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

Scout Drilling Results on Cacao Show Significant Dilational Vein and "Link" Between Two Major Basement Feeder Zones, Upgrading the Prospect

Condor Gold (AIM:CNR), is pleased to announce, further to the announcement of 15 December 2016, the scout drilling results for four drill holes totalling 719.6 m on the Cacao Prospect at the La India Project. This drilling is designed to test targets with the potential to contribute to La India's high grade mineral resource of 18 Mt at 4.0 g/t for 2.31 Moz gold. Of this, 57% or 1.3 Moz gold is hosted by the La India Vein Set and the remaining 1 Moz is hosted in 6 smaller, separate resources such as Cacao, which has 590,000 tonnes at 3.0 g/t gold for 58,000 oz gold. The scout drilling hopes to demonstrate that La India is a true gold District, with excellent potential to substantially increase the global resource.

Highlights

- Drill core demonstrates a significant dilational vein at Cacao, with the prospect of a much larger gold resource
- Cacao forms a major "Link" between two major basement feeder zones (La India and Andrea Corridors)
- Drill intercepts: 7.85 m at 3.75 g/t gold, 7.85 m at 2.95 g/t gold and 17.1 m at 1.74 g/t gold, demonstrate broad zones of gold mineralisation
- Cacao is at the top of an epithermal system, preserved because the regional Highway Fault drops down the entire system towards the southeast
- Cacao vein is open along strike and at depth
- Cacao vein is now upgraded and prioritised for further drilling, to increase its current resource
- 1,812 m of 4,000 m scout drilling has been completed on three targets: Cacao, Real de La Cruz and Tatescame. The drill rig will now be moved to the 4 km long Andrea Vein with further assay results announced in due course

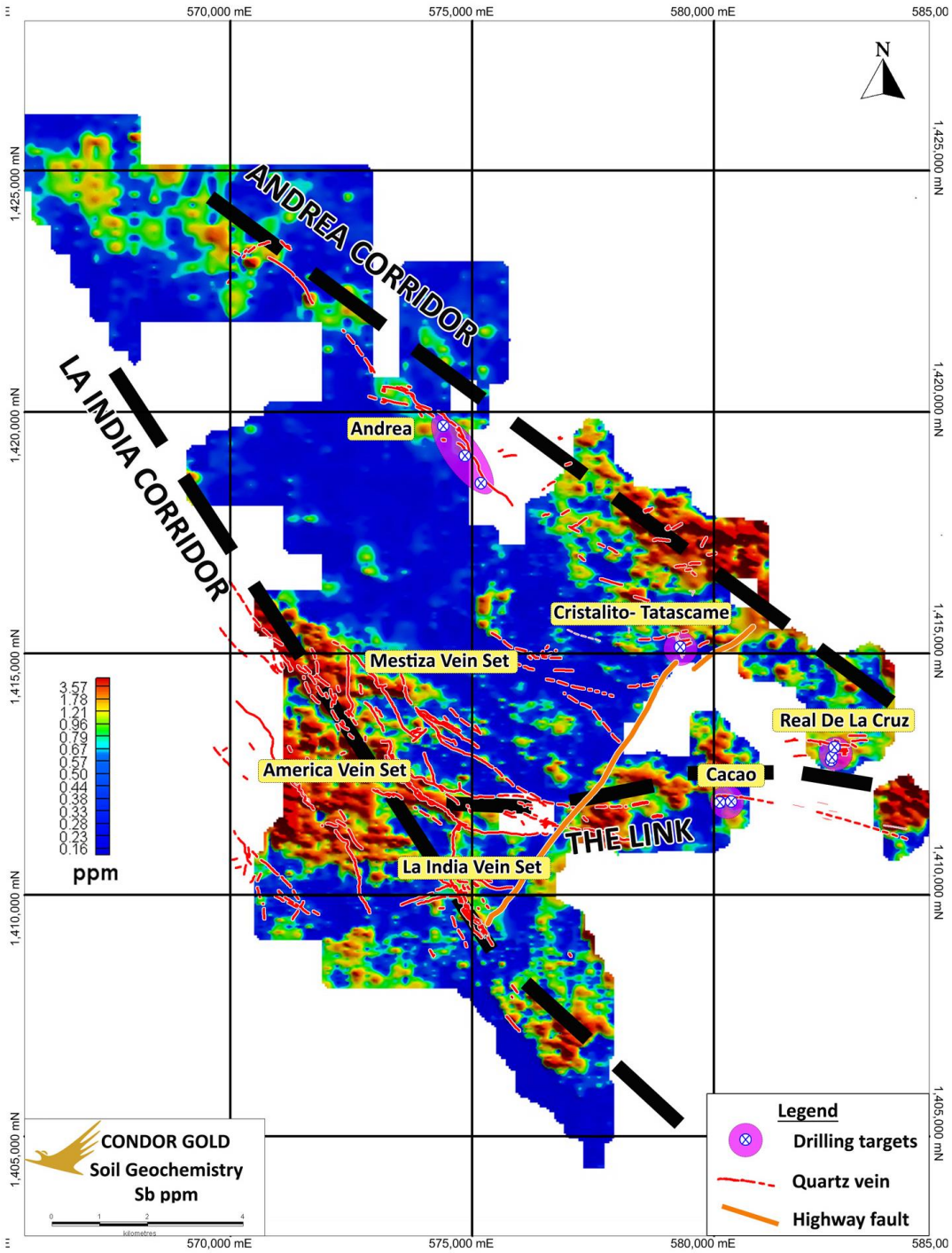
Mark Child CEO comments:
'Condor's strategy of proving that the La India Project is part of a major gold District continues to yield positive results. The 719.6 m drilling at Cacao demonstrates a significant dilational vein. This vein forms within a major linking structure between two major basement feeder zones identified by regional soil sampling and airborne geophysics (La India and Andrea Corridors - see map below). New drill results of 7.85 m at 3.75 g/t gold and 7.85 m at 2.95 g/t gold build on results from Condor's prior drilling (including 2.6 m at 34.13 g/t gold and 14.05 m at 6.05 g/t gold). The vein is comparable to some of the best intersections on La India vein. It is important to emphasise that Cacao is at the top of an epithermal gold system, preserved because the regional Highway Fault

