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

La India Project Pre-Feasibility Study and Preliminary Economic Assessment

Condor Gold (AIM: CNR), the AIM-listed Nicaraguan focused gold exploration company, is pleased to announce the results of its Pre-Feasibility Study ("PFS") and updated Preliminary Economic Assessments ("PEA") for its 100% owned La India Project in Nicaragua.

Highlights of 0.8Mtpa PFS La India Open Pit

The PFS demonstrates a robust and economically viable base case for the project. Notably:

- An Internal Rate of Return ("IRR") of 22% and a post tax NPV of US$92 million at a discount rate of 5% and gold price of US$1,250/oz.
- Low Average LOM All-in Sustaining Costs of US$690 per oz gold.
- Low initial capital requirement of US$110 million (including contingency).
- Maiden Mineral Reserve of 6.9 Mt at 3.0 g/t gold for 675,000 oz.
- 614,000 oz of gold produced over 9 year Life of Mine ("LOM").
- Average annual production of 79,300 oz of gold over the 7 years of maximum production.

Highlights of 1.2Mtpa PEA Scenario A: La India Open Pit + Feeder Pits

This PEA scenario demonstrates that simply extending the open pit to extract the current Inferred La India open pit resources and adding in the feeder pits, has the potential to increase the PFS annual gold production by over 25% and significantly improve project economics. Notably:

- An IRR of 25% and a post tax NPV of US$124 million at a discount rate of 5% and gold price of US$1,250/oz.
- Reduced average LOM All-in Sustaining Costs of US$685 per oz gold.
- Slightly increased but still low initial capital requirement of US$127 million (including contingency).
- 9.5 Mt of production at 2.8 g/t gold for 850,000 oz.
- 774,000 oz of gold produced over an 8 year LOM at an average annual production of 96,800 oz.

Highlights of 1.6Mtpa PEA Scenario B: La India Open Pit + Feeder Pits + Underground

This PEA scenario demonstrates that accessing additional high-grade underground resources has the potential to increase gold production to over 1.2 Moz further improving the Project economics. Notably:

- An IRR of 24% and a post-tax NPV of US$187 million at a discount rate of 5% and gold price of US$1,250/oz.
- LOM All-in Sustaining Costs of US$697 per oz gold.
- Initial capital requirement of US$169 million (including contingency).
- Additional 3.5 Mt at 4.3 g/t Au underground production for 486,000 oz gold.
- 1.2 Moz gold produced over a 12 year LOM with average annual production of 137,500 oz gold for initial 8 years.

Mark Child, Executive Chairman of Condor Gold commented:

"The Pre-Feasibility Study on La India Project has demonstrated a robust, economically viable base case on La India open pit with a post tax IRR of 22% using a US$1,250 gold price. Maiden Mineral Reserves are 6.9Mt at 3.0g/t for 675,000 oz gold. A 0.8Mtpa plant produces average annual production of 79,300 oz gold over 7 years with lower quartile all-in-sustaining cash costs ("AISC") of US$690 per oz gold. A high-grade 3g/t gold open pit mineral reserve has resulted in a relatively small 2,300tpd plant with resultant low upfront capital cost of US$110 million including contingency.

The two Preliminary Economic Assessments ("PEAs") highlight the flexibility, scalability and economic upside of La India Project. The first PEA includes existing PFS reserves as well as open pit mineral resource extensions. This PEA envisions a 1.2Mtpa plant and increases average annual production to 96,800 oz gold for 8 years, while retaining the low AISC at US$685 per oz and upfront capital costs remain low at US$127 million including contingency.

The second PEA includes the extensions to the high-grade open pit resources and adds in existing underground resources on La India and America veins. A 1.6Mtpa plant further enhances the economics and increases average annual production to 137,500 oz gold for the initial 8 years. The AISC remains low at US$697 per oz gold with up front capital costs of US$169 million including contingency. In all cases, it is estimated that production can be enhanced by 10,000 oz gold per annum by centrally processing artisanal miner ore; the economic and production benefits are excluded from these studies.

