



Condor Gold plc

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

Fundraise of £3.3 million, Results of Open Offer, Placing and EGM Director Shareholding

On 5 December 2022, Condor announced the launch of an Open Offer pursuant to which Qualifying Shareholders were able to subscribe for 1 Open Offer Share in the Company for every 6 Existing Ordinary Shares held at the Record Date (the "Open Offer"), at a price of 15 pence each (the "Issue Price"). Part of the excess entitlements not taken up by Qualifying Shareholders under the Open Offer have been placed by the Company and its broker, SP Angel, with non-Qualifying Shareholders at the Issue Price (the "Placing").

The Open Offer has now closed for acceptances and the Company advises that valid applications, including pursuant to the Excess Application Facility, were received in respect of a total of 12,156,374 Open Offer Shares. 3,004,999 New Ordinary Shares have been placed with existing shareholders. Accordingly, the Company has raised gross proceeds of approximately £2.3 million through the issue of a total of 15,161,373 New Ordinary Shares pursuant to the Open Offer and Placing.

Jim Mellon, Chairman Commented:

"I am delighted with the results of this Fundraise, which provided pre-emptive rights to all shareholders and raised gross proceeds of approximately £3.3 million, being £1 million from Galloway, my investment vehicle and approximately £2.3 million from the open offer and placing. The Company's La India Project is almost construction ready, with the key permits to construct and operate a mine, a bankable feasibility study completed, a SAG Mill and surface rights purchased. Initial production is targeted at 100,000 oz gold p.a. with an expansion to 150,000 oz gold p.a. The strategy recently announced is for the Company to sell the assets. The fundraise allows the Company to enter a sale phase sufficiently funded".

Results of EGM

The issue of New Ordinary Shares under the Open Offer and Placing was conditional upon Shareholder approval of the Sub-Division, which was given at the EGM held earlier today. Accordingly, following the passing of the Shareholder resolution, each of the Company's Existing Ordinary Shares of £0.20 will now be subdivided into one New Ordinary Share of £0.001 and one

Deferred Share of £0.199. There is no change to the ISIN for the Ordinary Shares. The Open Offer and Placing have now closed.

Results of the Open Offer and Placing

In aggregate, 15,161,373 New Ordinary Shares (“Open Offer and Placing Shares”) raising a total of approximately £2.3 million have been issued pursuant to the Open Offer and Placing. The £1 million raised from Galloway Limited (“Galloway”) via an unsecured convertible loan note, as announced on 28 November 2022, has been converted into 6,666,666 New Ordinary Shares at the open offer price of 15 pence per share and an additional 74,922 New Ordinary Shares have been issued to Galloway in satisfaction of accrued interest (together the “CLN Shares”) in accordance with the terms of the convertible loan note instrument. Accordingly, Jim Mellon, the Company’s Chairman is the beneficially owner of 36,435,814 Ordinary Shares in the Company representing 20.18% of the Enlarged Issued Share Capital.

Application has been made for the New Ordinary Shares, the Open Offer and Placing Shares and the CLN Shares to be admitted to trading on AIM. Admission of the New Ordinary Shares, Open Offer and Placing Shares and CLN Shares is expected to take place on 23 December 2022. The Toronto Stock Exchange (“TSX”) has conditionally approved the listing of the Open Offer and Placing Shares on the TSX. The Open Offer and Placing Shares and CLN Shares will rank pari passu with the New Ordinary Shares.

Total Voting Rights

Following the issue of the Open Offer and Placing Shares and CLN Shares totalling 21,902,961 New Ordinary Shares, Condor’s total issued share capital will comprise 180,532,491 New Ordinary Shares, each with voting rights (the “Enlarged Issued Share Capital”). This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, securities of the Company under the Financial Conduct Authority’s Disclosure and Transparency Rules.

Terms and definitions used in this announcement have the meaning ascribed to them in the Open Offer launch announcement dated 5 December 2022, unless the context requires otherwise.

- Ends -

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About Condor Gold plc:

Condor Gold plc was admitted to AIM in May 2006 and dual listed on the TSX in January 2018. The Company is a gold exploration and development company with a focus on Nicaragua.

