



# CONDOR GOLD

Precious Metals Summit  
2<sup>nd</sup> to 4<sup>th</sup> November 2016



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# Introduction to La India Project

- Historic production 576,000 oz gold @ 13.4g/t prior to closure in 1956. Circa 40,000 oz gold p.a. Noranda Mining
- 2.3M oz gold @ 4.0g/t to NI 43-101 CIM Code Mineral Resource– Sept 2014
- 675,000 oz gold @ 3.0g/t to NI 43-101 CIM Code Mineral Reserve- Nov 2014
- All-in sustaining cash cost under US\$700 per oz gold
- US\$120m low up front capital cost for base case
- **Whittle Enterprise Optimisation study increases gold production across 4 scenarios by 20% to 25% in 1<sup>st</sup> 5 years. Contained gold ranges 866k oz to 1.54M oz gold**
- Resource confined to only 10% of District, potential to double mineral resource
- **Significantly undervalued: US\$18 per resource oz gold in the ground and price\_to\_book ration 0.25 times**



# Strategy Statement

## Twin strategy

- Permit and construct a base case of 2,800tpd processing plant, producing 100,000 oz gold per annum mine at Mina La India
- Continue successful exploration strategy to determine if there is sufficient additional resources by 1m to 2m oz gold to expand production capacity

