



Condor Gold plc

7th Floor
39 St. James's Street
London
SW1A 1JD
Telephone +44 020 74081067
Fax: +44 020 74938633

1st August 2012

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

Significant High Grade Gold in Remnant Wallrock of Historic Mine and Open Pit Potential Extended to the South on La India/California Vein, Nicaragua.

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial resource on its 100%-owned La India Project in Nicaragua, is pleased to announce completion of the diamond core and reverse circulation ("RC") drilling programme on the La India Vein Set (Figure 1 below) with 59 holes for 7096m drilling completed since mid-April. The Company is also pleased to announce the assay results of a further twenty-four drill holes for 2489m drilling received since the last announcement (see RNS announcement dated 3rd July 2012) bringing the assay results announced to 5206m for the programme. Drilling results received to date support the Company's belief that the La India-California vein trend has the potential to support a combination of open pit and underground mining.

Highlights

- Additional Open Pit potential for La India/California vein with new zone to the south.
- South Zone with 12m (9.2m true width) at 4.32g/t gold from 50m drill depth in LIRC141 and 11.6m (8.9m true width) at 5.29g/t gold from 88.15m drill depth in LIDC139.
- Central Zone drill results continue to support open pit potential with 7m (6.8m true width) at 12.48g/t gold below 1m of colluvium in drill hole LIRC132.
- Drilling through the old mine workings indicates significant high grade gold mineralisation remaining, with remnant wallrock over an aggregate 10.8m true width at 8.89g/t gold in LIRC145 and 5.8m true width at 10.62g/t in LIDC129.
- Mineralisation extended to surface in several holes above JORC Code resource on the California veins. The latter resource is 100m to 150m beneath surface, boding well for resource upgrade.

Mark Child Chairman and CEO commented:

"Condor Gold has completed a 7096m drill programme in 3 ½ months. I am confident that with the release of assay results for 5206m drilling that the Company's objectives for the drill programme will be met: Firstly, to establish the open pit potential of the parallel La India/California veins which coalesce over large areas of the 2000m long La India Valley. Secondly, to increase the Mineral Resource on La India Vein Set to 850,000 oz gold from the current 730,000 oz gold at 5.3g/t, while

trebling the Indicated Resource in this vein set to over 400,000 oz gold. Thirdly, to increase the overall resource on La India Project by October 2012 to 1.75m oz gold with 500,000 oz is in the Indicated Category.

In our view, the Central Zone has a strike length of 650m of open pit potential. Some 300m to the south, the South Zone also has indications that it may be amenable to open pit as demonstrated in 12m (9.2m true width) at 4.32g/t gold from 50m drill depth in LIRC141. 50m north along strike, 11.6m (8.9m true width) at 5.29g/t gold from 88.15m drill depth in LIDC139, supporting a nearby previous high-grade intercept of 4m (2.3m true width) at 28.65g/t gold from 95m drill depth in DH-LI-08 shows that moderate to high-grade mineralisation in the South Zone extends over a 150m strike length.

Much of the recent drilling has been through the historic mine workings in the Central Zone, mined from the 1930's until the mine's closure in 1956. Drilling through the old mine workings has shown that significant high grade gold mineralisation remains with remnant wallrock over an aggregate 10.8m true width at 8.89g/t gold in LIRC145 and 5.8m true width at 10.62g/t in LIDC129. At some stage Condor will re-open the old mine workings, but in the short term we await the remaining 1891m drill assay results. All drill results will be sent to SRK Consulting (UK) Ltd to provide an independent resource update to 43-101 standards."

The drilling programme was designed to infill drill and extend gold mineralised zones on the 2000m long India-California vein trend where the sub-parallel India and California veins have been shown to be very close-spaced and to merge into interleaved stacked vein and breccia zones (Figure 1 below). Historical research and exploration has shown that the historic La India Mine only exploited a narrow part of these wide zones using narrow shrinkage stoping mining techniques, leaving significant widths of up to 34m of moderate to high-grade gold mineralisation behind. The drilling is testing the potential for open pit mining of the remnant gold-mineralised wallrock and unmined parallel veins, as well as better defining high-grade zones to depth. Drilling is at 50m spacing to allow this year's drilling targets to be estimated with Indicated Category confidence in the next Mineral Resource Estimation and thereby accelerate the development of the project towards a mining study stage.

Assay results have been returned for forty-eight drill holes accounting for 5206m of the programme, with the remaining assay results expected over the next five weeks. The initial twenty-four drill holes for 2717m drilling were reported in previous announcements (see RNS announcements dated 14th June and 3rd July 2012). The latest results, a further twenty-four drill holes for a further 2489m of drilling are reported below.

