



Condor Gold plc

7th Floor
39 St. James's Street
London
SW1A 1JD
Telephone +44 020 74081067
Fax: +44 020 74938633

26th January 2015

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

4,000m Drilling Programme and Regional Soil Sampling starts on La India Project

Condor Gold (AIM: CNR), the AIM-listed Nicaraguan focused gold exploration company, is pleased to announce that drilling has commenced on the flagship La India Project in Nicaragua. The Company has started a 4000m drilling programme aimed at demonstrating the immediate upside of the Project. The initial 2000m of drilling has two objectives. Firstly to test the depth extent of high grade gold mineralisation beneath La India open pit reserve and existing underground gold resource which are currently defined to a maximum combined down-dip depth of only 350m. Secondly, to test the southern strike extent of La India open pit, which is open along strike to the south, but dips beneath the surface. The remaining 2,000m of the drilling programme will be subject to the initial drilling results and test existing targets on La India Project. A soil sampling programme has commenced on La India Project aimed at identifying high level epithermal prospects potentially concealing deeper high grade gold mineralisation.

Highlights:

- **Condor initiates 4000m drilling programme.**
- **Drilling to test depth extension of the high grade ore shoots beneath La India open pit reserve**
- **Drilling to test southern strike extent of La India open pit reserve and underground gold resource.**
- **Drilling to test existing exploration targets within La India Project**
- **Condor has started a regional soil geochemical sampling programme, initially along a 5km strike length to the south of La India Open Pit to look for geochemical indicators of hidden deep-seated gold mineralisation.**

Mark Child CEO comments:

"The existing resource of 11.5M tonnes at 3.50g/t for 1.30M oz gold within La India Vein Set contains three high grade ore shoots. Condor has commenced a 4,000m drilling programme designed to test the depth extension of the high grade ore shoots beneath La India open pit reserve and test the strike extent to the south of the main La India vein, where the mineralised boiling zone does not outcrop at surface. Condor raised £6.4M (US\$10M) in October 2014 and is fully funded for the drilling programme, which will cost less than US\$1M.

The helicopter-borne geophysics programme indicates that the main La India structure is open to the south for up to 5km. Rock chip samples of 23.5g/t and 9.0g/t have been collected 1km to the south of La India open pit reserve along this structure.

The initial soil geochemistry programme, which is part of a larger soil sampling programme on La India Project, is being conducted along a 5km strike length to the south of La India open pit reserve and is aimed at determining whether there are signs that La India vein continues at depth for some distance to the south. If so, there is potential for a series of high grade ore shoots which can be targeted by drilling.”

Drilling to test beneath La India open pit resource and along strike to the south

The initial 2,000m of drilling will test the depth extent of gold mineralisation beneath, and at depth along strike to the south of the La India PFS open pit reserve of 675,000 oz gold at 3.0g/t gold. The drilling programme targets the three main high-grade zones that have been defined along a 1.5km strike length of La India structure in order to test the underground potential of the system to deeper levels. Drilling completed to-date, predominantly on 50m by 50m spacing has defined gold mineralisation to a maximum of 350m down-dip from the surface exposure. Half of the initial drilling, some 1,000m of drilling, will test further below the old mine workings up to 400m down-dip of the surface exposure and 100m below the base of the PFS open pit shell on the two principal high-grade shoots that fall within the open pit resource. The other 1,000m of the initial drilling programme will test to depth beneath a less well defined high-grade shoot which is un-depleted by historic mining, and hidden beneath surface, along strike to the south of the PFS open pit shell. The southern 300m strike length of the La India Vein dips beneath the surface towards the south with intercepts of up to 21.08m (16.1m true width) at 10.24g/t gold from 193.80m drill depth encountered where no vein is present at surface (see press release dated 29th August 2012).

The remaining 2,000m of drilling will be subject to the initial drilling results and also to regional targeting.