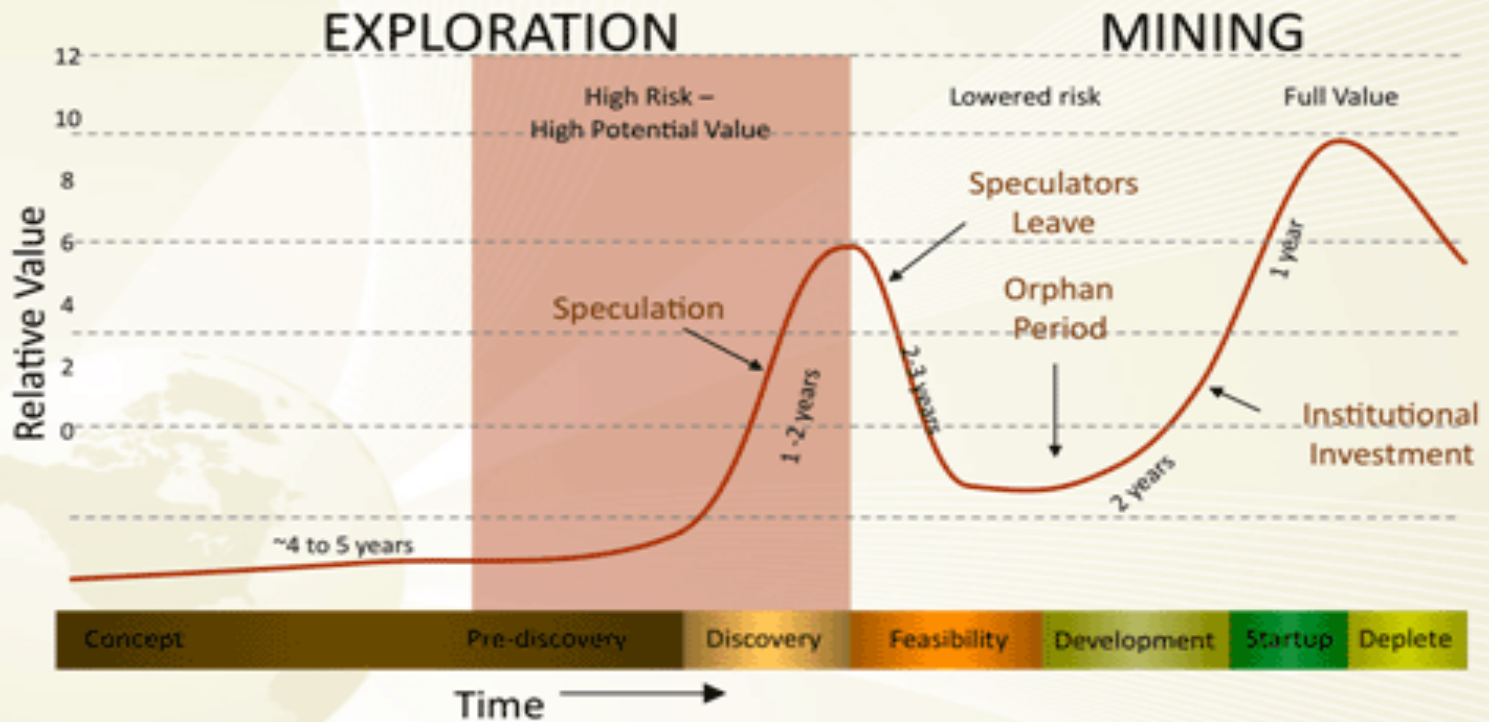


# Why Invest in Condor Gold

- US\$18 per resource oz gold in the ground
- RBC Capital Markets: US\$110 per reserve oz gold and US\$73 per resource oz gold and price to book ratio 0.91 times
- In ground valuation is 1.6% of the current gold price
- 0.25 times price to book ratio
- Mineral reserves: US\$700 all-in-sustaining cash costs
- Base case 100,000 oz gold p.a. open pit close to permitting
- District scale potential of up to 10M oz gold
- Medium term potential to bring significant additional oz gold into a mine plan
- Serious backers: World Bank/IFC, Jim Mellon and Ross Beaty
- Undervalued compared to peer group trading at 3% to 8% of the gold price
- Gold has entered a secular bull market.



# Life Cycle of a Junior Explorer



# Nicaragua Concessions 408 sq km land holdings



# Why Nicaragua?

- Mining friendly jurisdiction, gold is the 2<sup>nd</sup> largest export
- 25 year concessions
- 100% ownership by overseas investors
- Very supportive Ministry of Energy and Mines
- Flagship La India Concession exempt VAT
- Capital costs of new processing plant tax deductible
- Low labour costs
- Repatriation of capital permitted
- Strong mining law
- Under explored
- Taxes reasonable, 3% royalty and 30% corporation tax





# NI 43-101 CIM Standard Resource/Reserve- Sept 2014

## Mineral Resource

La India Project

1.1M oz gold @ 3.5g/t in Indicated Category

1.2M oz gold @ 4.5g/t in Inferred Category

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2.3M oz gold @ 4.0g/t

Including Open pit:

