



Condor Gold plc

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

Condor Gold plc announces its unaudited results for the three and nine months ended 30 September, 2020

Condor Gold (AIM: CNR; TSX: COG) announces that it has today published its unaudited financial results for the three and nine months ending 30 September, 2020 and the Management's Discussion and Analysis for the same period.

Both of the above have been posted on the Company's website www.condorgold.com and are also available on SEDAR at www.sedar.com.

Highlights for the third quarter of 2020

- Strong cash balance: £5.5M as of end-September
- Significant progress in de-risking La India project announced on 13 August, through purchase of land in and around the permitted La India open pit mine site area and provided an update on key elements in advancing the project:
 - Acquired 85% of the land within the permitted La India open pit mine site infrastructure, including the key areas of the location of the processing plant, tailings storage facility, open pit, waste dump area, explosives magazine.
 - Tailings Storage Facility and 2 water retention ponds are being fully designed by Tierra Group Inc. - 40% of the engineering designs are completed.
 - The design of the site wide water balance including a surface water management plan has been awarded to SRK Consulting (UK) Ltd and is underway.
 - Preliminary designs for the layout of the mine site infrastructure including, in some detail, the designs for the location of the processing plant have been completed.
 - Mine and waste dump schedules for a number of mining scenarios have been completed
 - The power studies have been progressed and several meetings held with the Ministry of Energy and Mines.

- On 10 July the Company announced the purchase by Jim Mellon, a Director, of 400,000 ordinary shares in the Company at a price of 38p per ordinary share.
- Further purchases of shares by Jim Mellon, as announced on 25 August and 24 September, of 75,000 and 100,000 shares respectively.

Post Period Highlights

- 93% of the land within the permitted La India open pit mine site infrastructure area has been purchased
- Commencement on 27 October of a ground investigation program consisting of 20 geotechnical drill holes and 58 test pits on the Tailings Storage Facility (“TSF”), Water Retention Reservoir and Processing Plant site at La India, accelerating the project from a Pre-Feasibility level of design to Final Engineering Designs on key infrastructure in preparation for construction on the fully-permitted project. In particular:
 - Final TSF design will be fully compliant with internal and external legislation.
 - Geotechnical drilling program comprises 20 drill holes and 58 test pits on the Tailings Storage Facility (TSF), La Simona water retention reservoir and processing plant site.
 - Geotechnical drilling and test pits on La Simona dam and reservoir - the purpose is to develop the design criteria for a retention dam and diversion water facility.

Mark Child, Chairman and Chief Executive of Condor Gold, commented:

“During the third quarter 2020 Condor Gold continued to de-risk La India Project, advancing the Project to a shovel-ready status. The Company has purchased the vast majority, over 93%, of the surface rights within the permitted La India open pit mine site infrastructure area. The Project is proceeding as if the Company owns 100% of the land as the Company is confident of securing the balance. Geotechnical drilling is currently underway on the embankment locations for the tailings storage facility and water retention reservoir together with some 58 test pits including a dozen on the location of the processing plant. Several engineering studies are being taken beyond that of a feasibility study to a final design for construction. In summary, the Project is being fast tracked to production. In-filling drilling programmes in the open pits have been designed, drilling is expected to commence in the near future.”

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS TO 30 SEPTEMBER 2020

	Nine months to 30.09.20 unaudited £	Nine months to 30.09.19 unaudited £	Three months to 30.09.20 unaudited £	Three months to 30.09.19 unaudited £
Revenue	-	-	-	-
Share based payments	(193,048)	(147,479)	(94,514)	(46,871)
Administrative expenses	(1,018,448)	(823,867)	(282,772)	(271,283)
Gain on disposal of concession	477,616	-	-	-
Operating loss	<u>(733,880)</u>	<u>(971,346)</u>	<u>(377,286)</u>	<u>(318,154)</u>
Finance income	1,175	2,763	-	2,029
Loss before income tax	<u>(732,705)</u>	<u>(968,583)</u>	<u>(377,286)</u>	<u>(316,125)</u>
Income tax expense	-	-	-	-
Loss for the period	<u>(732,705)</u>	<u>(968,583)</u>	<u>(377,286)</u>	<u>(316,125)</u>
Other comprehensive income/(loss):				
Currency translation differences	49,134	(24,470)	(1,274,140)	421,135
Other comprehensive income/(loss) for the period	<u>49,134</u>	<u>(24,470)</u>	<u>(1,274,140)</u>	<u>421,135</u>
Total comprehensive loss for the period	<u>(683,571)</u>	<u>(993,053)</u>	<u>(1,651,426)</u>	<u>105,010</u>
Loss per share expressed in pence per share:				
Basic and diluted (in pence)	<u>(0.70)</u>	<u>(1.24)</u>	<u>(0.32)</u>	<u>(0.35)</u>