All-in-sustaining cash costs of under US$700 per oz gold in each of the 3 studies highlights the attractiveness of La India Project against the backdrop of a weak gold price. Condor will continue to demonstrate the economic and production upside of La India Project through optimization of technical and commercial elements of the PFS and PEAs. Of equal importance is our strategy of selectively proving the exploration upside with additional drilling and geochemistry programs. In our professional opinion, La India Project hosts both extensions to known deposits as well as the potential to host a much larger gold mineralized system."

Production of NI 43-101 Technical Report

Condor is pleased to report that a National Instrument 43-101 compliant technical report entitled "Technical Report, Pre-Feasibility Study and Updated Preliminary Economic Assessments on La India Project, Nicaragua" will be available on the Company's website www.condorgold.com within 30 days of this announcement. The reporting standard adopted for the reporting of the Mineral Resource estimate and Mineral Reserve estimate reflects the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (2014) 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 ("CRIRSCO").

Background

The PFS is based on the exploitation of the La India open pit only via a contract mining operation with a life of mine of 9 years and a processing capacity of 0.8 million tonnes per annum ("Mtpa") through a conventional carbon-in-leach ("CIL") plant. Average production is expected to be 79,300 oz gold per annum over the 7 years of maximum production as part of a 9 year LOM, at an average 3.0 g/t Au head grade.

The PEA scenarios are presented to show the upside potential from the existing Mineral Resources. There are two PEA scenarios. The first scenario covers the La India open pit (extended to include Inferred Mineral Resources) and two feeder pits at the America and Central Breccia deposits, with a LOM of 8 years and a processing capacity of 1.2 Mtpa. Average production is expected to be 96,800 oz gold per annum over the LOM. The second scenario also includes the underground mining of the La India and America deposits. Average annual production in this scenario is expected to be 137,500 oz gold for the first 8 years LOM processing 1.6 Mtpa of material, after which mill feed is solely supplied by the underground mines for another 4 years at a reduced rate.

It should be noted that the PEA scenarios are preliminary in nature and include Inferred Mineral Resources that are considered too uncertain geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. There is no certainty that the PEA scenarios will be realised.

The robust economic outputs of these studies support Condor's decision to progress the development of the La India Project to a Bankable Feasibility Study.

In addition the studies have identified a number of opportunities, which have the potential to improve the economics of the project, and will be investigated further as part of the on-going studies. These include:

- Further optimization of the mine plans to improve NPV and lower operating costs.
- The Company's intention to process artisanal miners' ore through the main plant in each scenario. In the Company's opinion an additional 10,000 oz gold per annum of very high grade ore could be added to each of the above scenarios, benefiting both the artisanal miners and the Company.
- Potential cost savings through the use of local contractors for construction and routine operating costs.
- Lower power costs through the installation of an HFO (Heavy Fuel Oil) power plant and the examination of alternatives to grid power.
- Cost savings via firm agreements with local vendors.
- Optimization of the position and materials handling facilities of the processing plant to reduce operating and capital costs.

Overview of PFS and PEAs

A PFS level open pit mining study has been completed on the La India Project by SRK Consulting (UK) Ltd ("SRK"). Specifically, SRK took responsibility for the following: Geology and Mineral Resources, Open Pit Geotechnics, Hydrology and Hydrogeology, Mining and Ore Reserves, Metallurgical Testing, Geochemistry and Acid Rock Drainage Metal Leaching, Waste Management, Infrastructure, Financial Modelling, Environment and Social management. In addition to the SRK studies Lycopodium Minerals Canada Ltd ("Lycopodium") completed the plant

processing design for 0.8 Mtpa single stage SAG comminution and conventional Carbon in Leach ("CIL") circuit.