The Company's principal asset is La India Project, Nicaragua, which comprises of a large, highly prospective land package of 588 sq km comprising of 12 contiguous and adjacent concessions. The Company has filed a feasibility study technical report dated 25 October 2022 and entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2022" (the "**2022 FS**") which is available on the Company's SEDAR profile at www.sedar.com and was prepared in accordance with the requirements of National Instrument 43-101- *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The 2022 FS indicated that La India Project hosts a high grade Mineral Resource Estimate ("**MRE**") of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The open pit MRE is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. Total underground MRE is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

The 2022 FS replaces the previously reported Preliminary Economic Assessment ("2021 PEA") as presented in the Technical Report filed on SEDAR in October 2021 as the current technical report for the La India project.

The 2021 PEA considered the expanded Project inclusive of the exploitation of the Mineral Resources associated to the La India, Mestiza, America and Central Breccia deposits. The strategic study covers two scenarios: Scenario A, in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone ("CBZ"), which targets a plant feed rate of 1.225 million tonnes per annum ("Mtpa"); and Scenario B, where the mining is extended to include three underground operations at La India, America and Mestiza, in which the processing rate is increased to 1.4 Mtpa. The 2021 PEA Scenario B presented a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54% and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial 9 years of gold production. The open pit mine schedules were optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first 2 years from open pit material and underground mining funded out of cashflow. The 2021 PEA Scenario A presented a post-tax, post upfront capital expenditure NPV of US\$302 million, with an IRR of 58% and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of approximately 120,000 oz gold per annum for the initial 6 years of gold production. The Mineral Resource estimate and associated Preliminary Economic Assessment contained in the 2021 PEA are considered a historical estimate within the meaning of NI 43-101, a

qualified person has not done sufficient work to classify such historical estimate as current, and the Company is not treating the historical Mineral Resource estimate and associated studies as current, and the reader is cautioned not to rely upon this data as such. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company believes that the historical Mineral Resource estimate and Preliminary Economic assessment is relevant to the continuing development of the La India Project.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Environmental Permit (“EP”) for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at the La India Project. The EP is considered the master permit for mining operations in Nicaragua. Condor has purchased a new SAG Mill, which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) in the Inferred Mineral Resource category. Following the permitting of the Mestiza and America open pits, together with the La India open pit Condor has 1.12 M oz gold open pit Mineral Resources permitted for extraction.

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.

TSX Matters

For the purposes of TSX approvals in connection with the Open Offer, the Company is relying on the exemption set forth in Section 602.1 of the TSX Company Manual, which provides that the TSX will not apply its standards to certain transactions involving “eligible interlisted issuers” such as Condor whose shares are also listed on a recognized exchange such as AIM.

Qualified Persons

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., a director of Condor Gold plc, and Gerald D. Crawford, P.E., the Chief Technical Officer of Condor Gold plc, each of whom is a “qualified person” as defined by NI 43-101.

Important Notice(s)

Forward Looking Statements

All statements in this press release, other than statements of historical fact, are ‘forward-looking information’ with respect to the Company within the meaning of applicable securities laws, including statements with respect to the open offer, the completion of the sub-division and the conversion of

the Convertible Loan Notes into ordinary shares; future development and production plans; projected capital and operating costs; mine life and production rates; metal or mineral recovery estimates; Mineral Resource; Mineral Reserve estimates at the La India Project; and the potential to convert Mineral Resources into Mineral Reserves. Forward-looking information is often, but not always, identified by the use of words such as: “seek”, “anticipate”, “plan”, “continue”, “strategies”, “estimate”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, “potential”, “could”, “might”, “will” and similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: mineral exploration, development and operating risks; estimation of mineralisation and resources; environmental, health and safety regulations of the resource industry; competitive conditions; operational risks; liquidity and financing risks; funding risk; exploration costs; uninsurable risks; conflicts of interest; risks of operating in Nicaragua; government policy changes; ownership risks; permitting and licencing risks; artisanal miners and community relations; difficulty in enforcement of judgments; market conditions; stress in the global economy; current global financial condition; exchange rate and currency risks; commodity prices; reliance on key personnel; dilution risk; payment of dividends; as well as those factors discussed under the heading “Risk Factors” in the Company’s annual information form for the fiscal year ended December 31, 2021 dated March 29, 2022 and available under the Company’s SEDAR profile at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.

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