



Condor Gold plc

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

4th January 2012

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

Discovery of three geochemical anomalies within the Central Breccia area at La India Project, Nicaragua.

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial reserve on its 100%-owned, CIM compliant Mineral Resource of 2,375,000 oz gold at 4.6g/t at La India Project in Nicaragua, is pleased to announce that a soil sampling survey has been completed over a 1400m by 600m area centred on the Central Breccia Prospect. The soil sampling was undertaken on a 100m by 25m grid over an area with similar geological characteristics to those associated with gold mineralisation on the Central Breccia and has identified a number of anomalous zones that may indicate the presence of hidden/buried gold mineralised breccia zones spread over a 1200m by 500m area.

Highlights

- **Three soil geochemical anomalies identified within 1200m by 500m area containing the Central Breccia Prospect.**
- **Potential for 3 additional breccia pipes within this area.**
- **Significant, as the location is interpreted the structural centre of La India Gold District**

Mark Child, Chairman and CEO commented:

"The Central Breccia is interpreted as a breccia pipe with a surface area of 300m by 150m. The recently conducted soil sampling programme has identified 3 geochemical anomalies, which may identify 3 additional breccia pipes within an area of 1200m by 500m containing the Central Breccia. It is important to emphasize that this hydrothermal breccia area, containing pyrites, is a very different gold mineralization than the epithermal gold mineralization that contains the bulk of Condor's 2.4M oz gold at 4.6g/t resource within La India Project. Condor completed 866m drilling and 1329m trenching on the Central Breccia in the first half of 2012. The hydrothermal breccia contain wide zones of moderate to high grade gold mineralization, such as the best drill intercept of 45.8m (apparent width) at 4.24g/t within much wider, albeit lower grade gold mineralization such as drill intercept 102.11m at 0.31g/t. The structural setting of the 3 geochemical anomalies is significant as the Central Breccia area is interpreted as the structural centre and possible "feeder zone" of La India Gold District; there remains the prospect of significant additional gold discoveries within the vicinity."

The Central Breccia Prospect, which was discovered by Condor's geologists in 2011, is a hydrothermal breccia zone extending over an area of at least 300m by 150m defined by 1329m of trench sampling and extends to at least 100m below surface as demonstrated by five drillholes for 866m. The entire breccia is anomalous in gold as demonstrated by drill intercepts such as 102.11m at 0.31g/t gold. Within this broad mineralisation envelope high grade gold mineralized zones are recognized with dimensions of up to 25m width and 70m to 150m length as defined by trench intercepts of up to 23m at 3.63g/t gold and a best drilling intercepts of 45.8m (apparent width) at 4.24g/t gold (see RNS announcement dated 28th May 2012). Hydrothermal breccia, stockwork veining and alteration patterns similar to those found in the halo around the Central Breccia with weak background gold anomalies have been found in outcrop elsewhere within the soil sampling area suggesting that there might be other hidden/buried high-grade breccia pipes within 100m of the surface.

The Central Breccia is located in the structural centre of La India gold mining District within an east-west to northwest-southeast orientated graben-like axis, a likely location of the heat source and potentially a "feeder zone" for the gold bearing fluids that transported and deposited the gold. The hydrothermal breccia is hosted by andesitic rocks with crustiform and vuggy quartz-calcite veining forming the matrix throughout the hydrothermal breccia, in both the high and low-grade zones. The high-grade gold mineralized zones are characterized by intense argillic alteration and pyrite mineralization and in some cases a series of narrow, 10-20cm thick banded quartz-calcite veins. The Central Breccia is the first example of wide zones of moderate to high grade gold mineralization hosted by a hydrothermal breccia system in the La India District. It is unlikely that the Central Breccia is a unique hydrothermal system and the wide distribution of epithermal vein-hosted gold mineralization over an area of more than 100km² in La India Mining District suggests that there was abundant movement of gold bearing fluids in the geological past and that there are more gold mineralized hydrothermal breccia systems to be discovered.

The soil sampling survey was designed to characterise the geochemical footprint of the Central Breccia gold mineralisation and to look for a similar geochemical signature in the vicinity that might point to the location of other hidden/buried breccia pipes. The results will be used to direct and prioritise future exploration aimed at the discovery of further high-grade gold mineralised breccias.

Six hundred soil samples were collected at 25m intervals along 200m spaced north-south oriented lines and analysed for a 31 element suite. The assay results returned an average value of 0.028g/t gold and a standard deviation of 0.073g/t¹. The average value is elevated by the residual effects of known epithermal quartz veins on the northern and southern margins of the survey area. Visual inspection of the mapped results suggests that a background value over barren rock is less than 0.020g/t gold (see Figure 2). A strong gold, silver and weaker arsenic anomaly is recognised over the Central Breccia prospect with a maximum gold value of 0.719g/t gold, 2.3g/t silver and 172ppm arsenic. Three other locations are recognised with similar geochemical signatures which may indicate the presence of other hidden/buried gold mineralised breccias (Figure 2 below):

- A. a significant anomaly is identified 200m to the west of the Central Breccia with a maximum of 0.143g/t gold in soil,

¹ Gold assays mean = 0.028g/t, standard deviation = 0.073g/t, minimum = below detection limit of 0.002g/t, maximum = 0.780g/t. Silver assays mean = 0.1g/t, standard deviation = 0.2g/t, minimum = below detection limit of 0.1g/t, maximum = 2.5 g/t. Arsenic assays mean = 18ppm, standard deviation = 20ppm, minimum = below detection limit of 5ppm, maximum = 172ppm. Half detection limit was assumed for all samples that assayed below detection limit in the calculation of means and standard deviations.