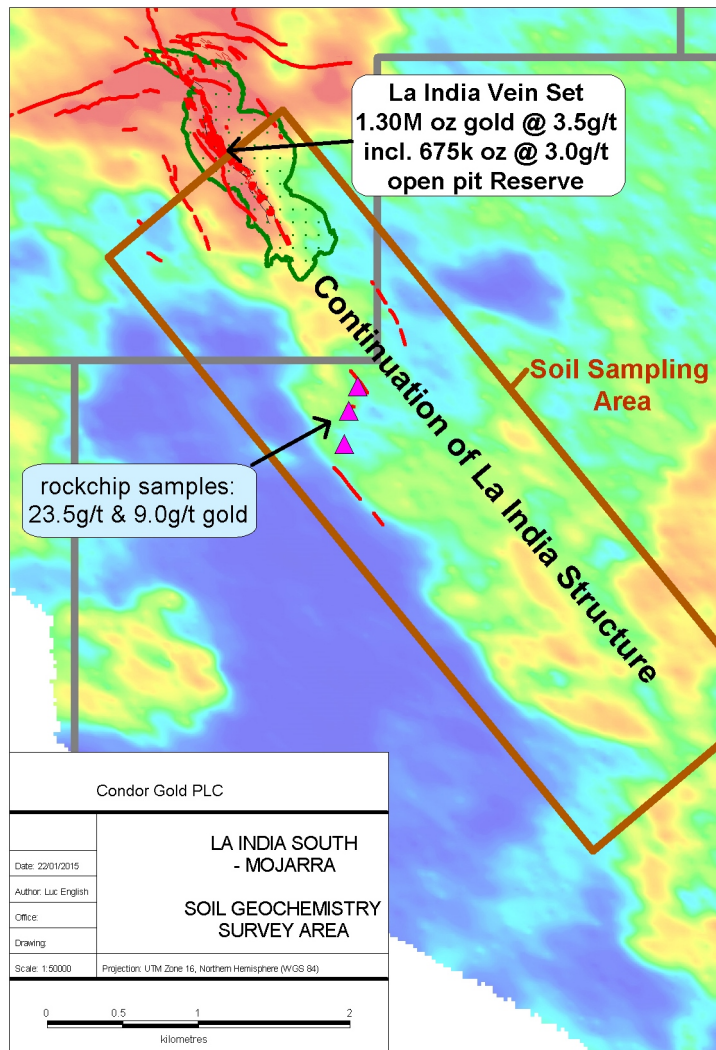
Soil sampling to find hidden gold mineralisation: generating drilling targets

A district-scale gold mineralisation model developed by Condor geologists by combining geophysical, topographic, geological mapping and regional exploration data has identified the potential for the discovery of hidden deep-seated gold mineralised structures with underground mining potential along interpreted hydrothermal fluid conduits or ‘backbone’ structures (see press release dated 3rd April 2014). In some cases such upper level and near surface hydrothermal fluid movement above the boiling zone can be identified by the precipitation of low-temperature vein textures such as chalcedonic and opaline quartz phases. In other cases the surface evidence is a more subtle geochemical alteration of rocks caused by the venting of hydrothermal fluids and vapours. Such alteration of the rock can be detected in the residual soil pathfinder geochemistry. Condor has completed a soil geochemistry orientation study comprising 326 soil sampling sites from five separate test areas to establish the most effective sampling and analysis method to detect geochemical indicators of alteration produced by high-level hydrothermal fluids. Fine-fraction B-horizon soil sampling and ultra-trace multi-element analysis has been shown to be an effective method of detecting alteration associated with underlying gold mineralisation.

A regional soil sampling programme using a 200m by 50m grid pattern, tightened to 100m by 50m over areas of geological interest, has been initiated over the highest priority target for hidden gold mineralisation; the south-eastern strike extension of La India backbone structure extending onto La Mojarrá Concession where quartz vein outcrop and float with chalcedonic and opaline textures indicative of near-surface or surficial hot-spring type deposition, well above the gold-enriched boiling zone, have been identified along a 5km strike length. Drilling on the southern strike extent of the principal La India Vein has already established the presence of high-grade hidden gold mineralisation, which remains open at depth along strike beneath the La India South-Mojarrá target. Over 1,100 soil samples are planned on the La India South-Mojarrá soil sampling programme over an 11km² area covering a 5km southern strike continuation of the La India Structure (see Figure 2 below). The results of the soil sampling programme are expected in March and any positive high-level hydrothermal soil anomalies will be assessed as targets for drill testing.