The latest results are from (1) the 'South' target, which is 300m south of the Central Zone where a high-grade zone at and beyond the southern limit of the historic mine workings is being infill drilled. (2) The 650m long 'Central Zone' target, subdivided into three recognised high grade shoots referred to as the 'Central North', 'Central Centre' and 'Central South' targets respectively, and (3) a 400m strike length of the less well explored 'North' Zone where four shallow exploratory RC drill holes were completed to test for high-grade shoots in this zone

The South Target drilling has returned a wide moderate to high-grade intercept near surface of 12m (9.2m true width) at 4.32g/t gold from 50m drill depth in LIRC141 and 50m north along strike and a little deeper an intercept of 11.6m (8.9m true width) at 5.29g/t gold from 88.15m drill depth in LIDC139 (Figures 2 and 3 below). These results support previous high-grade intercepts such as 4m (2.3m true width) at 28.65g/t gold from 95m drill depth in DH-LI-08, located 100m to the south of LIRC141. The results suggest that the open pit potential, previously only recognised in the

Central Zone is also present in the South Zone. Trenching is underway to better delineate the surface expression of the mineralisation in this area and in the area between the Central and South zones.

The Central South Target drilling has identified a partially mined zone with significant remnant gold mineralisation in the wallrock where the India-California veins coalesce to form the widest high-grade gold mineralised zone recognised in this target zone to date; drill hole LIRC145 intercepted 6m (5.4m true width) at 5.61g/t gold in the hanging wall, 2m (1.8m true width) at 12.06g/t gold in a remnant pillar and 4m (3.6m true width) at 12.16g/t gold in the footwall of the old mine workings (Figure 4 below). These results define a mineralised zone that extends over a 15m drill depth, estimated at 13.5m true width of which only 2.7m true width has been extracted by previous mining, located approximately 30-40m below surface. LIRC145 is a good example of the California Vein mineralisation above the current JORC Code Resource now being extended to surface. Results are pending for a hole drilled 50m along strike to the North.

The Central Centre Target RC drilling has continued to prove that wide zones of moderate to high-grade mineralisation extend to the surface with intercepts of 7m (6.8m true width) at 12.48g/t gold below 1m of transported colluvium cover in drill hole LIRC132, and 9m (8.7m true width) at 3.14g/t gold from surface in drill hole LIRC131. These results support the Central Zone as an open pit mining target (Figures 4, 5 and 6 below). These latest results indicate up-dip continuity to previously reported very high-grade drill intercepts such as 12.2m (10.8m true width) at 34.79g/t gold from 173.15m drill depth in LIDC109.

The Central North Target drilling results extend the strike length to the North with an intercept of 6.28m (6.1m true width) at 2.27g/t gold from 60.92m drill depth in LIDC125. The grade and width is lower at this location compared with the best intercept of 26m (25.1m true width) at 7.73g/t gold from 25m drill depth (drill hole LIRC102) announced on the 14th June 2012, suggesting that it is the northern margin of the high-grade shoot, however the intercept is still regarded as significant for an area with open pit mining potential. The latest result extends the strike length of the Central North zone to between 150m and 250m (see Figure 7 below). This strike length is supported by deeper drilling results such as two drill holes located 100m apart along strike; 6.65m (6.0m true width) at 32.23g/t gold from 111.25m drill depth in LIDC121 (previously reported) and a wallrock 6.09m (5.88m true width) at 10.62g/t gold between 97.54m to 100.58m drill depth in LIDC129 (combined remnant mineralisation in the hanging wall and footwall of the historic mine workings – see table below).

In **the North Zone** the results for four shallow exploratory RC drill holes have confirmed significant mineralisation identified by previous explorers some 300m along strike to the North of the Central Zone. An intercept of 3m (2.9m true width) at 3.06g/t gold from 31m drill depth in RC drill hole LIRC146 supports an intercept of 7m (6.7m true width) at 3.04g/t gold from 142m drill depth reported by a previous Canadian explorer in drill hole DH-LI-06 which is located 40m along strike to the North. This mineralisation remains open along strike to the North and untested at depth.