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	30.09.20 unaudited £	31.12.19 audited £	30.09.19 unaudited £
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	2,849,055	585,950	219,197
Intangible assets	<u>22,739,013</u>	<u>20,909,637</u>	<u>21,917,014</u>
	<u>25,588,068</u>	<u>21,495,587</u>	<u>22,136,211</u>
CURRENT ASSETS			
Trade and other receivables	197,713	143,279	368,789
Cash and cash equivalents	<u>5,530,533</u>	<u>2,903,556</u>	<u>3,637,425</u>
	<u>5,728,246</u>	<u>3,046,835</u>	<u>4,006,214</u>
TOTAL ASSETS	<u>31,316,314</u>	<u>24,542,422</u>	<u>26,142,425</u>
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	<u>219,992</u>	<u>757,102</u>	<u>155,736</u>
TOTAL LIABILITIES	<u>219,992</u>	<u>757,102</u>	<u>155,736</u>
NET CURRENT ASSETS	<u>5,508,254</u>	<u>2,289,733</u>	<u>3,850,478</u>
NET ASSETS	<u>31,096,322</u>	<u>23,785,320</u>	<u>25,986,689</u>
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	23,582,161	18,932,704	18,932,704
Share premium	37,105,761	33,953,693	33,953,693
Exchange difference reserve	(697,799)	(746,933)	935,321
Retained earnings	<u>(28,893,801)</u>	<u>(28,354,144)</u>	<u>(27,835,029)</u>
	<u>31,096,322</u>	<u>23,785,320</u>	<u>25,986,689</u>

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2020

	Share capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non controlling interest	Total equity
	£	£	£	£	£	£	£
At 1 January 2019	13,435,868	33,662,309	959,791	(27,013,925)	21,044,043	-	21,044,043
Comprehensive income:	-	-	-	-	-	-	-
Loss for the period	-	-	-	(968,583)	(968,583)	-	(968,583)
Other comprehensive income:	-	-	-	-	-	-	-
Transactions with non-controlling interest	-	-	-	-	-	-	-
Currency translation differences	-	-	(24,470)	-	(24,470)	-	(24,470)
Total comprehensive income	-	-	(24,470)	(968,583)	(993,053)	-	(993,053)
New shares issued	5,496,836	291,384	-	-	5,788,220	-	5,788,220
Issue costs	-	-	-	-	-	-	-
Share based payment	-	-	-	147,479	147,479	-	147,479
At 30 September 2019	18,932,704	33,953,693	935,321	(27,835,029)	25,986,689	-	25,986,689
At 1 January 2020	18,932,704	33,953,693	(746,933)	(28,354,144)	23,785,320	-	23,785,320
Comprehensive income:	-	-	-	-	-	-	-
Loss for the period	-	-	-	(732,705)	(732,705)	-	(732,705)
Other comprehensive income:	-	-	-	-	-	-	-
Transactions with non-controlling interest	-	-	-	-	-	-	-
Currency translation differences	-	-	49,134	-	49,134	-	49,134
Total comprehensive income	-	-	49,134	(732,705)	(781,839)	-	(781,839)
New shares issued	4,649,457	3,152,068	-	-	7,801,525	-	7,801,525
Issue costs	-	-	-	-	-	-	-
Share based payment	-	-	-	193,048	193,048	-	193,048
At 30 September 2020	23,582,161	37,105,761	(697,799)	(28,893,801)	31,096,322	-	31,096,322

CONDOR GOLD PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
AS AT 30 SEPTEMBER 2020

