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

Geotechnical Drilling 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 2.4Moz gold at 4.6g/t, is pleased to announce that it has commenced a geotechnical drilling programme of ten drill holes for 1,700m on La India open pit resource.

Mark Child, Chairman and CEO commented:

"The current 1,700m of geotechnical drilling is designed to test the competency and strength of the host rock and determine the optimal pit angles for the La India open pit resource. The Preliminary Economic Assessment (PEA) identifies an open pit containing 800 koz gold at a 40-42 degree pit angle resulting in a cash cost of US\$682 per oz.

Sensitivity analysis on the pit slope angles has shown that by steepening the pit angles to 50 degrees, the cash costs to produce an 800 koz gold pit reduces by 18% to US\$558 per oz due to lower strip ratios. However, there is circa 500 koz gold resource beneath the pit, an optimised open pit would seek to drive the pit down as deep as possible while retaining strong economics. Sensitivity analysis shows that using a US\$1,200 gold price and 50 degree pit angle may result in 1.23M oz gold within the open pit extracted at a cash cost of US\$702 per oz.

A geotechnical report is expected in August 2013, which will help determine the pit angles of La India Open Pit. With further mining studies, there is potential for the 800 koz gold pit used in the PEA to increase by 25% to 50% should steeper pit angles be achieved allowing for a deeper open pit."

Background

The geotechnical drilling programme is being overseen by SRK Consulting (UK) Limited ("SRK") and is designed to establish the optimum pit wall angles for the proposed open pit on La India Vein Set (see announcement dated 5th March 2013). The drilling is being complimented by geotechnical mapping of surface outcrops and old mine workings that cut across the proposed pit wall. In addition to collecting data on the rock mechanics from the drill core and outcrops, information on the groundwater levels is being recorded and a number of the drill holes are being setup as piezometers to monitor water level. This investigation is aimed at providing sufficient geotechnical information to support an open pit pre-feasibility study on the La India Vein Set.

Three diamond core drilling rigs are being used to drill the geotechnical drillholes using HQ triple tube drilling with improved core orientation for measurement of the orientation of joints and faults

achieved with the rental of Reflex ACT III electronic core orientation system. Two of the ten geotechnical drill holes, accounting for approximately 445 m of drilling have already been completed, testing both the hangingwall and footwall zones. Preliminary results show a high strength fair quality rock mass in the footwall and a slightly lower quality rock mass in the area of the hangingwall tested due to the presence of localised fracture zones and veinlets associated with the California vein system. Ground water levels were found to be lower than expected.

Objective of the Geotechnical Drilling Programme

The geotechnical drilling programme is designed to provide the geotechnical data required to design an open pit on the La India Vein Set at the level of confidence required for a pre-feasibility study. The current open pit resource is 954 koz gold at 3.6g/t. For the purposes of the Preliminary Economic Assessment (“PEA”) (see announcement 5th March 2013) a smaller pit size of 800 koz gold was chosen. Due to the lack of geotechnical data, which determines the strength and stability of the host rock, a pit with slope angles of 40-42 degrees was chosen. Table 1 below shows the sensitivity analysis of the 800 koz pit shell chosen for the PEA: 40/42 degree pit angle, stripping ratio 13.4, in situ gold of 800 koz at a grade of 3.4g/t, cash costs US\$682 per oz. By way of comparison the pit angles of B2Gold’s La Libertad open pit in Nicaragua, which is in a similar geological setting are circa 50 degrees. Following the geotechnical drilling, it is hoped that it will be possible to increase the pit angle to closer to La Libertad’s. If this were the case the strip ratio would reduce to 10.1, grade would increase to 3.8g/t gold and cash costs would be reduced to US\$558 per oz gold.

Table 1

Scenario	Rev. Factor (USD/oz)	Stripping Ratio (t:t)	Waste (Mt)	In-Situ Ore (Mt)	In-Situ Metal (koz Au)	In-Situ Grade (g/t)	Cash Cost (USD/oz)
Selected Pit Shells							
50/50 Degrees	700	10.1	67.1	6.6	803	3.8	558
45/45 Degrees	820	12.2	84.2	6.9	804	3.6	621
40/42 Degrees	900	13.4	98.2	7.3	800	3.4	682
40/40 Degrees	950	14.2	103.6	7.3	798	3.4	700
35/35 Degrees	1,140	19.7	152.7	7.8	835	3.3	837

