



Condor Gold plc

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

Fund Raising for up to £10million

Condor Gold plc, the AIM listed gold and silver exploration company focused on proving a large commercial open pit and underground reserve on its 2,375,000 oz gold at 4.6g/t resource at La India Project in Nicaragua, is pleased to announce that it has raised £7,000,000 before expenses, by way of a private placing of 4,375,000 new ordinary shares with a nominal value of £0.20 each ("Ordinary Shares") at a price of £1.60 each primarily with institutional investors ("the Placing"). The Placing is predominately with Regent Pacific Group Limited (the "Investor" or "Regent Pacific"), further details of which are set out below. Regent Pacific has also agreed, subject to the results of further due diligence on or before 21 March 2013, to invest a further £3,000,000 before expenses on the same terms as the Placing.

A Subscription Agreement was executed on 15th February 2013 with Regent Pacific, a diversified mining group listed on the Hong Kong Stock Exchange, stock code 0757.HK www.regentpac.com for a placement of up to £10million as follows:

1. The Investor has irrevocably subscribed for 3,125,000 New Ordinary Shares of £0.20 each (the "Subscription Shares") for cash at a price of £1.60 per share for a consideration of £5,000,000 (the "Initial Subscription");
2. Regent Pacific has agreed to underwrite a placing of up to £2,000,000 Ordinary Shares to be conducted through the Company's Brokers at a price of £1.60 per Share (the "Underwritten Placing"). The Underwritten Placing will be open for 3 clear business days from the date of the Subscription Agreement. The Company will notify the Investor on the date falling 4 clear business days from the date of the Subscription Agreement of the number of new Ordinary Shares that have not been subscribed for under the Underwritten Placing (the "Unallocated Offer Shares"). The Investor has irrevocably and unconditionally undertaken to subscribe for the Unallocated Offer Shares for a cash price of £1.60 per share immediately on receipt of the notification given by the Company. In consideration for underwriting the Underwritten Placing Regent Pacific shall be paid an underwriting fee of 1% of £2,000,000, payable in Ordinary Shares and calculated by reference to the subscription price of £1.60. The total number of Ordinary Shares to be issued to the Investor in consideration for underwriting the Offer shall be 12,500 shares (the **Fee Shares**); and
3. The Investor has also agreed to subscribe for a further 1,875,000 New Ordinary Shares (the "Additional Shares") for cash at a price of £1.60 per share for a consideration of £3,000,000, subject to the Investor's completion of confirmatory due diligence, including a site visit, to the Investor's sole satisfaction (the "Further Placing").

In connection with the Placing, Regent Pacific will be granted a warrant to subscribe for new Ordinary Shares in the Capital of the Company, calculated as follows:

Number of Warrants = Total number of Subscription Shares, the Additional Shares and Unallocated Offer Shares divided by 3 (the "**Warrants**").

The Warrants shall be exercisable for a period of 2 years from 1 March 2013 after which any unexercised Warrants will lapse. The exercise price in respect of the Warrants shall be £2.20 per ordinary share.

In addition, any subscribers under the Underwritten Placing will be granted warrants on the same terms as the Warrants.

Regent Pacific held 291,149 ordinary shares prior to the Placing. As a result of the Placing, Regent Pacific's shareholding in the Company could increase to a minimum of 3,428,649 Ordinary Shares and maximum of 6,553,649 Ordinary Shares (and on a fully diluted basis for the Warrants a minimum of 4,470,316 and a maximum of 8,636,982 Ordinary Shares), representing respectively 9.05% and 16.49% (and on a fully diluted basis respectively 11.87% and 20.65%) of the Company's then issued share capital, dependent on the results of the Underwritten Placing and Further Placing. As a result of the Initial Subscription only Regent Pacific's shareholding shall be 3,416,149 Ordinary Shares representing 9.33% of the Company's issued share capital.

Under the terms of the Subscription Agreement the Company has provided certain standard warranties and undertakings. One of these allows for Regent Pacific, for so long as they hold 10% or more of the issued share capital of the Company, to be entitled to appoint one director to the Board of the Company. As Jim Mellon, currently a Non-Executive Director of Condor, is Non-Executive Co-Chairman of the Investor, it has been agreed that the first director to be nominated shall be Jim Mellon whilst the Investor can also designate one person who shall have observer status at any board meeting. The Placing does not constitute a related party transaction under the AIM Rules.

Application has been made for a total of 3,125,000 Ordinary Shares to be admitted to trading on AIM ("Admission") in respect of the Subscription Shares with Admission expected to be effective from 22 February 2013. These new Ordinary Shares will rank pari passu and have the same voting rights as the existing Ordinary Shares. Following Admission there will be 36,611,460 Ordinary Shares in issue. Further announcements will be made in due course following the Underwritten Placing and Further Placing.

The net proceeds of the Placing will be used to provide additional working capital, to implement a feasibility drill programme and exploration drill programme on Condor's flagship La India Project in Nicaragua and cover certain cash installment payments due in connection with the acquisition of the Espinito Mendoza and La Mojarra concessions as announced on 24 August 2011 and 11 October 2012 respectively. The net proceeds will also be used for an Environmental and Social Impact Assessment, further metallurgical tests, hydrology tests, geophysics – including aero magnetics and radiometrics and a series of studies to advance La India Project through to a pre-feasibility study.

- Ends -

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

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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 eight 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 4.6g/t in Nicaragua and an attributable 973,000 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.