862,000 oz gold @ 3.2g/t Indicated

139,000 oz gold @ 2.6g/t Inferred

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1,001,000 oz gold @ 3.1g/t

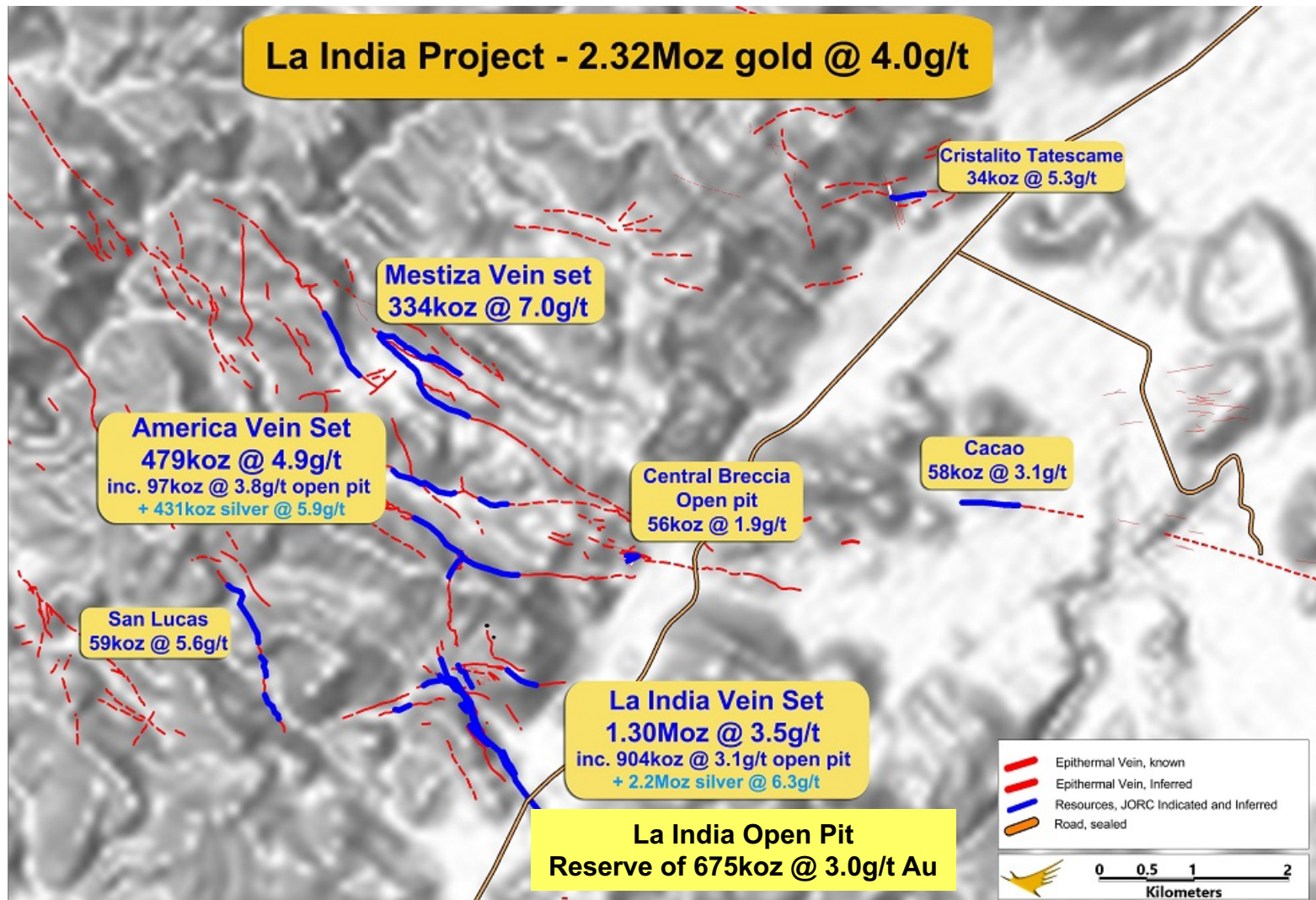
## Mineral Reserve

La India open pit

675,000 oz gold @ 3.1g/t



# La India Project – 2.33Moz gold



## Whittle Enterprise Optimisation.....4 scenarios

	La India - PFS		La India	All Open Pits		All Open Pits + UG	
	Open Pit - PFS		Open Pit	PEA-A		PEA-B	
	IND Only		IND+INF	IND+INF		IND+INF	
	PFS	Whittle EO	Whittle EO	PEAA	Whittle EO	PEAA	Whittle EO
Nominal Processing Plant capacity tpd	2,200		2,800	3,300		4,400	
Nom. Capacity in M-tpa	0.8		1.0	1.2		1.6	
Contained gold koz	674	866	955	827	1,066	1,313	1,554
Recovered gold koz	614	796	882	752	985	1,203	1,437
1 <sup>st</sup> 5 years avg. production gold p.a. koz	76	91	101	94	118	138	165
Production improvement 1 <sup>st</sup> 5 years		20%	n/a		25%		20%

- +30% increase in gold within a pit shell as pits push deeper
- +20% to 25% increase in annual production
- Capex remains the same in each scenario
- NPV averages US\$195M and 31% IRRs
- AISC under US\$700 oz gold in all scenarios
- Artisanal miner ore of 10,000 oz per annum can be added to each scenario

# Operating Costs

Category	Units	PFS	PEA Scenario A	PEA Scenario B
Mining - Open Pit	(US\$/t ore mined)	32.13	30.61	30.79
Mining- Underground	(US\$/t ore mined)	n/a	n/a	61.01
Processing	(US\$/t mill feed)	20.56	18.52	18.58
Refinery	(US\$/t mill feed)	0.35	0.27	0.3
G&A	(US\$/t mill feed)	5.46	3.8	3.88

- 31.1grams = 1 oz gold
- Gold price US\$1,250 per oz
- 1 tonne mineralised ore/rock = US\$40 (1,250/31.1)
- La india open pit reserve = 3g/t
- **1 tonne reserve contains US\$120 of gold per tonne**
- **Operating costs average US\$52 per tonne for open pit**



# Pro-Nicaragua Agreement Permits and Land

- Pro-Nicaragua. Inward Investment Agency, Ministerial status, reports President
- Dec 2014 signed a 3 year agreement
- Jan 2015 Pro-Nicaragua wrote all Ministries stating support for Mina La India
- Feb and April 2015 hired two lawyers working for Condor at Pro-Nicaragua's office
- Senior lawyer focuses on permits with Ministries, attorney general office
- Property lawyer based at Mina La India, clean up land titles
- Both lawyers attend meetings with Condor staff:
  - Ministry of Environment
  - Ministry of Energy and Mines
  - Ministry Housing
  - Local mayors
  - Rural land owners
  - Community leaders
- SIGNIFICANTLY DE-RISKS THE PROJECT



