



# Condor Gold plc

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## Condor Gold Plc ("Condor" or the "Company") Termination of Strategic Review and Formal Sale Process

The Board of Condor announces that it has, with immediate effect, terminated its strategic review incorporating a formal sale process ("FSP") as defined by The Takeover Code ("Code").

On 4<sup>th</sup> September 2015, the Company announced it had initiated a formal strategic review of the Company's business and assets with a view to maximising value for Shareholders at that point in time (the "Announcement"). Accordingly, the Company appointed Cormark Securities Inc. ("Cormark") to act as financial advisor and assist with exploring value creating alternatives for the Company.

The shares of the Company have fallen 65% since the Announcement due to negative market sentiment towards junior gold exploration companies and the natural resource sector in general. The Board's view is that the fall in the share price does not reflect and indeed significantly undervalues Condor's key asset, La India Project in Nicaragua and has decided to terminate the FSP, which resulted in an Offer Period under the Code. Condor's current market capitalisation is equivalent to circa US\$5 per resource oz gold in the ground compared to an average sale price over the past 18 months, estimated by Cormark, of US\$56 per resource oz gold in the ground for similar gold mineral resources. Given that any potential offer for the Company would be judged in the context of a premium to the share price; the Board does not see an acceptable premium to the current share price being achieved in the short term, hence the decision to end the FSP.

The La India Project hosts a high grade Independent Mineral Resource of 18.1M tonnes at 4.0g/t containing 2.32M oz gold, which includes an open pit mineral reserve of 6.9M tonnes at 3.0g/t gold containing 675,000 oz gold. An NI 43-101 technical report detailing a Pre-Feasibility Study ("PFS") and two Preliminary Economic Assessments ("PEAs") were posted on Condor's website on 21<sup>st</sup> December 2014. The Whittle Optimisation of the mineral resource and mine schedules in the PFS and PEAs increased contained gold within pit shells by 30% and increased the annual production by 25%, while capex and opex remained unchanged, thereby significantly enhancing the economics of the Project (see RNS dated 20<sup>th</sup> October 2015). For the PFS and PEAs the all-in-sustaining-cash costs are under US\$700 per oz gold, which compares very favourably to the current gold price.

Condor will continue with fully permitting Mina La India to initially produce 100,000 oz gold per annum from a single pit. The completion of the Environmental Impact Assessment and application for an Environmental Permit has been submitted (see RNS dated 1<sup>st</sup> December 2015). The EIA has passed an initial review by the Ministry of the Environment. The Company's unaudited cash position at 31<sup>st</sup> December 2015 was £1.1million. The Government of Nicaragua remains very supportive of permitting a new mine at Mina La India.

