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

Metallurgical Study to PFS Level Completed on La India Project, Nicaragua.

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial reserve on its 100%-owned La India Project in Nicaragua, which hosts a CIM compliant Mineral Resource of 2.4 Million oz gold at 4.6g/t, is pleased to announce the completion of metallurgical studies to the Pre-Feasibility Study ("PFS") level of confidence on the proposed La India and America Vein Sets and to a Scoping Level of confidence on the Mestiza Vein Set and Central Breccia. An executive summary is available on www.condorgold.com.

Mark Child, Chairman and CEO commented:

"Condor has completed metallurgical studies to the Pre-Feasibility Study level of confidence, which show good recovery rates, further de-risking the La India Project. La India Vein Set gold recoveries range from 90% to 92% and the America Vein Set from 94% to 95%. These recovery estimates include a 2% reduction from the reported extractions to allow for plant inefficiencies. Most importantly, there are no unpleasant surprises. SRK Consulting (U.S.) Inc has recommended that gold mineralised ore can be processed by industry-standard whole-ore cyanidation with a standard carbon-in-pulp (CIP) process flowsheet".

Executive Summary

On behalf of Condor Gold plc, (Condor), SRK Consulting (U.S.), Inc. (SRK) designed and supervised a metallurgical development programme for Condor's La India Project. PFS level metallurgical studies were conducted on master composites and variability composites formulated from drill core from the La India and America Vein sets. Scoping level metallurgical studies were conducted on master composites from La Mestiza and the Central Breccia veins sets.

The metallurgical program was conducted by Inspectorate Exploration and Mining Services (Inspectorate) and the results of this work are fully documented in Inspectorate's 540 page report, "Metallurgical Testing to Recover Gold on Samples from the La India Gold Project", dated 23rd August, 2013. Solid liquid separation studies on final tailing products from each of the La India master composites were performed by Pocock Industrial (Pocock), and the results of this work are fully documented in their report, "Flocculant Screening, Gravity Sedimentation and Pulp Rheology Studies, La India Gold Project", August 2013.

The objectives of this metallurgical program were to conduct baseline investigations to determine cyanidation, gravity concentration and flotation characteristics of the test composites, to provide adequate data to establish optimized gold recovery and to present sufficient information to design a process flow sheet. The metallurgical study tested seven master composite samples, comprising three composites formulated from selected drill core intervals representing La India North, La India Central and La India South zones, two composites representing the America Vein Set and one composite each from La Mestiza and Central Breccia. The optimum test conditions were further developed on La India Vein using six variability composites representing spatial variation within each of the three La India Vein Master composite samples.

Metallurgical Test Program

The metallurgical studies were conducted to evaluate process options and conditions for recovery of contained gold and silver values. Details of the scope of the metallurgical studies are available on www.condorgold.com and include:

- Whole-ore cyanidation versus grind size;
- Whole-ore cyanidation versus cyanide concentration;
- Gravity concentration plus cyanidation of the gravity tailings versus grind size;
- Gravity concentration followed by gold flotation from the gravity tailings;
- Standard cyanidation versus carbon-in-leach (CIL) cyanidation;
- Variability testing;
- Cyanide detoxification of leach residues; and
- Solid liquid separation tests on leach residues.

The results of this program demonstrated that ore from La India Project can be processed by whole-ore cyanidation with a standard carbon-in-pulp (CIP) process flowsheet.