Table 1. Significant drill intercepts on the India-California veins

Prospect	Drill hole ID	From	To	Drill Width	True Width	Au (g/t)	Ag (g/t)	Vein (vein assignments subject to revision)
India Central-North	LIDC125	14.37	14.57	0.20	0.2	28.76	11.3	C2
		32	32.83	0.83	0.8	3.39	1.7	C1
		60.92	67.20	6.28	6.1	2.27	5.8	India
India Central-North	LIDC134	7.62	15.24	7.62	7.4	3.62	9.3	C1
		20.00	20.20	0.2	0.2	5.74	20.0	India (hanging wall)
		20.20	22.86	2.66	2.6	-	-	stope
		22.86	24.78	1.92	1.9	3.35	30.0	India (footwall)
India Central-North	LIDC130	123.25	123.6	0.35	0.3	8.61	9.0	C2
		126.6	127.4	0.8	0.7	0.91	1.2	C1
		183.3	185.95	2.65	2.4	2.29	3.4	India Hanging wall
		185.95	188.1	2.15	1.9	-	-	India Stope
		188.1	193.35	5.25	4.8	2.54	2.7	India Footwall (open)-
India Central-North	LIDC128	24.5	28.2	3.7	3.6	2.00	4.3	C4
		91.8	92.5	0.7	0.7	14.80	32.8	C3
		148.4	149.6	1.2	1.2	1.09	1.1	C2
		161.15	162.7	1.55	1.5	1.47	2.8	India-C1
		164.8	167.4	2.6	2.5	-	-	India Stope
		168.6	169.3	0.7	0.7	-	-	India Stope
		169.3	170.1	0.8	0.8	23.86	16.3	India Pillar
		170.1	175.3	5.2	5.0	-	-	India Stope
India Central-North	LIDC129	63.20	63.65	0.45	0.4	3.77	5.5	C2
		83.85	85.34	1.49	1.4	1.78	2.0	C1
		91.44	94.49	3.05	2.9	16.48	12.9	India (hanging wall)
		94.49	97.54	3.05	2.9	-	-	stope
		97.54	100.58	3.04	2.9	4.74	12.4	India (footwall)
		<i>91.44</i>	<i>100.58</i>	<i>6.09</i>	<i>5.8</i>	<i>10.62</i>	<i>12.7</i>	<i>India (remnant wallrock)</i>
India South	LIDC142	128.02	129.54	1.52	1.2	2.38	1.4	C1
		153.5	158	4.5	3.4	4.49	11.2	India
India South	LIDC139	88.15	99.75	11.6	8.9	5.29	11.9	India-C1
India South	LIRC141	46	49	3	2.3	-	-	India-C1 Stope
		50	62	12	9.2	4.32	0.0	India-C1 Footwall
India Central-North	LIDC136	21.34	26.9	5.56	3.9	0.87	2.9	C2
		32	35.05	3.05	2.2	3.17	2.6	C1
		45.72	46.72	1	0.7	-	-	India Stope
		46.72	49.05	2.33	1.6	1.39	9.0	India Footwall
India Central-Centre	LIRC124	3	11	8	8.0	4.07	6.0	C1-C2
		37	39	2	2.0	1.95	10.0	India
India Central-Centre	LIRC126	6	11	5	4.8	1.52	4.3	C2 footwall
		20	32	12	11.6	0.61	0.8	C1
India South	LIRC144	30	31	1	0.8	0.91	0.0	India
India Central-South	LIRC145	13	19	6	5.4	5.61	8.1	C1 hanging wall
		19	21	2	1.8	-	-	C1 stope
		21	23	2	1.8	12.06	9.5	C1 pillar
		23	24	1	0.9	-	-	C1 stope
		24	28	4	3.6	12.16	10.3	C1 footwall

	<i>amalgamated</i>	13	28	12	10.8	8.87	9.1	C1 (remnant wallrock)
		49	50	1	0.91	0.55	0.70	India
India Central-Centre	LIRC127	3	4	1	1.0	0.54	0.6	C3
		15	16	1	1.0	0.75	1.7	C2
		24	25	1	1.0	3.38	1.8	C1
India Central-Centre	LIRC131	0	9	9	8.7	3.14	3.0	C2 footwall
		19	20	1	1.0	1.04	1.1	C1
		34	35	1	1.0	0.50	0.3	India
		56	57	1	1.0	1.90	5.1	India FW
India Central-Centre	LIRC132	1	8	7	6.8	12.48	11.9	India
India Central-South	LIRC133	33	34	1	1.0	0.77	1.3	C4
		43	44	1	1.0	0.66	0.5	C3
		60	61	1	1.0	7.37	1.0	C2
		69	70	1	1.0	1.85	1.1	C1
		93	96	3	2.9	1.07	2.1	India (footwall)
India Central-South	LIRC135	14	47	20	31.9	0.61	1.0	India-California
	Including	16	17	1	1.0	1.41	1.20	C4
	Including	24	25	1	1.0	0.86	0.80	C3
	Including	31	32	1	1.0	1.67	1.30	C2
	Including	36	42	6	5.8	1.08	1.00	C1
	Including	44	46	2	1.9	1.19	1.70	India
India Central-South	LIRC138	26	28	2	1.0	-	-	India Stope
		28	30	2	1.9	6.16	10.9	India
India North	LIRC149	3	4	1	1.0	2.71	2.4	C1
		11	13	2	1.9	13.67	13.2	India
India North	LIRC146	31	34	3	2.9	3.06	3.8	C1
		40	42	2	1.9	3.16	6.1	India
India South	LIRC140	18	20	2	1.7	1.58	1.3	C1
		27	31	4	3.5	1.56	1.2	India
India North	LIRC148	35	56	21	20.3	0.13	0.3	India Zone
India North	LIRC150	45	46	1	1.0	-	-	India stope
		46	47	1	1.0	2.44	3.7	India