	Nine months to 30.09.20 unaudited £	Nine months to 30.09.19 unaudited £
Cash flows from operating activities		
Loss before tax	(732,705)	(968,583)
Share based payment	193,048	147,479
Depreciation charges	16	35,130
Impairment charge of intangible fixed assets	-	-
Finance income	(1,175)	(2,763)
	<u>(540,816)</u>	<u>(788,737)</u>
(Increase)/decrease in trade and other receivables	(54,434)	(149,712)
Increase/(decrease) in trade and other payables	(537,110)	(95,580)
	<u>(1,132,360)</u>	<u>(1,034,029)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,712,055)	(1,275,263)
Purchase of tangible fixed assets	(2,317,848)	(44,015)
Interest received	1,175	2,763
	<u>(4,028,728)</u>	<u>(1,316,515)</u>
Net cash absorbed in investing activities	<u>(4,028,728)</u>	<u>(1,316,515)</u>
Cash flows from financing activities		
Net proceeds from share issue	7,801,525	5,788,220
	<u>7,801,525</u>	<u>5,788,220</u>
Net cash generated in financing activities	<u>7,801,525</u>	<u>5,788,220</u>
Increase / (decrease) in cash and cash equivalents	2,640,437	3,437,676
Cash and cash equivalents at beginning of period	2,903,556	220,975
Exchange losses on cash and bank	(13,460)	(21,226)
	<u>5,530,533</u>	<u>3,637,425</u>
Cash and cash equivalents at end of period	<u>5,530,533</u>	<u>3,637,425</u>

- Ends -

For further information please visit www.condorgold.com or contact:

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About Condor Gold plc:

Condor Gold plc was admitted to AIM 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.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Company 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 to be the master permit for mining operations in Nicaragua. Condor Gold published a Pre-Feasibility Study (“**PFS**”) on the La India Project in December 2014, as summarised in the Technical Report, as defined below. The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years. La India Project contains a Mineral Resource of 9,850Kt at 3.6 g/t gold for 1,140Koz gold in the Indicated category and 8,479Kt at 4.3g/t gold for 1,179Koz gold in the Inferred category. The Indicated Mineral Resource is inclusive of the Mineral Reserve. A gold price of \$1,500/oz and a cut-off grade of 0.5g/t and 2.0g/t gold were assumed for open pit and underground resources respectively. A cut-off grade of 1.5g/t gold was furthermore applied within a part of the Inferred Resource. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources will be converted to Mineral Reserves.

Environmental Permits have also been granted in April and May 2020 in relation to the Mestiza and America open pits respectively, both located in the vicinity of the La India Project. The Mestiza open pit hosts 92Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341Kt 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 contained gold) in the Indicated Mineral Resource category and 677Kt at a grade of 3.1 g/t gold (67,000 oz contained gold) 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 1.12M oz gold open pit Mineral Resources permitted for extraction, inclusive of a Mineral Reserve of 6.9Mt at 3.0g/t gold for 675,000 oz gold.

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.

Qualified Persons

The Mineral Resource Estimate has been completed by Ben Parsons, a Principal Consultant (Resource Geology) with SRK Consulting (U.S.), Inc, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Ben Parsons has some nineteen 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 (U.S.), Inc, an independent consultancy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a "qualified person" as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators and as required by 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.

The mining dilution studies reported for the Mestiza and America deposits have been performed under the supervision of Dr Tim Lucks, Principal Consultant (Geology & Project Management), of SRK Consulting (UK) Limited, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Tim Lucks is an independent "qualified person" as such term is defined in NI 43-101. Tim Lucks consents to the inclusion in the announcement that material that relates to the America and Mestiza dilution studies, in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

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

Technical Information

Certain disclosure contained in this news release of a scientific or technical nature has been summarised or extracted from the technical report entitled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", dated November 13, 2017 with an effective date of December 21, 2014 (the "**Technical Report**"), prepared in accordance with NI 43-101. The Technical Report was prepared by or under the supervision of Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Principal Consultant (Mining), Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, and Neil Lincoln of Lycopodium Minerals Canada Ltd., each of whom is an independent "qualified person" as defined by NI 43-101.

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 ongoing mining dilution and pit optimisation studies, and the incorporation of same into any mining production schedule, future development and production plans at La India Project. 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, resources and reserves; 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, 2019 dated March 31, 2020 and available under the Company's SEDAR profile at 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.