# La India Open Pit: optimised mining schedule

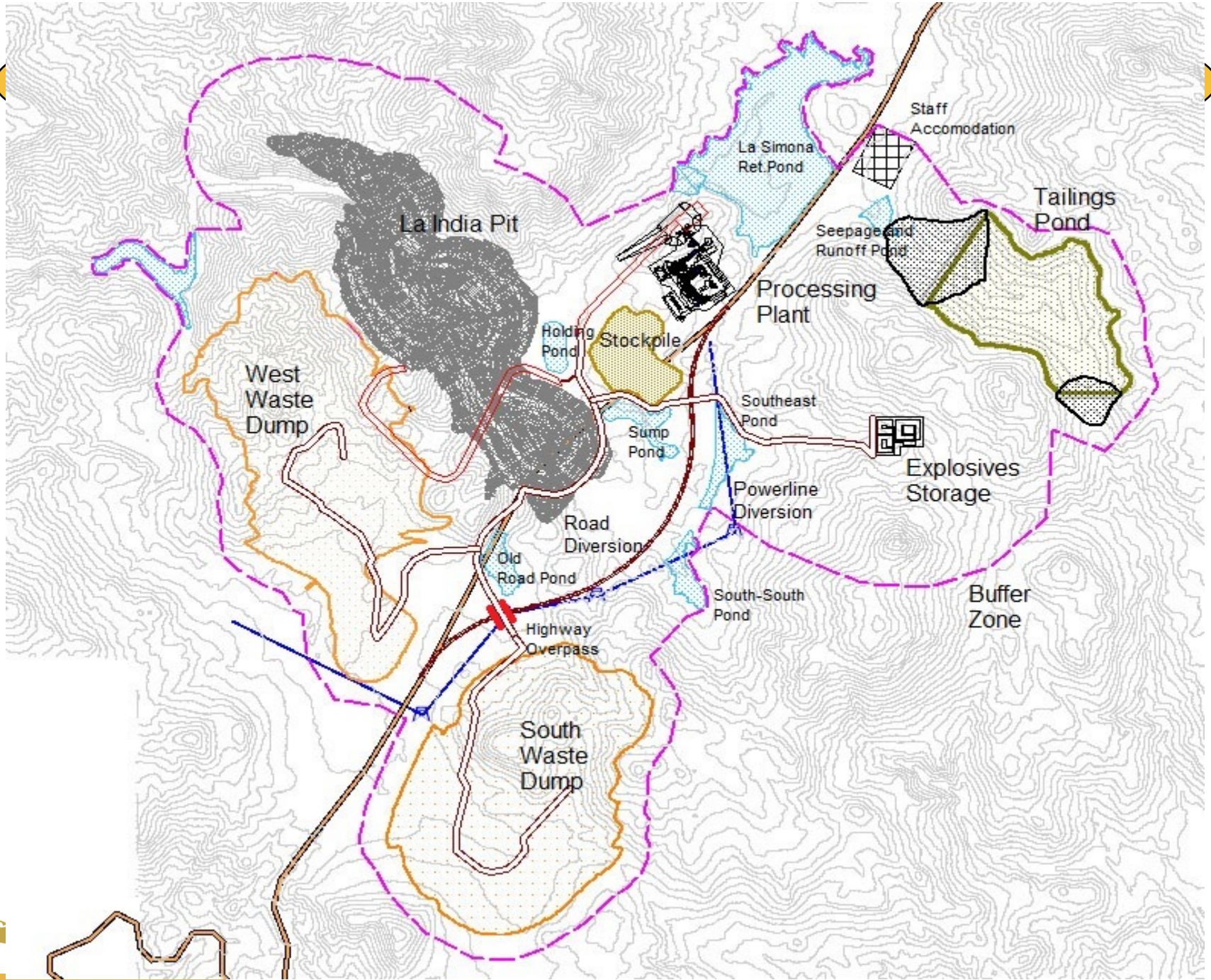
## Being Permitted

Processing plant capacity	2,800 tonnes per day
Processing plant capacity	1M tonnes per annum
Contained gold in pit shells	955,000 oz (866,000 Indicated + 89,000 Inferred)
Recovered gold	822,000 oz
Annual production 1 <sup>st</sup> 5 years	101,000 oz
Up front capital cost	US\$120M