In order to present the potential upside to the project two additional study options have been considered to a Preliminary Economic Assessment ("PEA") level of study to determine potential economic viability of material not considered in the PFS. This study has evaluated two scenarios, which are considered outside the scope of the PFS:

- **Scenario A**
  - La India open pit mineral extraction.
  - America open pit mineral extraction.
  - Central Breccia Zone ("CBZ") open pit mineral extraction.
  - Plant production rate of 1.2 Mtpa.
  - 96,800 oz gold per annum for first 8 years.

- **Scenario B**
  - La India open pit and underground mineral extraction.
  - America open pit and underground mineral extraction.
  - CBZ open pit mineral extraction.
  - Plant production rate of 1.6Mtpa.
  - 137,500 oz gold per annum for first 8 years.

La India Project Background

The La India Project contains a high-grade low-sulphidation epithermal gold-silver mineralised vein system hosted by Tertiary intermediate to felsic volcanic rocks, including basaltic andesite, andesite and felsic lavas, and andesitic and felsic pyroclastic deposits. Historical mining exploited higher-grade veins within the district. La India Underground Mine, which is located on the La India Concession, produced an estimated 1.7 Mt at 13.4 g/t for 576,000 oz Au between 1938 and 1956, with the bulk of the production from the high-grade core veins on the La India and America Vein Sets.

Drilling at La India confirmed the presence of the La India and California veins modelled during the September 2012 Mineral Resource update and demonstrated a down dip extent of more than 350 m and a strike continuity of up to 2.1 km (which is broadly comparable with other veins on the La India Concession),vein thickness was shown to vary between 0.5 and 2.5 m, reaching up to 25-30 m in areas where multiple veins coalesce.

Mineral Resource Update

As part of the PFS work program Condor undertook to build on the recommendations of the SRK 2013 Mineral Resource Estimate ("2013 MRE"). Notably, the Condor geological team focused work on the reinterpretation of a series of hangingwall features (previously described as vertical features) that were classified as Inferred in the 2013 MRE. The aim of the study was to re-examine the classification and potentially upgrade this material through increased confidence in the modelled orientation and continuity of the structures to Indicated so that it could be considered in the PFS. Reinterpretation of hangingwall (wireframe) models was completed by the Company based on:

- re-logging of diamond drillcore;
- identification of mineralization styles and definition of angle to core for major structures.

SRK has reviewed the processes employed by the Company and considers the additional verification work completed to be appropriate in terms of maximising the confidence in the

geological interpretation from the core available. Accordingly, SRK has used this additional information to update the geological model and classification boundaries for the hangingwall features and released an updated Mineral Resource estimate in support of the PFS and two PEAs, as provided in the table below:

SRK CIM Compliant Mineral Resource Statement as at 30 September 2014 for the La India Project

Category	Area Name	Vein Name	Cut-Off	Tonnes (kt)	Au Grade (g/t)	Au (koz)	Ag Grade (g/t)	Ag (koz)
Indicated Mineral Resources	La India veinset	La India/ California[1]	0.5 g/t (OP)	8,267	3.1	832	5.5	1,462
		La India/ California[2]	2.0 g/t (UG)	706	4.9	111	10.6	240
	America veinset	America Mine[1]	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine[2]	2.0 g/t (UG)	470	7.3	110	4.7	71
Inferred Mineral Resources	La India veinset	La India/ California[1]	0.5 g/t (OP)	895	2.4	70	4.3	122
		Teresa[3]	0.5 g/t (OP)	4	6.6	1		
		La India/ California[2]	2.0 g/t (UG)	1,107	5.1	182	11.3	401
		Teresa[2]	2.0 g/t (UG)	82	11.0	29		
		Arizona[3]	1.5 g/t	430	4.2	58		
		Agua Caliente[3]	1.5 g/t	40	9.0	13		
	America veinset	America Mine[1]	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine[2]	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol[3]	1.5 g/t	751	4.8	116		
	Mestiza veinset	Tatiana[3]	1.5 g/t	1,080	6.7	230		
		Buenos Aires[3]	1.5 g/t	210	8.0	53		
		Espenito[3]	1.5 g/t	200	7.7	50		
	Central Breccia	Central Breccia[1]	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas[3]	1.5 g/t	330	5.6	59		
	Cristalito-Tatascame	Cristalito-Tatascame[3]	1.5 g/t	200	5.3	34		
	El Cacao	El Cacao[3]	1.5 g/t	590	3.0	58		