Gold and Silver Recovery

The La India Project test composites were highly amenable to gold and silver recovery by cyanidation processing. Table 1 provides a summary of gold and silver extractions by whole-ore cyanidation under optimized conditions, which included cyanide concentration at 0.5 g/L NaCN and 48 hours leach retention time. Also shown are estimated gold and silver recoveries, which include a nominal 2% reduction from reported gold and silver extractions to allow for losses that will likely occur due to plant inefficiencies. It should be noted that testwork on the La India and America master composites was performed at a PFS level of evaluation. Testwork on La Mestiza and Central Breccia master composites was conducted at only a scoping-level of evaluation

Table 1: Estimated Whole-Ore Cyanidation Gold and Silver Recoveries (P80) 75 micron grind, 0.5 g/L NaCN, 48 hour retention time)

Composite	Whole-Ore Cyanidation Extraction (%)		Whole-Ore Cyanidation Recovery (%) ⁽¹⁾	
	Au	Ag	Au	Ag
La India North	92	68	90	66
La India Central	94	75	92	73
La India South	93	67	91	65
America-Escondida	96	87	94	85
America-Old Workings	97	58	95	56
Mestiza	98	88	96	86
Central Breccia	89	56	87	54

(1) Extractions reduced by 2% to reflect losses due to plant inefficiencies

Source: SRK

Conceptual Process Flowsheet and Design Criteria

The results of this metallurgical investigation demonstrate that material from the La India Project can be processed by a standard CIP cyanidation process that would include crushing, grinding, agitated cyanide leaching, gold and silver adsorption onto activated carbon, gold and silver desorption, electrowinning and refining. Preliminary process design criteria, based on the results of this metallurgical investigation are presented in Table 2.

Table 2: Preliminary Design Criteria for the La India Gold Project

Unit Operation	Units	Criteria
Grinding		
SAG Mill Comminution Index (Axb)		34
Bond Ball Mill Work Index (BWi)	kwh/t	22
Bond Abrasion Index (Ai)		1.13
Grind Size (P ₈₀)	microns	75
Cyanidation		
Slurry Density	%	40
Retention Time	hours	30
Cyanide Leach Concentration	g/L	0.5
Slurry pH		10.5 – 11
Cyanide Consumption	kg/t	0.75 -1.5
Lime Consumption	kg/t	1 – 1.5
Thickening		
Flocculant Dosage	g/t	40-55
Maximum Underflow Density	%	64
Specific Settling Area (Conventional)	m ² /Mt/d	0.15-0.27
Net Feed Loading (High Rate)	m ³ /m ² /hr	3.2-4.6

Source: SRK

Conclusions

The following conclusions are made based on the results of this metallurgical program:

- The minerals present in the La India and America Vein samples are mainly quartz and K-feldspar with minor amounts of plagioclase, micas, clay minerals and Fe-oxide minerals, as well as trace amounts of pyrite and mafic minerals. The presence of only minor amounts of micas and clay minerals will have limited impact on the processing of the ore, whether flotation or direct leaching is used.
- Metallic screen analyses indicate very little coarse gold in the composites tested.
- Bond Ball mill work index determinations ranged from 17.5 to 21.9 kWh/t, indicating that the composites demonstrated medium-hard to hard character. The samples from La India South were slightly softer than the samples from La India Central and North. Abrasion indices (Ai) ranging from 0.98 to 1.13 indicate that the material is highly abrasive and high liner and media consumption rates can be expected.
- Grind-recovery testwork indicated that a grind of 80% (P80) passing 75 microns will be required. Although 1.5% to 2% higher gold extraction was obtained at a (P80) 50 micron grind, this incremental additional recovery would likely not justify the higher additional cost to grind finer.
- Whole-ore cyanidation tests and gravity concentration followed by cyanidation of the gravity tailing tests yielded nearly identical overall gold recoveries, indicating that a gravity/cyanidation flowsheet would not offer any higher gold recovery than could be achieved by whole-ore cyanidation.
- Standard cyanidation test and CIL tests yielded nearly identical gold extractions, indicating that preg-robbing would most likely not be a problem with the ores tested. As such, CIL processing would likely not be required.