- US\$200,000 independent study by Whittle Consulting Ltd of Australia
- +30% increase in gold within a pit shell as pits push deeper
- +20% to 25% increase in annual production
- Capex remains the same in each scenario
- NPV averages US\$195M and 31% IRRs across 4 production scenarios
- Artisanal miner ore of 10,000 oz per annum can be added







## Condor is fully compliant with IFC performance standards

World Bank's IFC is an 8.5% shareholder in Condor Gold  
IFC appointed Social and Environmental consultants

- US\$500,000 spent in compliance in 2015
  - Stakeholder Engagement Plan
  - Communications Plan
  - Land Acquisition and Resettlement Framework
  - Grievance Mechanism
- 
- Ground Water Participatory Monitoring Program
  - Environmental and Social Management Manual
  - Security Policy and Code of Conduct
  - Human Resource Policy





# Social Licence to Operate

- Objective to prepare community for Public Consultation 2,800tpd plant
- Corporate Social Responsibility Strategy and Stakeholder Engagement Plan
- Information office opened Nov 2015
- Local newsletter
- Education: In alliance with Ministry Education supporting 919 students with school supplies in 15 villages
- Technical Training: In alliance Ministry of Labour training planned for 310 people. 9 separate courses. 100 people taken course so far. Supporting a computer lab., English courses, Construction Foreman, Automotive Mechanic and welding.
- Health: over 1,500 medical consultations, 600 lab tests, supporting rural health program, fumigations against Dengue
- Catholic Church: several meetings and CSR strategy explained and helped repair or improve infrastructure of 15 churches of different denominations
- Water Project
- Sports: supporting football, baseball, basketball and volleyball
- Police meetings explain CSR Strategy and permitting
- Mayor Meetings explain CSR Strategy and permitting

## Environmental Permit.....key permit

- April 2015 Terms of Reference submitted MARENA. Replied 30 days
- Nov 2015, EIA of 700 pages submitted
- 16 SOPs for environmental and social
- Dec 2015 EIA passed initial technical review
- Inter-institutional committee formed of MARENA, MEM, local Mayors
- Inter-institutional committee –meetings held March to May
- **MARENA confirmed passed technical review in June 2016**
- Preparing stakeholders for Public Consultation