(1) The La India, America and Central Breccia pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A Gold price of US$1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company Marginal costs of US$19.2/t for processing, US$5.63/t G&A and US$2.47/t for mining, slope angles defined by the Geotechnical study which range from angle 46 - 48°.
(2) Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.0 g/t over a minimum width of 1.0m. Cut-off grades are based on a price of US$1,500 per ounce of gold and gold recoveries of 91 percent for resources, costs of US$19.0/t for processing, US$10.0/t G&A and US$50.0/t for mining, 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, and have not been updated as part of the current study due to no further detailed exploration.
(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
(5) The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
(6) SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.

Mineral Reserve Statement

The Mineral Reserve Estimate is based on the Mineral Resource estimate dated 30 September 2014. The Mineral Reserves are based on Indicated Mineral Resources that have been assessed to be technically and economically viable through a PFS.

The Mineral Reserve Estimate supports an open pit operation with an average annual throughput of 0.8 Mtpa at an average grade of 3.0 g/t gold. Production averages 79,300 oz gold per annum over the 7 years of maximum production as part of a 9 year LOM. All Mineral Reserves are located within 250 m of surface and are extractable by open pit mining methods. The mineralisation remains open at depth and to the south.

The Mineral Reserve Estimate is shown in the following table:

SRK CIM Compliant Mineral Reserve Statement as at 1 November 2014 for the La India Project

Reserve Classification	Tonnage (Mt dry)	Au Grade (g/t)	Ag Grade (g/t)	Contained Au (koz)	Contained Ag (koz)
Probable	6.9	3.0	5.3	675	1,185

1. Based on a cut-off grade of 0.75 g/t Au and gold price of US$1,250.
2. Average ore loss and dilution are estimated at 5% and 12%, respectively.
3. 91% Au and 69% Ag metallurgical recovery was used.
4. The reporting standard adopted for the reporting of the Mineral Reserve uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (2014) as required by NI 43-101.
5. SRK completed a site inspection to the deposit by Mr Gabor Bacsfalusi, BEng (MAusIMM(CP), Membership Number 308303, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.

The key technical, operational and financial parameters of the PFS and PEA scenarios assuming a gold price of US$1,250/oz and a silver price of US$20/oz are summarised in the following table:

Parameter	Unit	PFS	PEA Scenario A	PEA Scenario B
Mill Feed	Mt	6.9	9.5	13.0
Gold Average Head Grade	g/t	3.0	2.8	3.2
Waste Mined	Mt	94.5	118.2	118.2
Strip ratio open pit	Waste:ore	13.6	12.4	12.4
Contained gold	koz	675	850	1,338
Contained silver	koz	1,185	1,376	1,965
Average gold recovery	%	91	91	92
Annual production years 1-8	oz gold	74,000	96,800	137,500
Annual production years 1-8	oz silver	99,200	120,300	153,300
Upfront capital cost	US$ million	110	127	169
Undiscounted payback (years)	Production year	<4	<4	<4
Operating cash costs	US$/oz	657	648	651
All-in sustaining costs	US$/oz	690	685	697

Infrastructure and Capital Costs for the PFS

The upfront capital cost for the PFS is US$110 million and assumes a contract mining model. The total pre-production capital cost for the PFS is US$102 million excluding contingency and the payback period for this amount is <4 years.

Capital Costs (US$ million)	PFS	PEA Scenario A	PEA Scenario B
Processing Plant[1]	48.1	61.3	72.8
Infrastructure	9.8	10.4	10.4
Mining pre-production costs	18.7	16.8	16.8
Mining support operations/equipment[2]	8.1	8.2	30.8
Tailing Storage Facility	6.0	7.6	11.0
Land Acquisition	7.0	8.0	8.0
Owners Costs	4.6	4.6	4.6
Upfront Capital Costs	**102.2**	**117.0**	**154.5**
Contingency[3]	7.6	10.2	14.2
Total Pre-Production Capital Costs	**109.9**	**127.2**	**168.7**

1. Includes EPCM
2. Assuming mining contract operations
3. A range of contingencies was used to calculate contingency depending on the confidence of the estimate of each contributing factor.