drops down the entire system towards the southeast. The Cacao vein is open down dip and along strike with signs of being substantially bigger and is prioritised for further drilling to expand the mineral resource.'

Cacao Prospect, Structural Setting

Cacao is shown in Figure 1, with significant trends identified by recent soil sampling, a prior helicopter borne geophysics programme and a detailed structural model (see RNS dated 15th December 2016).

Figure 1: Cacao Structural Setting, between Two Major Basement Feeder Zones

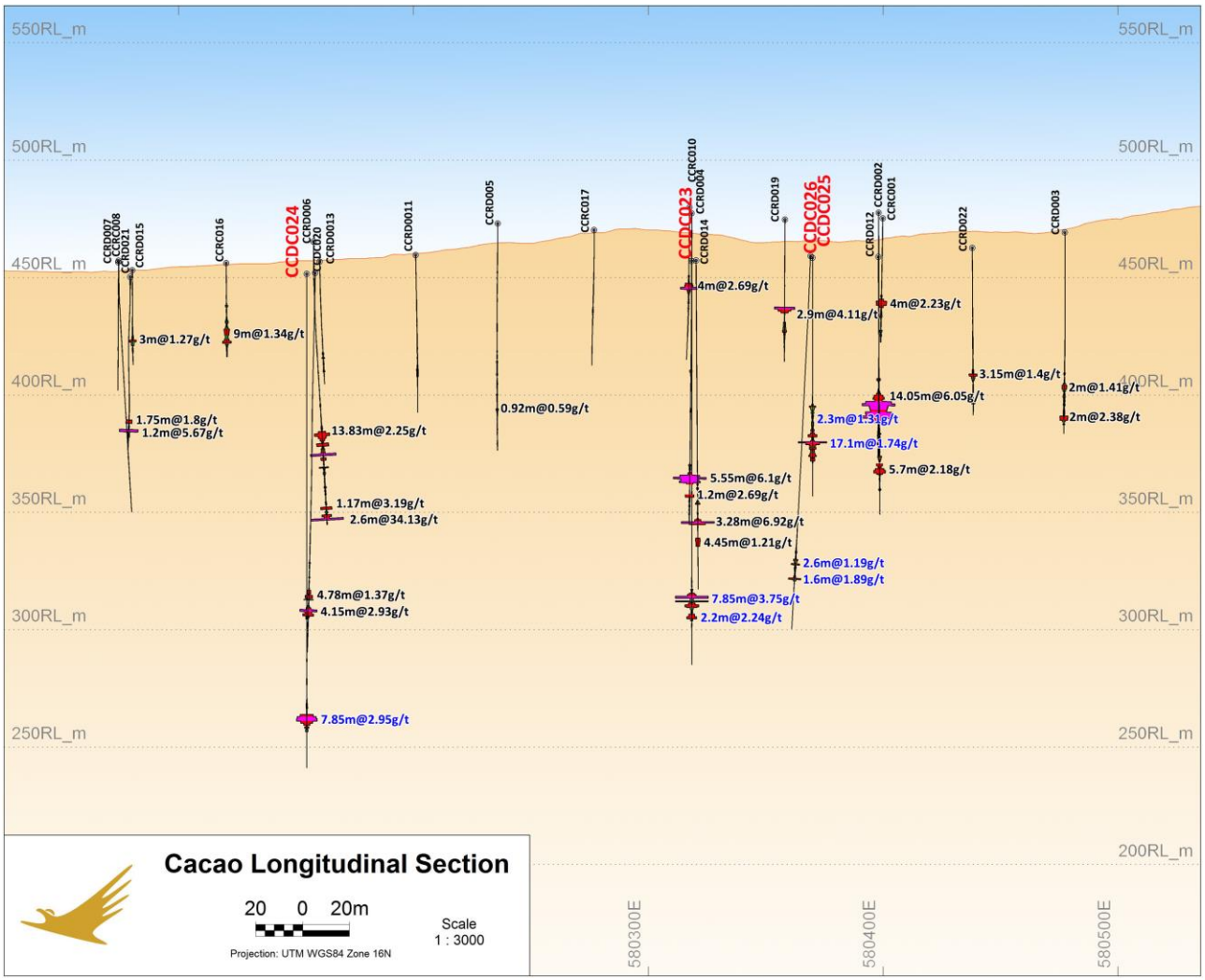


Cacao occurs within an east-west striking 'link' between major feeder basement structures, namely La India and Andrea Corridors. Structural analysis suggests a component of sinistral strike slip on the basement structures and the link opened a significant dilational vein at Cacao. Cacao is also considered a 'concealed' mineral deposit, because the regional Highway Fault (see Figure 1) drops down the entire epithermal system towards the southeast. This is supported by fossil hot spring material ('sinter') on surface at Cacao, its only occurrence in the District. Surface outcrops at Cacao comprise mostly phreatic breccias, again typical of hot spring areas. The entire epithermal system is therefore preserved and scout drilling was designed to test this theory and drill beneath the phreatic breccias.

Cacao Previous Drilling

Cacao was first drilled by Condor between 2007 and 2008. A total of 2,170 m was completed on fences spaced at 40 m to a maximum depth of 150 m. This shallow drilling (Figure 2) was hampered by some poor recovery and most drill intersections comprised phreatic breccia. Some deeper intersections, and those in the west, showed increasingly thicker veins and improved grades (for example 2.6 m @ 34.13 g/t gold in CCDC 020; Figure 2) suggesting potential for higher grade ore shoots within the vein system.

Figure 2: Cacao Long section with prior and current drill results