Drill holes listed by grade x width of best intercept. True width is an interpretation based on the current interpretation of the veins and may be revised in the future.

Figure 1. Location of the La India Vein Set drilling within the La India Project area.

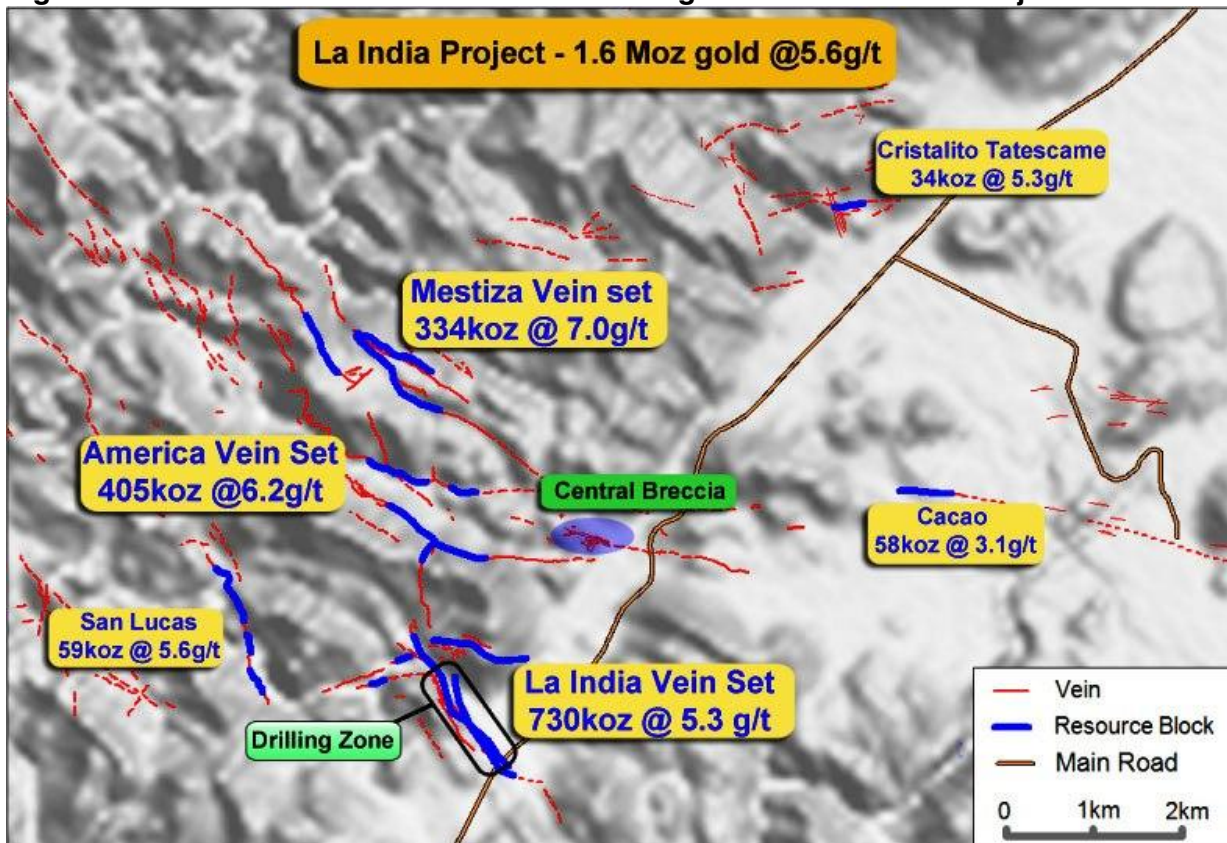


Figure 3. Cross-section through the South target (250 Section) showing wide high-grade intercept near surface and continuity of mineralization to depth.