The PFS has been prepared on a contract mining basis, which is used widely in Mexico and Central America.

In addition to the upfront capital costs the below table presents the sustaining and deferred capital costs estimated for the PFS and each of the PEA scenarios over the Life of Mine.

Sustaining and Deferred Capital Costs (US$ million)	PFS	PEA Scenario A	PEA Scenario B
Processing Plant	0.1	0.1	0.1
Infrastructure	3.6	3.6	3.6
Mining Equipment	2.4	2.8	51.8
Tailings Storage Facility	9.1	13.6	19.1
Land Acquisition	0.2	0.2	0.2
Closure Costs	9.0	9.8	10.0
Sustaining and Deferred Capital Costs	**24.4**	**29.9**	**84.7**
Contingency	3.1	4.8	10.3
Total Sustaining and Deferred Capital Costs	**27.5**	**34.8**	**95.0**

Life of Mine Operating Unit Cost

The table below provides the Life of Mine unit operating cash costs based on a per tonne mined/mill feed basis.

The PFS mine plan has a stripping ratio of 13.6 t:t, and as such the project economics are sensitive to the mine operating cost. When benchmarked against similar gold projects in the Central American region the LOM mine operating cost of US$2.35/t sits within the overall range of costs of US$1.66/t to US$4.05/t (with a median of US$2.79/t).

The average ore loss and dilution factors have been estimated at 5% and 12%, respectively, based on a selective mining method using a regular block size of 2.5m.

Category	Units	PFS	PEA Scenario A	PEA Scenario B
Mining o/p	(US$/t ore mined)	32.13	30.61	30.79
Mining u/g	(US$/t ore mined)	n/a	n/a	61.01
Processing	(US$/t mill feed)	20.56	18.52	18.58
Refinery	(US$/t mill feed)	0.35	0.27	0.30
G&A	(US$/t mill feed)	5.46	3.80	3.88

Cash Costs and All-in Sustaining Cash Costs

The table below provides the operating cash costs and All-In Sustaining Cash Costs as defined by the World Gold Council US$ per oz gold produced.

Category (US$/oz gold)	PFS	PEA Scenario A	PEA Scenario B
Mining[1]	361	373	412
Processing	232	227	197
G&A	63	48	41
Operating Cash Costs	**657**	**648**	**651**
Freight and refining	4	3	3
Royalties	38	38	38
Sustaining Capital	17	20	27
By-Product Credits (silver)	(26)	(24)	(22)
All-in Sustaining Cash Costs	**690**	**685**	**697**

1. excludes the pre-production stripping costs

Economic Sensitivity Analysis for PFS and PEA scenarios

The economic analysis utilised an average gold price of US$1,250 per ounce over the LOM. This data is presented with a sensitivity, which examines the project economics at different gold prices. It is the Company's view that a 5% discount rate is applicable as this is comparable with the results reported by the majority of other junior gold exploration companies listed on the TSX operating in Mexico, Central and South America.

PFS - Open Pit 675,000 oz gold insitu metal

	US$1,100/oz	US$1,250/oz	US$1,400/oz
Post-tax NPV (US$ million)			
0% discount	89.0	153.9	217.6
5% discount	44.2	91.7	138.0
8% discount	25.3	65.3	104.0
Post-tax IRR (%)	13.8%	22.0%	28.8%

*Note – the cost sensitivity reflects a change in the sale price presented in the financial model, but does not constitute re-optimisation of the underlying open pit optimisation studies.