- Flotation tests designed to pre-concentrate the gold into a flotation concentrate prior to cyanidation did not achieve sufficiently high gold recoveries for this process option to be considered.
- It appears that the La India ore can be processed using a standard CIP process without the need for gravity concentration.
- Cyanide detoxification tests were conducted on leach residues from the La India master composites. These tests indicated that about 6g SO₂/g CN total and about 0.9g CuSO₄/g CN total are sufficient to detoxify the cyanide to normally acceptable levels.
- Solid liquid separation studies demonstrated that the leach residues could be readily thickened to an underflow density of over 60% solids. A specific conventional thickening settling area of 0.15 to 0.27m²/mtpd was determined. In addition, a net feed loading for high rate thickener design of 3.2 to 4.6 m³ /m²/hr was determined.
- Gold recovery from the La India Vein Set is estimated at 90% to 92% and gold recovery from the America Vein Set is estimated at 94% to 95%. This recovery estimate includes a 2% reduction from reported extractions to allow for plant inefficiencies.
- Silver recovery from the La India Vein Set is estimated at 65% to 73% and silver recovery from the America Vein Set is estimated at 56% to 85%. This recovery estimate includes a 2% reduction from reported extractions to allow for plant inefficiencies.
- Scoping-level testwork on the La Mestiza Vein Set indicated gold recoveries of about 96% and silver recoveries of about 86%. These recovery estimates includes a 2% reduction from reported extractions to allow for plant inefficiencies.

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.

- 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 seven 100% owned concessions in La India Mining District ("La India Project"); three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor's concession holdings in Nicaragua currently contain an attributable CIM/JORC compliant resource base of 2,497,000 ounces of gold equivalent at 4.6 g/t in Nicaragua and an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource base in El Salvador. The Resource calculations are compiled by independent geologists SRK Consulting (UK) Limited for Nicaragua, and Ravensgate and Geosure for El Salvador.

Disclaimer

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Technical Glossary

Carbon-in-leach (CIL)	A method of recovering gold during cyanide leaching by absorbing the dissolved gold onto the surface of activated carbon. This method involves adding carbon early in the process and is usually the preferred method when preg-robbing solutes are present in the ore.
Carbon-in-pulp (CIP)	A method of recovering gold from cyanide solution by absorbing the gold onto the surface of activated carbon. The carbon is added after an initial stage of cyanide leaching in order to minimize carbon consumption and gold inventory held up in the process.
CIM	Canadian Institute of Mining, Metallurgy and Petroleum whose terminology, definitions and guidelines are an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee (CRIRSCO) as required by National Instrument 43-101.
Cyanidation	The use of cyanide solution to dissolve gold and silver contained in the ore and is part of the process of recovering gold and silver from the ore prior to concentration and refining.
Electrowinning	The process of recovering solid metals, including gold, from solution by passing an electric current through the solution using electrolysis in order to plate a cathode in the metal. This process is commonly used to precipitate gold and silver from a cyanide solution.
Flotation	A method of concentrating minerals as part of ore processing by using the variations in surface chemistry and therefore floatability of the target mineral(s).
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)
Gravitation/gravity concentration	A method of concentrating minerals as part of ore processing by using the variations in density and therefore weight of the target mineral(s) and the waste material by applying forces in opposition to gravity such that the different components are separated.
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 (equivalent to 31.103477 kilograms)
kt	Thousand tonnes
Metallurgy	The study of the physical and chemical properties of metals and metal ore with particular

	interest in ascertaining the most efficient method of extracting a metal commodity from an ore.
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
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.
Mt	Million tonnes
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
Preg-robbing	The absorption of gold from cyanide solution onto carbonaceous material contained within the ore during gold processing by the cyanidation technique. The absorbed gold is not recovered using traditional processing techniques.
Pyrite	A rock mineral composed of the elements iron and sulphur.
Recovery (mineral processing)	The percentage of a mineral that can be concentrated from an ore rock ready for sale or use.
Tailings	The uneconomic fraction, or waste, left over from ore after extraction of the valuable commodity such as gold and silver. In standard gold processing plants using the cyanidation extraction methods the tailings will be a fine rock slurry, typically quartz-rich, that requires treatment to remove residual cyanide before disposal.
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.
Wallrock	The rock adjacent to an ore or mineralised body or geological fault.