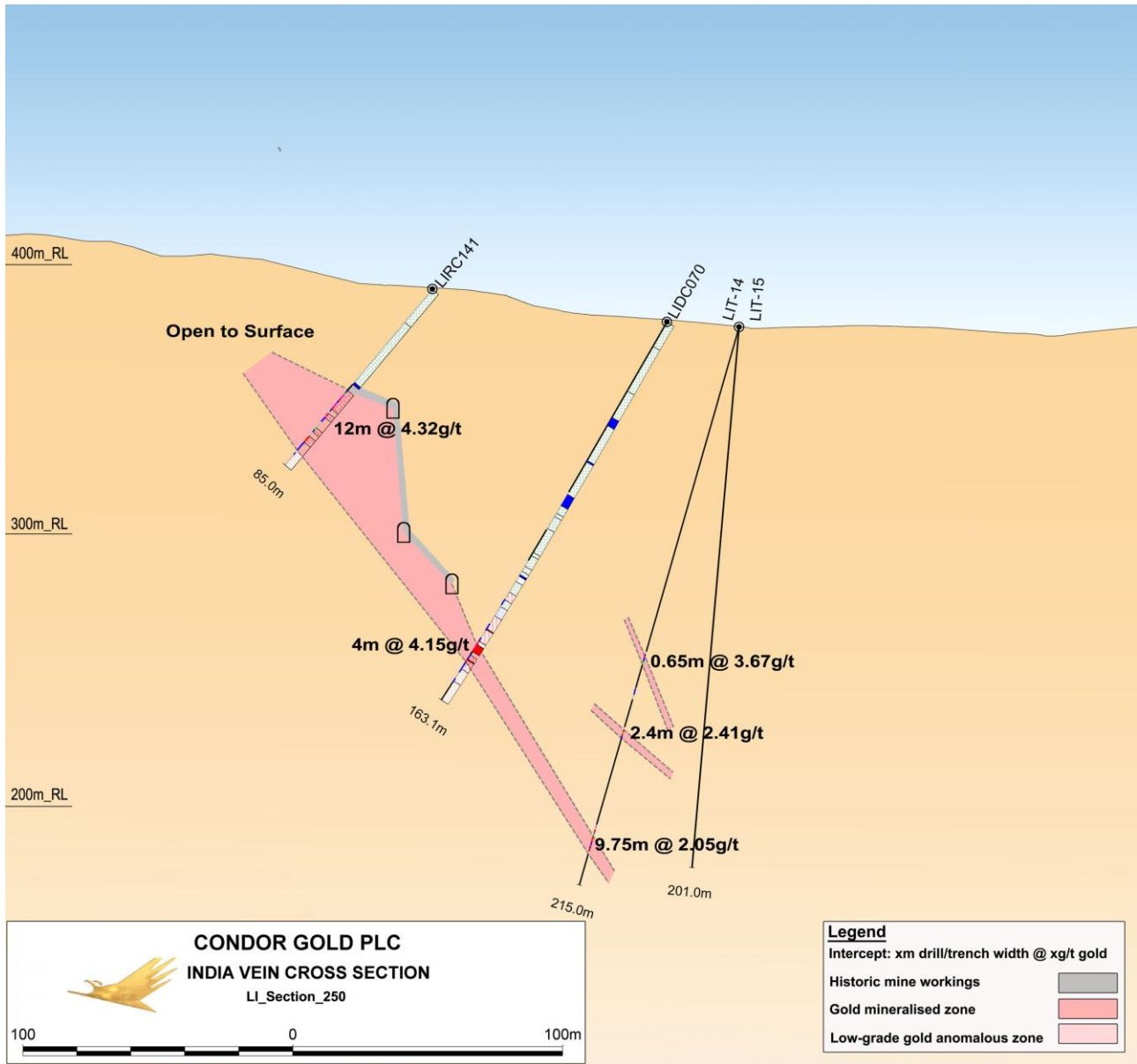


Figure 4. Plan showing location of drillholes in the Central-Central and Central-South Target Zones. True width and grade shown as drill intercepts.