Note for Figure 2: new drill results in blue with drill collars in red

The current campaign targeted deeper intersections along previous drill fences. The best success came in CCDC 024, which showed a wide intersection of a single vein with classic epithermal textures indicating boiling (typically associated with gold enrichment). The grade was 7.85 m @ 2.95 g/t gold (not true width) (see Table 1)

Table 1: Prior and Current Drill Results on the Cacao Vein

Drill hole ID	From (m)	To (m)	Drill Width (m)	*True Width (m)	Au (g/t)	Ag (g/t)	Other
2007-2008							
CCRD002	87	101.05	14.05	6.4	6.05	2.5	Includes 1 m@ 16.5 g/t & 1 m@10.75 g/t Au
CCRD004	123.35	128.9	5.55	1.4	6.10	12.2	Includes 3.6 m @ 8.57 g/t Au
CCRD006	93.12	106.95	13.83	4.0	2.25	4.3	Includes 1 m @ 8.17 g/t Au
	132.9	135.5	2.6	0.8	34.13	4.8	Includes 0.85 m@ 99.7 g/t Au
CCDC020	154.5	159.28	4.78	2.6	1.37	0	
	163	167.15	4.15	2.3	2.93	0	
CCRD014	134.63	137.28	2.65	1.7	8.45	0	Includes 0.85 m@ 20.1g/t Au
	144.18	148.63	4.45	2.8	1.21	0	
2016							
CCDC023	157.4	165.25	7.85	3.9	3.75	5.1	Includes 0.9 m @ 11.9 g/t & 0.5 m @1 2.6 g/t Au
	167.3	169.5	2.2	1.1	2.24	10.2	
CCDC024	199.75	207.6	7.85	4.2	2.95	17.2	Includes 2 m @ 6.06 g/t Au
CCDC025	80	82.3	2.3	1.5	1.31	<2	
	92.7	109.8	17.1	11.2	1.74	1.3	Includes 1.7 m @ 6.0 g/t Au
CCDC026	142.3	144.9	2.6	1.2	1.19	2.5	
	150.9	152.5	1.6	0.8	1.89	3.03	

Conclusion

The Company considers that the potential of Cacao is now demonstrated. It is open at depth and along strike in both directions. The vein width is comparable to the best intersections at La India and the hanging wall of the vein is increasingly stockworked, as at La India. As at La India, structurally controlled ore shoots are to be expected in this major dilational, and continuous, vein. The next phase of drilling at Cacao will concentrate on defining these ore shoots and increasing the current mineral resource (590,000 t at 3.0 g/t gold for 58,000 oz gold).