# Benefits to Nicaragua and the local Community

## To Nicaragua

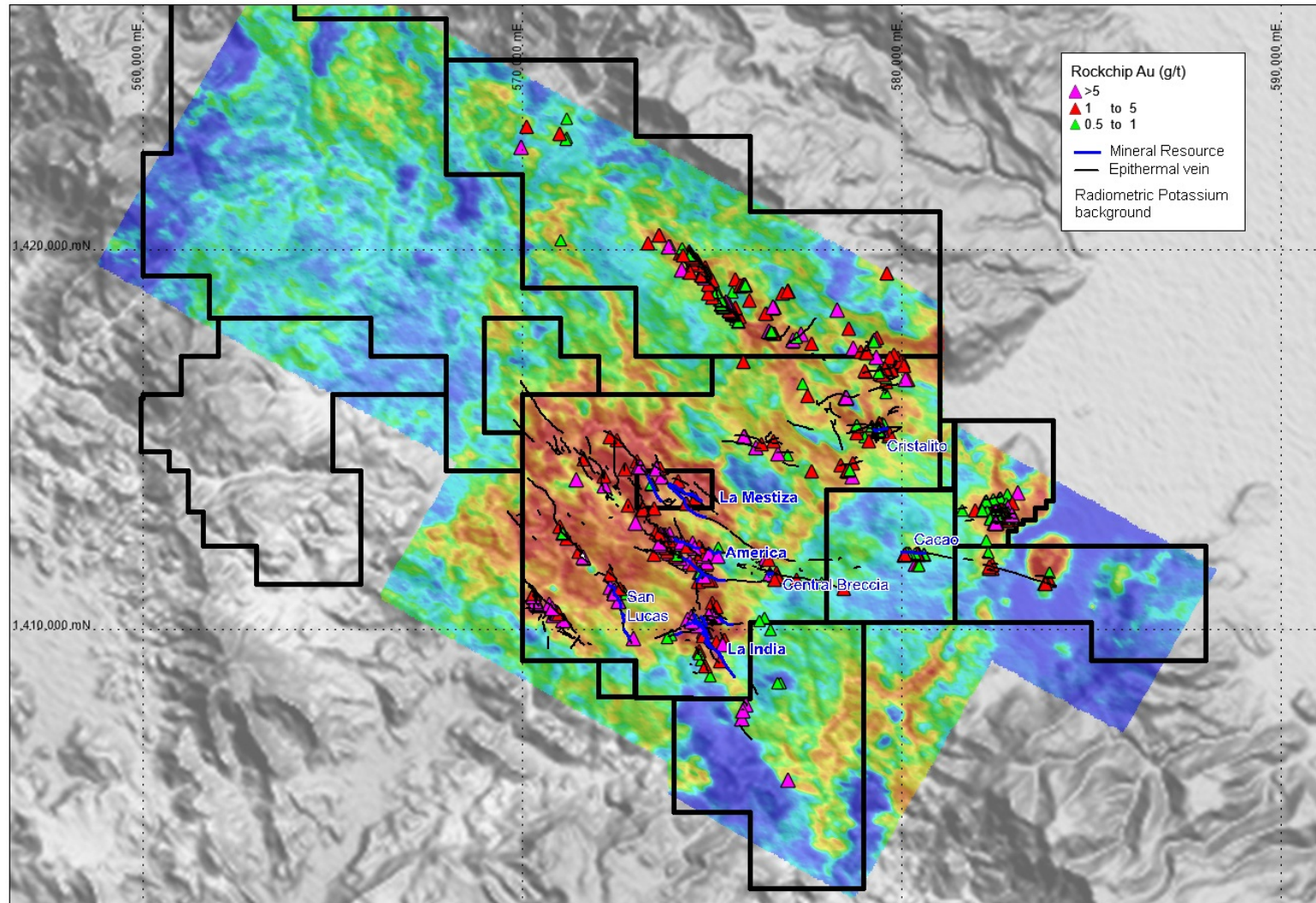
- US\$120m foreign direct investment from a British Company
- Show case state of the art mine in Central America with best possible environmental practices
- 3% royalty on sales
- 30% corporation tax