PEA Scenario A - Open Pit +Two Feeder Pits, 850,000 oz gold in situ metal

	US$1,100/oz	US$1,250/oz	US$1,400/oz
Post-tax NPV (US$ million)			
0% discount	123.5	203.7	284.0
5% discount	66.2	124.2	182.2
8% discount	42.2	90.5	138.9
Post-tax IRR (%)	16.4%	24.6%	31.8%

*Note – the cost sensitivity reflects a change in the sale price presented in the financial model, but does not constitute re-optimisation of the underlying open pit optimisation studies.

PEA Scenario B - Open Pit + Two Feeder Pits + Underground of 1,338,000 oz gold in situ metal

	US$1,100/oz	US$1,250/oz	US$1,400/oz
Post-tax NPV (US$ million)			
0% discount	186.4	313.2	440.0
5% discount	97.1	186.6	276.1
8% discount	60.3	134.0	207.6
Post-tax IRR (%)	15.8%	23.8%	30.9%

*Note – the cost sensitivity reflects a change in the sale price presented in the financial model, but does not constitute re-optimisation of the underlying open pit optimisation studies.

Mining Plan PFS

The PFS comprises a single open pit mining operation extracting ore at a nominal rate of 0.8 Mtpa with an operating life of 8 years.

The mine schedule produces a total of 6.9 Mt of ore grading 3.0 g/t Au with an associated 94.5 Mt of waste. The average LOM stripping ratio is 13.6 t:t over a mine schedule of 8 years. During Year 8 mining from the pit will cease but production will continue into Year 9 as the lower grade material from the stockpile is processed.

The pit optimisations were undertaken at a US$1,250/oz gold price and assuming a metallurgical gold recovery of 91.0%. A steady state mining rate is planned after the initial period of waste and pre-stripping at an annualised feed rate of 0.8 Mtpa. Mining plans include 7.2 Mt of waste in the 18 months preceding commercial production.

The PFS assumes that all earth moving activities and mining operations will be conducted on a contract mining basis using a conventional truck and shovel method. The Company has obtained a detailed offer from an established contract mining group, which currently has contract mining operations at three gold mines in Mexico. The derivation of the quote was based on a site visit to the La India Project by two company representatives and the Company's own experience of operating gold mines in Central America.

PEA Scenario A: La India open pit plus America and CBX feeder pits

Scenario A involves extraction of the Indicated and Inferred Mineral Resource material within the La India open pit, the America open pit and Central Breccia open pit.

The resulting mine schedule produces a total production of 9.5Mt of material at 2.8g/t Au with an associated 118.2Mt of waste. The average LOM stripping ratio is 12.5 t:t over a mine life of 8 years.

The pit optimisations were undertaken at a US$1,250/oz gold price and assuming a metallurgical gold recovery of 91.0% for La India, 94.5% for America and 87% for CBZ. A steady-state mining rate is planned after the initial period of waste and pre-stripping at an annualised feed rate of 1.2 Mtpa.

The PEA assumes that all earthmoving activities and mining operations will be conducted on a contract mining basis using a conventional truck and shovel method. Unit mining costs have been adjusted by SRK to reflect the longer hauls for the America and Central Breccia pits.

PEA Scenario B: La India open pit plus America and CBX feeder pits; and underground

Scenario B involves utilising the Indicated and Inferred Mineral Resource material within the La India open pit, the America open pit and Central Breccia open pit as well as underground mineralisation on the La India and America veins.

The resulting mine schedule produces a total of 13.0 Mt of material at 3.2 g/t Au with an associated 118.2 Mt of waste from the open pits. The average LOM open pit stripping ratio is 12.4 t:t over a mine life of 8 years. From Year 8 onwards open pit mining will cease but production will continue from the underground. As with Scenario B, unit mining costs have been adjusted by SRK to reflect the longer hauls for the America and Central Breccia pits.