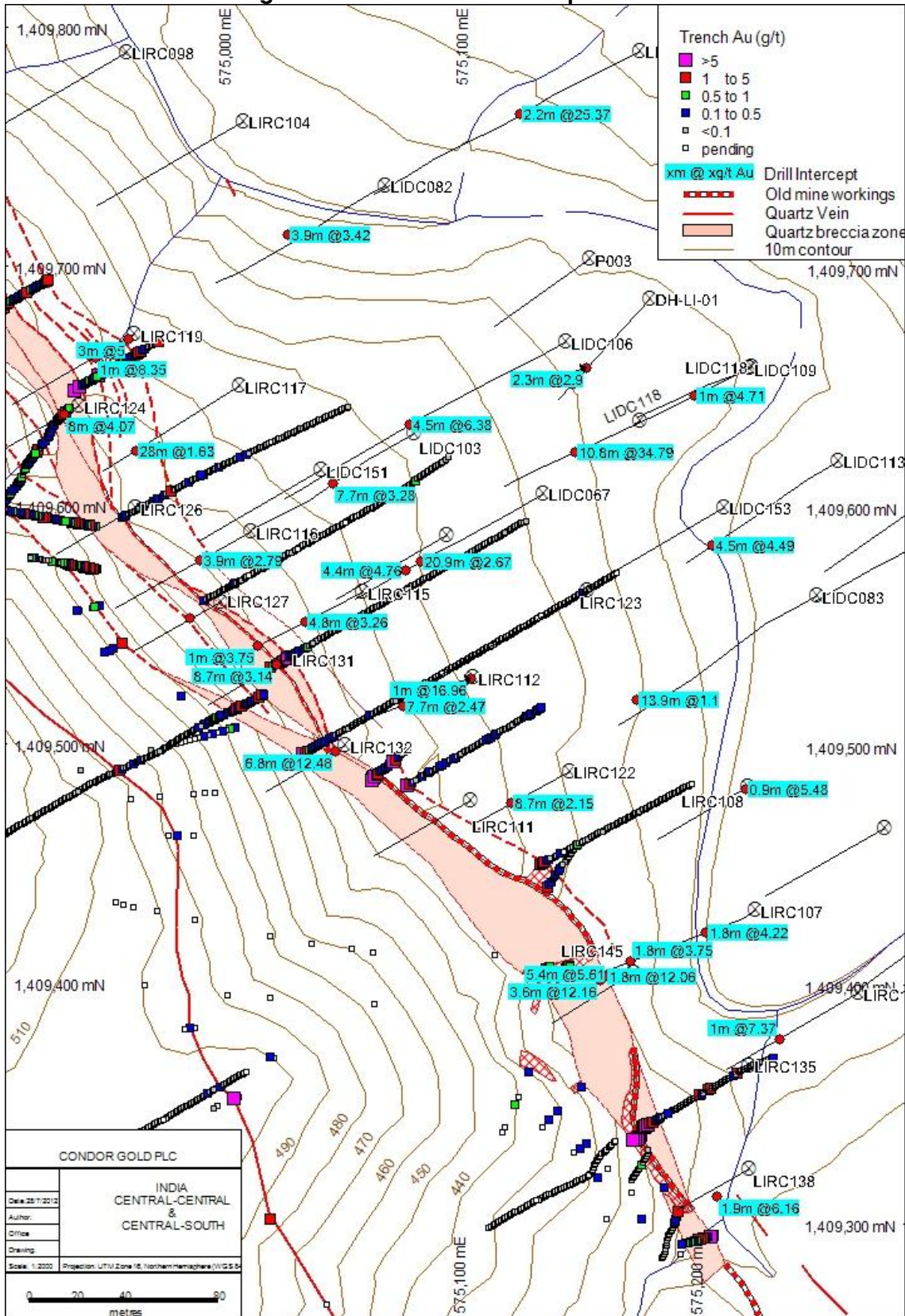


Figure 6. Cross-section through the Central-Centre target (800 Section) showing wide high-grade intercept near surface and continuity of mineralization to depth.