## To the Community

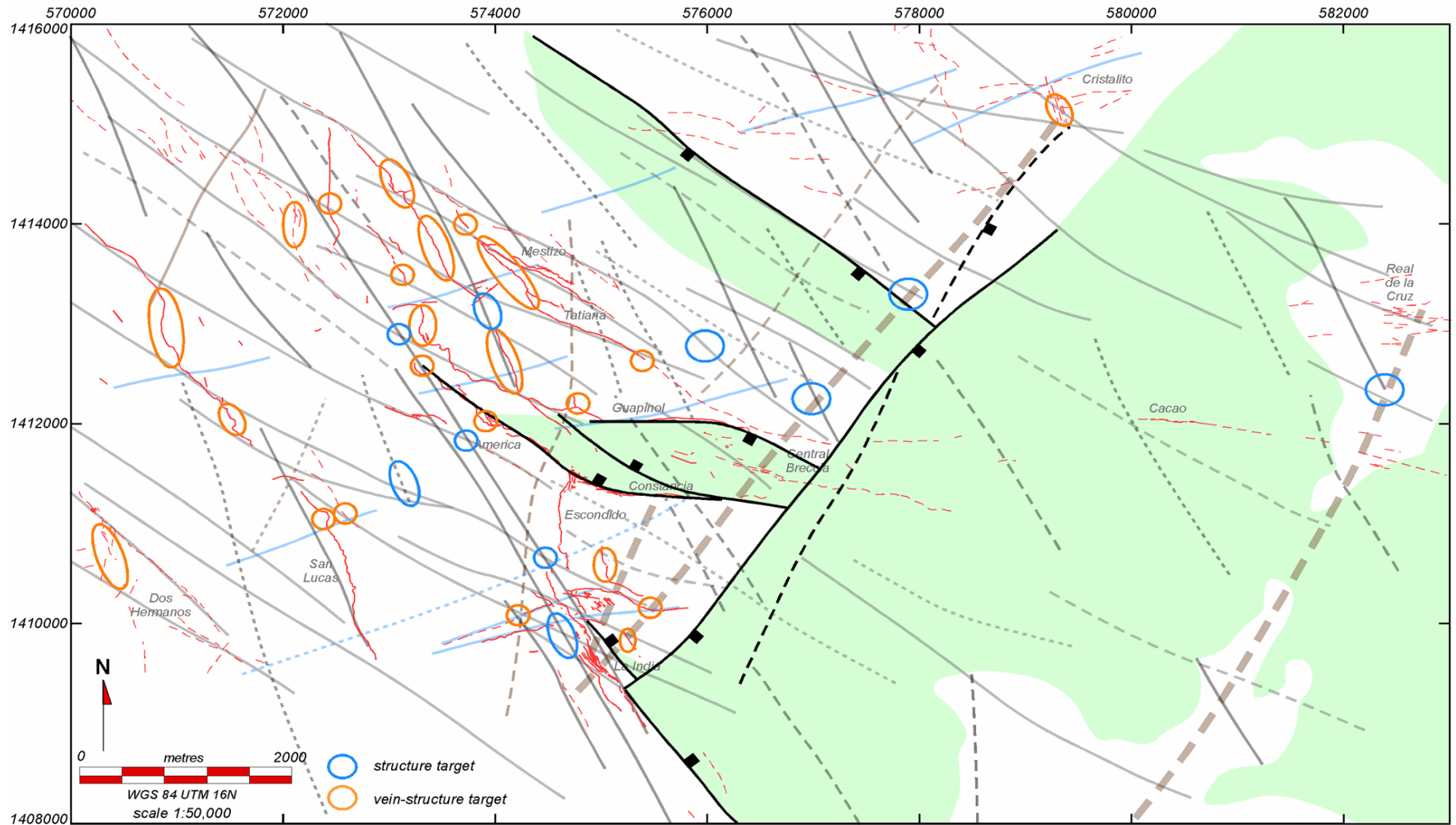
- 500 jobs during the construction period
- 300 jobs during the operations
- Training courses to improve skills and salaries
- For every 1 job in a mine 5 jobs supplying the mine
- Better standards of living
- New healthcare center and school
- Water 24/7 not 1 hour in 48 hours