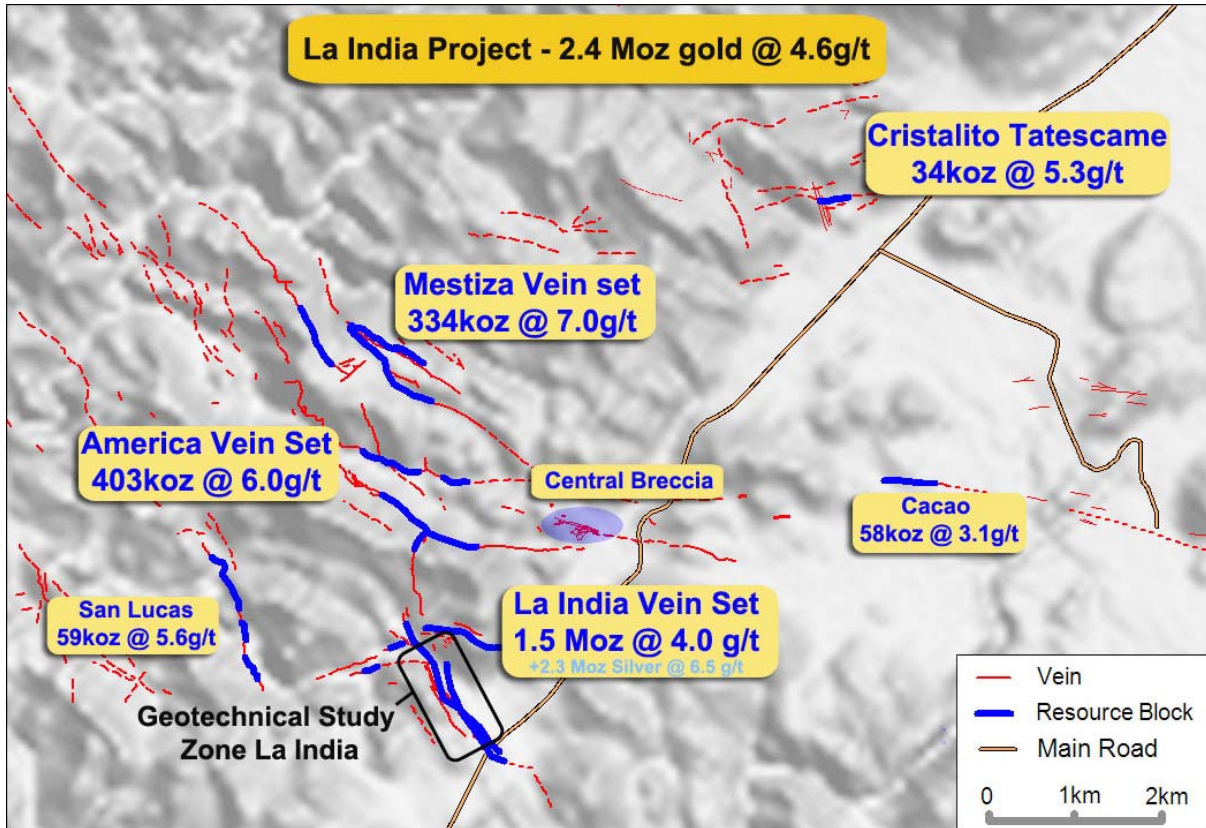
There is approximately 500 koz gold of resources beneath the 800 koz gold open pit used in the PEA. The main objective of the geotechnical drilling is to optimise the open pit slope angles and determine whether it is possible to drive the pit deeper to extract gold currently designated as an underground resource, by open pit mining methods.

Table 2 below provides a sensitivity analysis of the ultimate pit shell using a US\$1,200 gold price at various pit slope angles. An optimised pit with slope angles of 50/50 degrees contains ‘in situ metal’ of 1.23M oz gold at 3.6g/t, with a cash cost of US\$702 per oz, although this has a high strip ratio of 15.8 (t:t), it is paid for by the high grade.

Table 2

Scenario	Rev. Factor (USD/oz)	Stripping Ratio (t:t)	Waste (Mt)	In-Situ Ore (Mt)	In-Situ Metal (koz Au)	In-Situ Grade (g/t)	Cash Cost (USD/oz)
1,200 USD/oz Pit Shells							
50/50 Degrees	1,200	15.8	167.9	10.7	1,230	3.6	702
45/45 Degrees	1,200	15.9	150.3	9.5	1,070	3.5	717
40/42 Degrees	1,200	17.9	159.5	8.9	1,010	3.5	761
40/40 Degrees	1,200	18.1	156.4	8.6	973	3.5	769

Figure 1. Location of Geotechnical Drilling on La India Project area.



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 seventeen 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.

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

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About Condor Gold plc:

Condor Resources 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

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.
Core orientation	The technique of reconstructing the spatial position of rock samples (core) taken to the surface by drilling in their original orientation. There are several electronic and mechanical methods available generally involving marking the position of the rock in the drillhole prior to extraction.
Cross-cut adit	A cross-cut adit is a tunnel driven perpendicular to the longest horizontal direction (strike) of an ore or mineralised body, usually constructed to provide access.
Foot wall	The rock adjacent to and below an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the foot wall will be inclined nearer to the vertical than horizontal.
Geotechnical	The study of the mechanical and chemical properties of rock and soil with respect to engineering
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
Hanging wall	The rock adjacent to and above an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the hanging wall will be inclined nearer to the vertical than horizontal.
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
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
Pit Slope Angles or Pit Angles	The overall slope angle of the pit wall in a open pit as measured from a horizontal plane, such that 90 degrees would be a vertical wall
stripping ratio or strip ratio	Refers to the ratio of the volume of overburden or waste material required to be handled in order to extract some volume of ore. For example, a 10:1 stripping ratio means that mining one cubic meter of ore will require mining ten cubic meters of waste rock
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.
Whittle Pit	An open pit mine planning method in which the optimum dimensions of an economic open pit are modelled around a mineral resource constrained by various technical and economic variables.