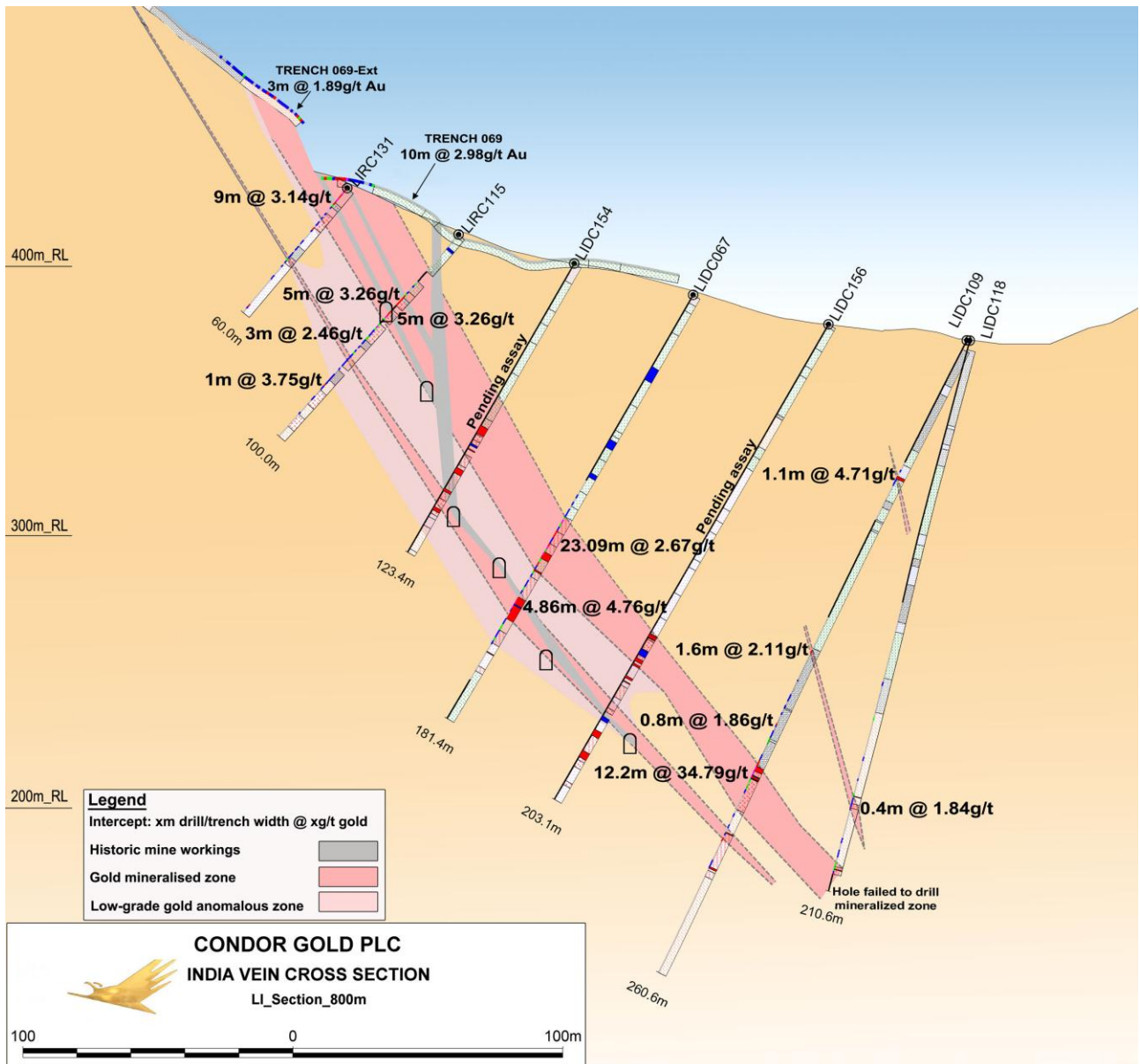
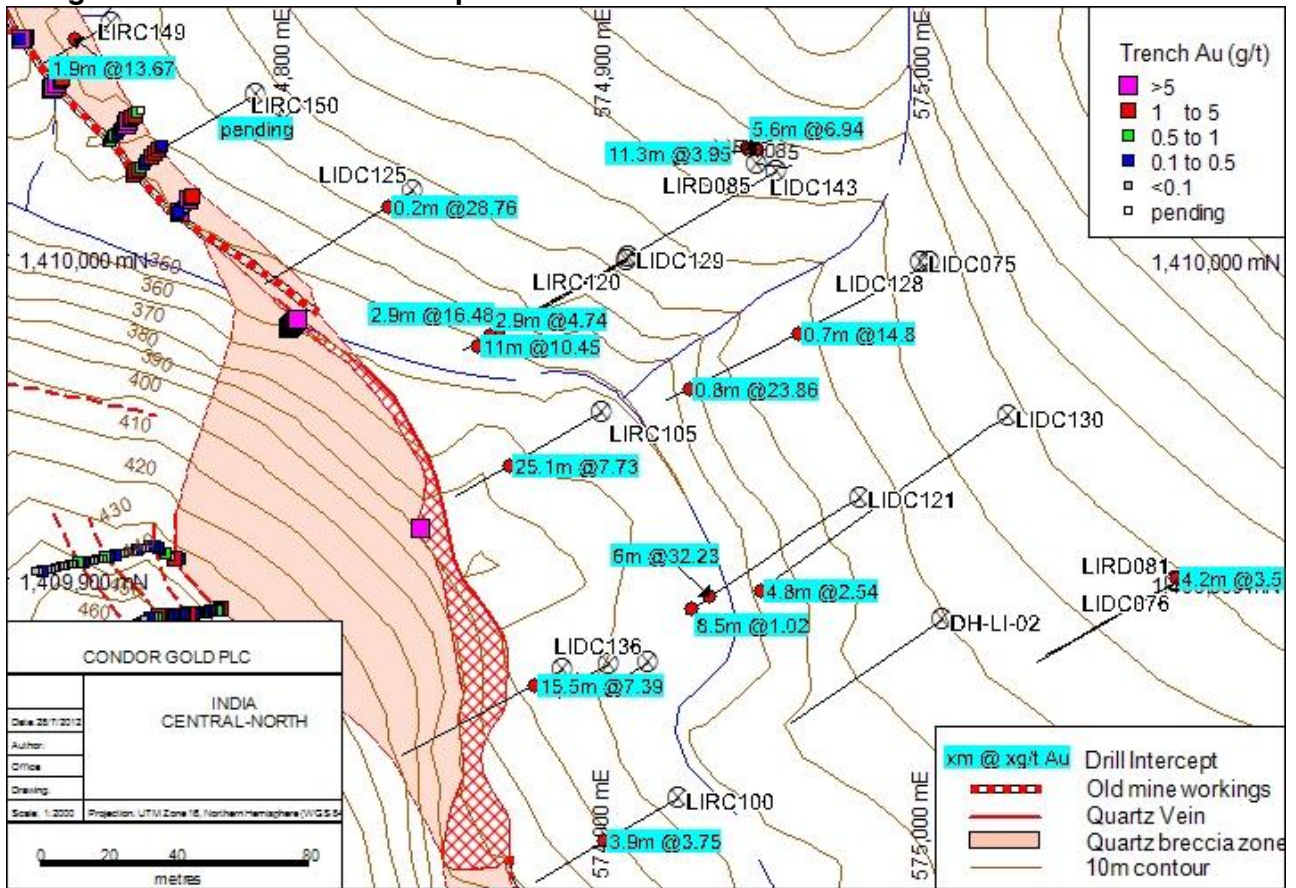