# Geophysics: Demonstrates a District Play

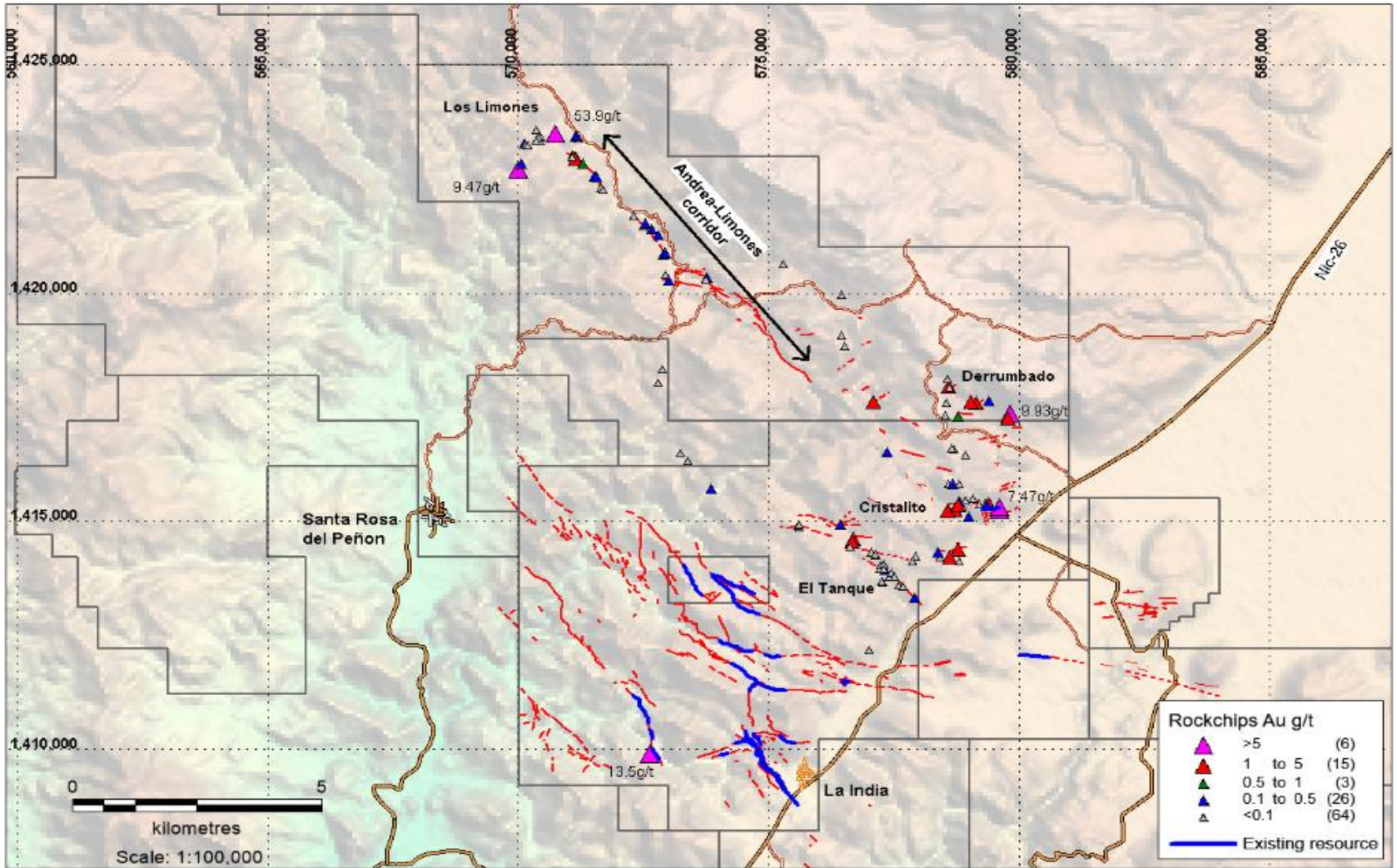


# Structural Report Highlights 33 Additional Targets





# 53.9g/t gold rock chip: 12 km long mineralised corridor



## Drilling Programs for Resource expansion

<b>Vein Set</b>	<b>Current Resoruce</b>	<b>Target</b>	<b>Increase</b>
La India	1300k oz	1600k oz	
America	479k oz	630k oz	
Mestiza	333k oz	780k oz	
<b>TOTAL</b>	<b>2112k oz</b>	<b>3010k oz</b>	<b>43%</b>
Cacao	58k oz	?	
Central Breccia	56k oz	?	
San Lucas	59k oz	?	
Tatascame	34k oz	?	
Blue sky		?	

20,000m drill program to increase resource on 3 main vein sets by 40%



# Share Capital Structure

- Ordinary shares in issue: 52.85M
- Options: 3.1M
- Warrants ex price £1.44 3.6M
- Warrants ex price £0.60 4.3M
- Share Price: £0.64
- Market Capitalisation: £34M or US42M
- The Company's significant shareholders are set out in the table below:

<b>Shareholder</b>	<b>No. of shares</b>	<b>Percentage of issued share capital</b>
Regent Pacific Group/Jim Mellon	5,198,318	9.84%
IFC	3,900,000	8.51%
Mark Child	3,967,645	7.51%
Oracle Investment Management	3,954,645	7.48%
Ross Beaty	3,750,000	7.10%





# Comparision valuation of Gold Exploration Companies

<b>Company</b>	<b>Market Cap US\$M</b>	<b>Price/NAV</b>	<b>EV/ resource oz gold US\$</b>
Dalradian	189	0.41	79
Continental Gold	397	0.95	82
Pilot Gold	83	0.75	57
Gold Road Resources	278	0.98	51
Lundin Gold	475	0.94	62
S2 Resources	114	1.2	
NovaGold Resources	1898	0.8	68
Midas Gold	121	1.03	18
Pretium	2097	0.86	201
Sabina Gold & Silver	221	1.12	39
<b>Global total</b>	<b>5,874</b>	<b>0.91</b>	<b>73</b>
<b>Condor Gold</b>	<b>42</b>	<b>0.22</b>	<b>18</b>



# Chart of Share Price: 5 years



## What's Next at la India Project?

- Applied for key environmental permit 2,800tpd processing plant
- MARENA has confirmed the EIA has passed a technical review of the Environmental and Social Studies
- Public Consultation
- Secure freehold rural land
- Continue complying with IFC performance standards for Social and Environmental matters

### **Once permits granted,**

- 12 months of additional technical studies
- 24 month construction period

### **Demonstrate District Play by:**

- follow up on 33 new targets identified in structural geology report
- expand on 71 sq km soil survey to another 242 sq km
- Drill programs planned to add 800k oz gold to mineral resource.
- Regional mapping