The pit optimisations were undertaken at a US$1,250/oz gold price and assuming a metallurgical gold recovery of 91.0% for La India, 94.5% for America and 87% for CBZ. A steady state mining rate is planned after the initial period of waste and pre-stripping at an annualised feed rate of

1.6 Mtpa for the first 8 years, after this mill feed will only be sourced from the underground operations at a lower feed rate. The PEA assumes that all open pit earth moving activities and open pit mining operations will be conducted on a contract mining basis using a conventional truck and shovel method. It is assumed that underground mining will be conducted on an owner-operator basis.

SRK proposes the use of a cut-and-fill mining method for the underground mines, which will permit a high level of selectivity in mining high grade zones. Underground stope optimisations were performed using cut-off grades of 2.41 g/t Au and 2.32 g/t Au for the La India and America zones, respectively. At this stage of study, SRK has assumed a 5% external dilution and 95% mining recovery given the highly selective method. Internal dilution is calculated at 34% based on the practical mining shapes generated in the optimisation process. This results in a total tonnage of 3.52 Mt of Run of Mine ("ROM") material at a grade of 4.31 g/t Au once underground mining modifying factors have been applied. The underground mining rates are based on benchmark data for similar deposits employing a selective mining method. The La India mine has a peak production rate of 205ktpa whereas the America mine has a peak production rate of 184ktpa. Both mines run for 12 years. Capital and operating costs are based on benchmarks against similar operations.

Metallurgy PFS and PEAs

- The La India Project test composites are highly amenable to gold and silver recovery by cyanidation processing.
- The results of metallurgical studies demonstrate that material from the La India Gold Project can by processed by either a standard carbon in pulp cyanidation process ore by a CIL flowsheet that would include crushing, grinding, agitated cyanide leaching, gold and silver adsorption onto activated carbon, gold and silver desorption, electrowinning and refining.
- Gold recovery from the La India deposit is estimated at about 91% and includes a 2% reduction from reported extractions to allow for plant inefficiencies. For the America deposit a gold recovery of 94.5% has been applied, and 87.0% for CBZ.
- Silver recovery from the La India deposit is estimated at about 70% and includes a 2% reduction from reported extractions to allow for plant inefficiencies. For the America deposit a silver recovery of 70.5% has been applied.
- Testwork on variability composites from the La India system, yielded gold and silver recoveries that were similar to those obtained from the La India Master composites.

Plant Process Design PFS and PEAs

- Lycopodium was retained by Condor Gold to design, to PFS level, a 0.8 Mtpa process plant to recover gold and silver from the La India ore;
- The process plant includes primary crushing, semi-autogenous grinding, single sag mill, agitated carbon-in-leach cyanidation and refining to recover gold and silver as a final doré product;
- The plant design and cost estimates are based on vendor-provided costs for major equipment and engineering bulk estimates.
- The cost estimates for the 1.2 Mtpa and 1.6 Mtpa process plant were factored by SRK from the Lycopodium 0.8 Mtpa estimate.

General Infrastructure layout PFS and PEAs

- A mine maintenance area including support and operational infrastructure assets will be located adjacent to the processing plant. For the pre-stripping operation a temporary facility will be located within the ultimate pit outline.

- An explosives storage facility will be located external to the process plant and mine maintenance area.
- The construction workforce is envisaged to include both local and regional Nicaraguan people. Nearby towns and villages will be utilised to provide most of the accommodation requirements. A small camp will be constructed to supplement the existing Condor camp for managerial staff.
- The site is positioned adjacent to the national highway NIC-26 which extends to meet the Pan-American Highway system and provides connections with Mexico and North America. A road diversion of the NIC-26 (2 km in length) will be constructed in Year 2 to accommodate the open pit development. A crossing point will be constructed in conjunction with the road diversion to facilitate access to the south west waste rock dump.
- The project area is bisected by a 138 kV transmission line that is owned by ENATREL (the Nicaraguan National Transmission Company). To facilitate the project development, the transmission line will be re-aligned to avoid influencing the development of the open pit and waste rock dumps during the LOM.
- The project power supply will be drawn from the national grid and a connection to the 138 kV transmission line will be made at the processing plant for this purpose.
- The Port of Corinto is located 121.5 km from the Project, which includes a 500 m long cargo pier with a depth of 11-12.2 m and also houses an oil terminal and general warehousing. The nearest international airport is Managua Airport, which is approximately 115 km from the Project area. Both can be reached via national highways.