The soil sampling programme will continue over the remaining priority targets in the district with a view to ultimately generate a complete geochemical map of the District.

Figure 1. La India South-Mojarra soil geochemistry survey area overlying radiometric potassium background (high potassium coloured red, low potassium coloured blue). The soil survey is testing the southern strike continuation of La India structure indicated by a linear moderate radiometric potassium anomaly.



Competent Person’s Declaration

The information in this announcement that relates to the mineral potential, geology, 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 nineteen 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.

- Ends -

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

Condor Gold plc	Mark Child, Executive Chairman and CEO +44 (0) 20 7408 1067	Luc English, Country Manager Nicaragua +505 8854 0753
Beaumont Cornish Limited	Roland Cornish +44 (0) 20 7628 3396	
Numis Securities Limited	John Prior and James Black +44 (0) 20 72601000	
Farm Street Media	Simon Robinson +44 (0) 7593 340107	

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 CIM/JORC Resources in Nicaragua and El Salvador. Condor has eight 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 La India Project in Nicaragua currently contains a total attributable mineral resource of 18.4Mt at 3.9g/t for 2.33M oz gold and 2.68M oz silver at 6.2g/t to the CIM Code. Total gold equivalent of 2.37M oz. Including: Indicated mineral resource of 9.6Mt at 3.5g/t for 1.08M oz gold, Inferred mineral resource of 8.8Mt at 4.4g/t for 1.25M oz gold. Total open pit mineral resources of 1.14M oz gold at 3.1g/t. 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

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

Alteration	The chemical process of chemically transforming rock minerals to other rock minerals through contact with hot fluids.
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
B-horizon soil	The organic-poor soil horizon consisting of typically brown coloured completely weathered rock material with no primary textures. This horizon often occurs beneath the organic-rich A-horizon and contains some organic material such as roots are usually present.
Calcite	A common rock mineral composed of the elements calcium, carbon and oxygen.
Chalcedonic	A type of quartz texture in which the silica crystals making up the mineral are very small such that they give a waxy luster to the mineral. This is characteristic of crystallization under low-temperature conditions.
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
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
Epithermal	Mineral veins and ore deposited from fluids at shallow depths at low pressure and temperatures ranging from 50-300°C
Geochemistry	The study of the elements and their interaction as minerals to makeup rocks and soils
Geophysics	The measurement and interpretation of the earth's physical parameters using non-invasive methods such as measuring the gravity, magnetic susceptibility, electrical conductivity, seismic response and natural radioactive emissions.
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
Hydrothermal	Hot water circulation often caused by heating of groundwater by near surface magmas and often occurring in association with volcanic activity. Hydrothermal waters can contain significant concentrations of dissolved minerals.
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 mineral 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
Mineral Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.
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
Magnetic (aeromagnetic) survey	The measurement of the magnetic properties of the earth surface as controlled by the concentration and distribution of magnetic minerals, particularly magnetite, in the rock. Rocks containing higher levels of iron, such as mafic igneous rocks or some sedimentary rocks will have a higher magnetic susceptibility than felsic igneous rocks, siliciclastic and carbonate sediments and their metamorphic derivatives..
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
Opaline	A type of silica texture in which the quartz mineral are hydrated (contain water) and have a microcrystalline or non-crystalline texture.
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	A common rock mineral composed of the elements silicon and oxygen.
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.
Radiometric	Also known as gamma ray spectrometry, is the measure of natural radiation on the top 30-

	45cm of the earth's surface. The abundance of the three naturally occurring radioactive elements, potassium (K), thorium (Th) and uranium (U), is proportional to the abundance of minerals containing those elements. This information can be used in mapping the surface geology including the definition of areas of potassium enrichment related to hydrothermal alteration.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
Mt	Million tonnes
Vein	A sheet-like body of crystallised minerals within a rock, generally forming in a discontinuity or crack between two rock masses. Economic concentrations of gold are often contained within vein minerals.