Scout Drilling Update

Condor initiated 4,000 m of scout drilling on several prospects on 7th November 2016, starting with Cacao (See RNS dated 10th November 2016). Four drill holes for a combined drilling of 719.6 m

have been completed at Cacao. Four drill holes for a combined 428.8 m have been completed on Real de La Cruz. Three drill holes for a combined 663.8 m have been completed on Tatescame. The drill rig is being moved to the 4 km long Andrea Vein, which has never been drill tested, where six drill holes for 580 m are planned. Further assay results will be announced in due course.

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, and reviewed, by Dr Warren Pratt, Chartered Geologist (1994), Fellow of the Geological Society of London and Fellow of the Society of Economic Geologists. Dr Pratt is a geologist with over twenty years of experience in the exploration precious metal mineral resources. Dr Pratt consults to Condor Gold plc on an *ad hoc* basis and has considerable experience in epithermal mineralization, the type of deposit under consideration, and sufficient experience in the type of activity that 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. Dr Pratt 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.

Technical Glossary

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
Dilational Vein	A mineral deposit in a vein space formed by bulging of the walls, contrasted with veins formed by wall-rock replacement.
En echelon	In structural geology, en echelon veins are structures within rock caused by tension fractures that are parallel to the major stress orientation. They appear as sets of short, parallel, planar, mineral-filled lenses within a body of rock.
Geochemistry	The study of the elements and their interaction as minerals to makeup rocks and soils
Geophysics	The measurement and interpretation of the earth's physical parameters using non-invasive methods such as measuring the gravity, magnetic susceptibility, electrical conductivity, seismic response and natural radioactive emissions.
Hydrothermal	Hot water circulation often caused by heating of groundwater by near surface magmas and often occurring in association with volcanic activity. Hydrothermal waters can contain significant concentrations of dissolved minerals.
Magnetic (aeromagnetic) survey	The measurement of the magnetic properties of the earth surface as controlled by the concentration and distribution of magnetic minerals, particularly magnetite, in the rock. Rocks containing higher levels of iron, such as mafic igneous rocks or some sedimentary rocks will have a higher magnetic susceptibility than felsic igneous rocks, siliciclastic and carbonate sediments and their metamorphic derivatives..
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.
Phreatic breccias	

Radiometric	Also known as gamma ray spectrometry, is the measure of natural radiation on the top 30-45cm of the earth's surface. The abundance of the three naturally occurring radioactive elements, potassium (K), thorium (Th) and uranium (U), is proportional to the abundance of minerals containing those elements. This information can be used in mapping the surface geology including the definition of areas of potassium enrichment related to hydrothermal alteration.
Rock chip	A sample of rock collected for analysis, from one or several close spaced sample points at a location. Unless otherwise stated, this type of sample is not representative of the variation in grade across the width of an ore or mineralised body and the assay results cannot be used in a Mineral Resource Estimation
Stockwork	Multiple connected veins with more than one orientation, typically consisting of millimetre to centimetre thick fracture-fill veins and veinlets.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
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.

- Ends -

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

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About Condor Gold plc:

Condor Gold plc was admitted to AIM on 31st May 2006. The Company is a gold exploration and development company with a focus on Central America.

Condor completed a Pre-Feasibility Study (PFS) and two Preliminary Economic Assessments (PEA) on La India Project in Nicaragua in December 2014. The PFS details an open pit gold mineral reserve of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold producing 80,000 oz gold p.a. for 7 years. The PEA for the open pit only scenario details 100,000 oz gold production p.a. for 8 years whereas the PEA for a combination of open pit and underground details 140,000 oz gold production p.a. for 8 years. La India Project contains a total attributable mineral resource of 18.08 Mt at 4.0 g/t for 2.31 M oz gold and 2.68 M oz silver at 6.2 g/t to the CIM Code.

In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6 g/t JORC compliant resource. The resource calculations are compiled by independent geologists SRK Consulting (UK) Limited for Nicaragua and Ravensgate and Geosure for El Salvador.

Disclaimer

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