet style mineral resource of 2,392k tonnes at 10.21g/t gold for 785,694 oz gold. See Table 3 below. SRK Consulting (UK) Limited converted the Soviet mineral resource estimate to an NI 43-101 mineral resource estimate of 1,490k tonnes at 7.47g/t gold for 333,000 oz gold. See table 4 below.

*Table 3 Mestiza Vein Set Soviet GKZ Mineral Resource Estimate
Soviet GKZ mineral resource estimate (1991)*

Vein Category Tons (kt) Grade (g/t) Au (oz)

Espinito C1,C2,P1 353 9.83 112,013

San Pablo P1 39 12.20 15,338

Buenos Aires Jicaro C2, P1 317 16.80 171,489

Tatiana (Espinito Mendoza) C2,P1 887 9.00 256,804

Tatiana (La India) C2,P2 795 9.00 230,051

TOTAL 2,392 10.21 785,694

*Table 4 Mestiza Vein Set NI 43-101 Mineral Resource Estimate
SRK NI-43-101 resource estimate (30-09-2014)*

Vein Category Tons (kt) Grade (g/t) Au (oz)

Espinito Inferred 200 7.70 50,000

Buenos Aires Jicaro Inferred 210 8.00 53,000

Tatiana (Espinito Mendoza) Inferred 570 5.80 105,000

Tatiana (La India) Inferred 510 7.60 125,000

TOTAL 1,490 7.47 333,000

Historical Mining

Of the four principle veins, Tatiana, Espinito, Jicaro and Buenos Aires (sub-divided into the offset and overlapping Buenos Aires 1 and 2 veins), only the Espinito Vein was historically exploited as a satellite mine to the main La India and America-Constancia underground developments between 1938 and 1956. All the gold was processed at the central La India Mill which produced an estimated 576,000 oz gold at an average grade of 13.4g/t during that time. It is not known how much of this production came from the Espinito workings, which exploited a 500m strike length from two development levels. In addition to the principal veins a number of linking or cross-cutting veins have also been shown to host gold mineralisation but have not yet been assessed by drilling or underground

workings.

Micon International Report

In February 1998, Micon International Limited produced a review of the resources, reserves and business plan for the Mestiza Project for Diadem Resource Limited, the owner of the 200 hectare Espinito-Mendoza concession. The conclusion reads: "It is Micon's opinion that La Mestiza is a property of merit, with good potential to become a small (500 to 800tpd), low cost mine." And goes on to say "A significant amount of work, however, still remains to be done before the resources at La Mestiza property can be upgraded to reserves. It is Micon's opinion, this further work is fully justified by the exploration results obtained to date." Assuming a head grade of 7g/t gold a 500tpd to 800tpd mill would produce between 40,000 oz to 60,000 oz gold per annum. It is important to note that the Mestiza Vein Set is excluded from Condor's NI 43-101 compliant PFS and PEA studies on La India Project.

Figure 1

Technical Glossary

C1 C1 reserves are broadly equivalent to JORC indicated resources and have been estimated by a sparse grid of trenches, drill holes or underground workings. The quality and properties of the deposit are known tentatively by analyses and by analogy with known deposits of the same type. The general conditions for exploitation are partially known

C2 C2 reserves are broadly equivalent to JORC inferred resources and have been extrapolated from limited data, probably only a single hole

g/t grams per tonne

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

inferred 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

Kt Thousand tonnes

NI 43-101 Canadian National Instrument 43-101 a common standard for reporting of identified mineral resources and ore reserves

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

PEA Preliminary Economic Assessment – A conceptual-level study used to demonstrate basic economic viability under Canadian National Instrument 43-101

PFS Preliminary Feasibility Study – Overall economic accuracy of +/- 25%

quartz veins veins of quartz rock 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

Soviet Classification The former Soviet system for classification of reserves and resources, developed in 1960 and revised in 1981, which divides mineral concentrations into seven categories of three major groups, based on the level of exploration performed: explored reserves (A, B, C1), evaluated

reserves (C2) and prognostic resources (P1, P2, P3)

Soviet GKZ the former Soviet State Commission for Mineral Reserves

strike length The longest horizontal dimension of an ore body or zone of mineralisation

– Ends –

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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 M tonnes at 3.0 g/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 18.4 Mt at 3.9 g/t for 2.33 M oz gold and 2.68 M oz silver at 6.2 g/t to the CIM Code.

In El Salvador, Condor has an attributable 1,004,000 oz gold

equivalent at 2.6g/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.

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