Project Development

Under CIM reporting requirements, only Indicated Mineral Resources can be used in a PFS. The La India Global Open Pit resource totals 9.2Mt at 3.1 g/t for 903,000 oz gold, comprising of 832,000 oz gold at 3.1g/t in the Indicated category and 70,000 oz gold at 2.4 g/t in the Inferred category. The first priority will be to target the conversion of the material classified as Inferred within the La India open pit to the Indicated category, in order to increase the potential material available for future Mineral Reserve estimates.

La India open pit resource is open at depth. A drilling programme is planned to test the depth extension of one of the high grade ore shoots within La India open pit.

La India open pit is also open along strike to the south for potentially 2 km. A geochemistry soil sampling programme is currently underway to identify drill targets to demonstrate the strike continuity.

The America open pit Inferred Resource is 0.7 Mt at 3.1 g/t for 67 oz gold. The Central Breccia open pit contains 0.9 Mt at 1.9 g/t for 56 oz gold in the Inferred category. Drilling programmes are planned to target the conversion of the Inferred Resources to the Indicated category within both open pits.

A drilling programme is currently being planned on the Real de la Cruz concession to follow up on the successful 2,430 m trench programme announced earlier this year.

It is not currently intended to convert underground Resources in the Inferred category to Indicated, but rather fund underground resource development out of future cash flow or when market conditions improve.

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 thirteen 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 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.

The Mineral Reserve Estimate has been completed by Gabor Bacsfalusi, a Senior Consultant (Mining Engineering) with SRK Consulting (UK) Ltd, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Gabor Bacsfalusi has some eight years' experience in open pit mining engineering. Gabor Bacsfalusi is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which is relevant to the style of mining 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. Gabor Bacsfalusi 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 PFS has been overseen by Timothy Lucks who takes overall responsibility for all other aspects for the purpose of reporting. Timothy Lucks is a Principal Consultant (Geology and Project Management) with SRK Consulting (UK) Ltd, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Tim Lucks has over ten years' experience in a combination of exploration and Mineral Resource geology and project management. Timothy Lucks is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which is relevant 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. Timothy Lucks 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.

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 eighteen 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.

Information in this announcement that relates to the project evaluation, Preliminary Feasibility Study, engineering and mine planning is based on information compiled and/or reviewed by Gerald David Crawford, the Chief Operating Officer, who is a Registered Professional Engineer in the states of Colorado and Nevada and member of the Society of Mining, Metallurgy and Exploration, and a mining engineer with 37 years of experience in the design and evaluation of precious and

base metal mineral resources. Mr. Crawford is a full-time employee of Condor Gold plc and has sufficient experience which is relevant to the mining method 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 Canadian NI 43-101. Mr. Crawford 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 -

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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 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

Ag	Silver
AISC	All-In Sustaining Costs as per the World Gold Council's definition.
Au	Gold
Carbon in Leach (CIL)	A metallurgical process for extracting gold by leaching gold from the pulverized host rock with a cyanide solution. Gold is subsequently adsorbed onto activated charcoal for later recovery.
CBZ	Central Breccia Zone
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
Feeder Pit	Smaller deposits that are physically separate from a main deposit that can be mined independently from the main area. These deposits typically simplify operational planning.
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
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
koz	Thousand troy ounces
kt	Thousand tonnes
ktpa	Thousand tonnes per annum
Mining Dilution	Rock that is, by necessity, removed along with the ore in the mining process, subsequently lowering the grade of the ore.
Mineral Reserve	A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
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
Mtpa	Million tonnes per annum
n/a	Not applicable
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).
OP	Open Pit
oz	Troy ounce, equivalent to 31.103477 grams
Probable Reserve	A „Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
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.
Mt	Million tonnes
RoM	Run of Mine
SAG	Semi-autogenous grinding
UG	Underground