- B. another less significant anomaly 300m to the north-west with a maximum of 0.024g/t gold can be distinguished from surrounding background values of less than 0.02g/t gold, and
- C. the smallest anomaly with a maximum of 0.115g/t gold is located 800m to the west of the Central Breccia.

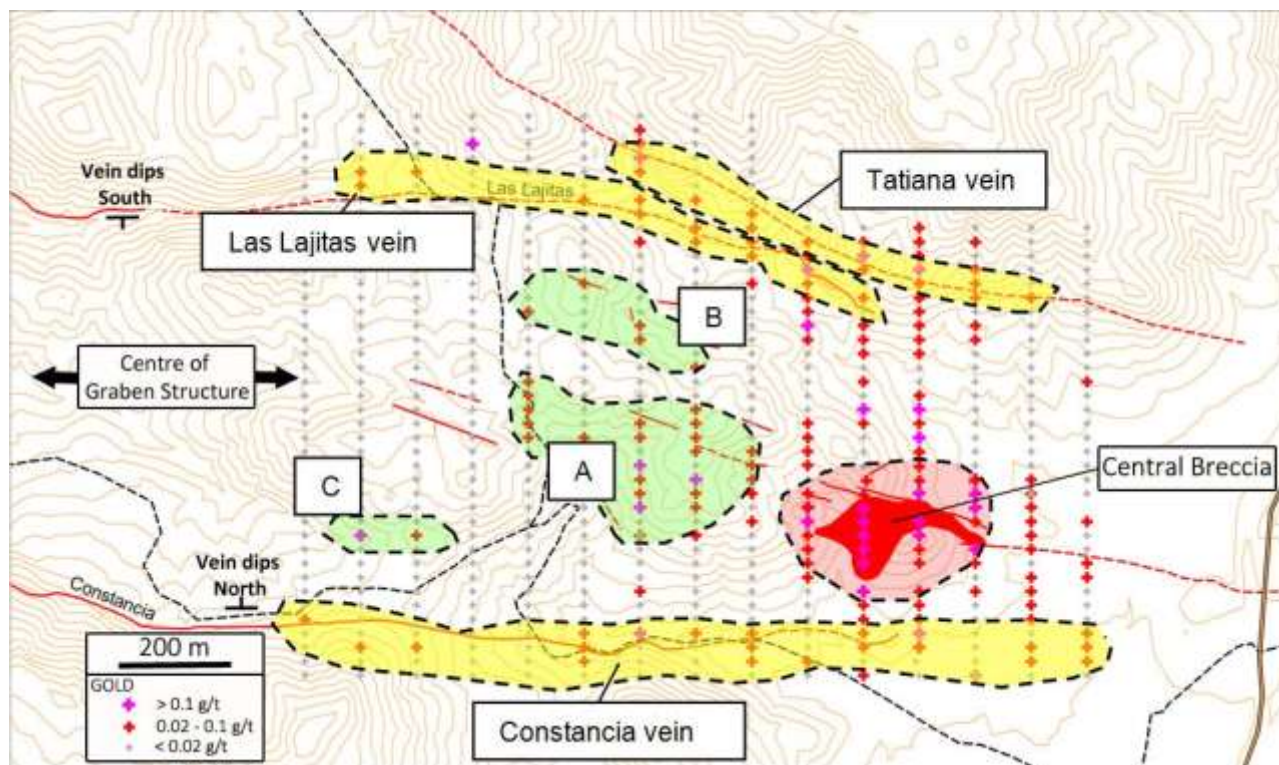
In addition to the three targets well defined gold, silver and arsenic anomalies are recognised along two linear east-west trends on the northern and southern bounds of the soil survey area. These have been interpreted as associated with the Las Lajitas-Tatiana Vein and the Constancia vein respectively based on known outcrops.

The three soil anomalies are identified as potential indicators of hidden/buried breccias and provide positive targets for further exploration work and, subject to continued positive geological indicators, potential drill targets.

Figure 1. Location of the Soil Sampling in the Central Breccia area within the La India Project area.



Figure 2. Map showing interpreted gold anomalies from the Central Breccia area identified by anomalous gold values, in yellow areas that correspond to known vein systems and in red the central breccia discovery hill. Areas A, B and C in green represent other anomalous gold areas that have been identified by soil sampling.



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.

- 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 +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 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

Argillic alteration	The chemical process of transforming rock minerals to clay minerals through contact with hot fluids.
Breccia	A rock made up of angular rock fragments cemented together by a finer grained matrix
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.
Dip	A line directed down the steepest axis of a planar structure including a planar ore body or zone of mineralisation. The dip has a measurable direction and inclination from 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)
Epithermal	Mineral veins and ore deposited from fluids at shallow depths at low pressure and temperatures ranging from 50-300°C
g/t	grams per tonne
Geochemistry	The study of the elements and their interaction as minerals to makeup rocks and soils
Graben	A geological structure formed as a response to extensional forces in the Earth's crust whereby a series of faults develop which converge at depth along an axis perpendicular to the direction of extension. The wedge shaped rock masses between the faults at the centre of the axis sink to fill the space caused by the 'pulling-apart' of the crust.
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.
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 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
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
koz	Thousand troy ounces
kt	Thousand tonnes
Matrix (of breccia)	The cement that fills the space between broken fragments of rock which together forms a rock type known as a breccia.
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, equivalent to 31.103477 grams
Pyrite	A rock mineral composed of the elements iron and sulphur.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
Stockwork	Multiple connected veins with more than one orientation, typically consisting of millimetre to centimetre thick fracture-fill veins and veinlets.
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.
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.
Vuggy	Referring to a texture in which small cavities, typically millimetre to centimetre-scale formed naturally within a crystalline rock during the crystallisation process.