Figure 7. Plan showing location of drillholes in the Central-North Target Zone. True width and grade shown as drill intercepts.



Competent Person's Declaration

The information in this announcement that relates to 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 Resources 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 -

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

Condor Gold plc	Mark Child, Executive Chairman and CEO +44 (0) 20 7408 1067	Luc English, Country Manager Nicaragua & El Salvador +505 8854 0753
Beaumont Cornish Limited	Roland Cornish. James Biddle +44 (0) 20 7628 3396	
Ocean Equities Limited	Will Slack +44 (0) 20 77864385	
Farm Street Media	Simon Robinson +44 (0) 7593 340107	

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 JORC Resources in Nicaragua and El Salvador. Condor has six 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 JORC compliant resource base of 1,707,000 ounces of gold equivalent at 5.5 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

Adit	An adit is a horizontal or near horizontal tunnel driven into the side of a hill, either directly along an ore body or as an access to an ore body.
Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as parts

	per million which is equivalent to grams of the mineral (i.e. gold) per tonne of rock
Breccia	A rock made up of angular rock fragments cemented together by a finer grained matrix
Channel sample	Samples taken from a rockface along a specified line for a distance along which the sample volume per unit length is constant in order to collect a representative sample.
Diamond core drilling	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
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.
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
Quartz	A common rock mineral composed of the elements silicon and oxygen.
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.
Indicated 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
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
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept is described by the entire thickness and the average grade of mineralisation
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral resources and ore reserves

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
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
Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geothermal liquids filling the space between the rock fragments.
Quartz veins	Deposit of quartz rock that develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling, taking on the shape of the cracks that they fill.
Reverse circulation drilling	A drilling method in which penetration is achieved through a combined hammer and rotary drilling action and pulverised rock samples are transported to the surface through the drilling rods using compressed air. The 1m samples collected for analysis are of sufficient quality to be used in a Mineral Resource Estimation.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation
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 wall are perpendicular to the mineralised structure in order to establish the width and grade of the structure.
True width	The shortest axis of a body, usually perpendicular to the longest plane. This often has to be calculated for channel or drill samples where the sampling was not exactly perpendicular to the long axis. The true width will always be less than the apparent width of an obliquely intersect sample.