



# Condor Gold plc

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**Condor Gold plc**  
(‘Condor’, ‘Condor Gold’ or ‘the Company’)

## **New surface rock chip results from La India Project, including 37 g/t gold from Mestiza and 23.8 g/t from Andrea. Three known zones of mineralisation expanded.**

Condor Gold (AIM: CNR) is pleased to announce new rock chip results from the La India Project, Nicaragua, and results of detailed geological mapping, which expand three areas of known gold mineralisation. In line with the Company’s strategy of proving a major gold district at the La India Project, 200 new samples have been taken from the Mestiza, Cacao and Andrea areas (see Figure 1) since December 2016 (see RNS dated 15<sup>th</sup> December 2016). All three areas have been drilled since December 2016 and these samples were collected to help extend laterally the known vein mineralisation and plan step-out drilling. Mapping was carried out at the same time.

### **Highlights**

- Surface rock chip sampling has produced results of up to 37 grams per tonne (‘g/t’) gold from Mestiza, up to 24 g/t gold on Andrea and up to 16 g/t gold on Cacao.
- Geological mapping has demonstrated potential extensions to known vein mineralisation at all three targets.
- The three main veins on the Mestiza vein set: Tatiana, Jícaro and Buenos Aires, appear to coalesce into a single northwest-striking vein.
- Trenching and mapping are now underway on Mestiza, aimed at identifying drill targets, which may contain additional high-grade oreshoots similar to Big Bend, a potential high-grade oreshoot within the Tatiana vein.
- The Cacao vein appears to have a concealed extension to the east and is potentially at least twice as long as previously thought.

### **Mark Child, Chairman and CEO, comments:**

‘Condor continues its strategy of proving a major gold district at the La India Project. Mapping and rock sampling by our experienced senior geologists has produced high grade gold results of 37 g/t, 24 g/t and 16 g/t gold in three new areas, along strike from known mineralisation at Mestiza, Andrea and Cacao, which provides excellent upside potential.

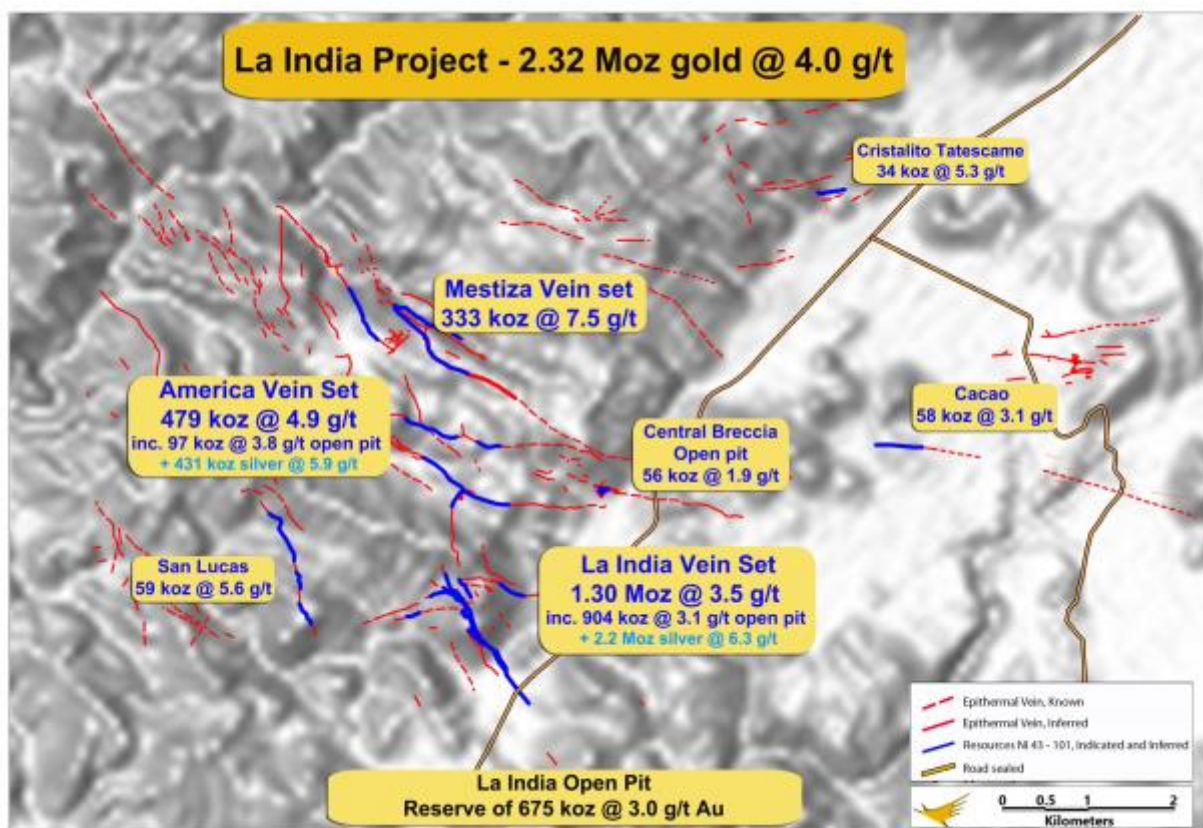
Furthermore, recent drilling by Condor at Mestiza increasingly demonstrates the importance of high-grade ‘oreshoots’ within long, relatively continuous veins. These offer the best chance of adding high-grade economic ounces to the global resource at La India Project.

Surface rock chip sampling and trenching are the best tools at our disposal to follow up on targets identified by geophysics, geochemistry and a structural model, before making a drill decision. The northwest extension of Mestiza, where veins coalesce and intersect, is now a high priority, as is the eastern, concealed, extension of Cacao.’

## Background

La India Project's existing NI 43-101-compliant mineral resource is 18 million tonnes ('Mt') at 4.0 g/t gold for 2.31 million ounces ('Moz') of gold. It comprises seven separate resources, most open along strike and at depth (Figure 1). It includes Mestiza, which hosts a NI 43-101-compliant Inferred resource of 1,490 thousand tonnes ('kt') at 7.47 g/t (333,000 ounces ('oz') gold). Here, Soviet-backed drilling in 1991 resulted in an historic, Soviet-style mineral resource of 2,392 kt at 10.2 g/t gold for 785,694 oz gold (see RNS dated 22<sup>nd</sup> May 2017). The bulk of the resource is in the Tatiana vein, the largest of the four main veins at Mestiza. Cacao has a small resource of 58,000 oz of gold, estimated in 2011. Condor completed 719 m of drilling at Cacao in December 2016 and proved a much wider vein at depth (See RNS dated 27<sup>th</sup> January 2017). Andrea was scout-drilled in the first quarter of 2017 and showed potentially economic mineralisation in the final hole (see RNS dated 31<sup>st</sup> March 2017). This was sufficient motive to explore farther east.

**Figure 1 Location of 7 resources that comprise La India.**



Note: the Andrea area lies approximately 5 km North of Mestiza

## Discussion of rock chip results

### Mestiza

Recent drilling at Mestiza (5922 m total; see RNS dated 30<sup>th</sup> August 2017) concentrated on Big Bend, a potential high-grade oreshoot within the Tatiana vein. The new mapping and rock chip sampling focused on the northwest extension of the Mestiza veins, beyond Big Bend. The aim was to identify new bends, vein intersections, and other potential structurally-controlled oreshoots.

Figure 2, below, shows the main veins, all former rock samples, and the new rock chip results. The samples are a mix of vein outcrop and subcrop (semi *in situ* vein material within the soil).

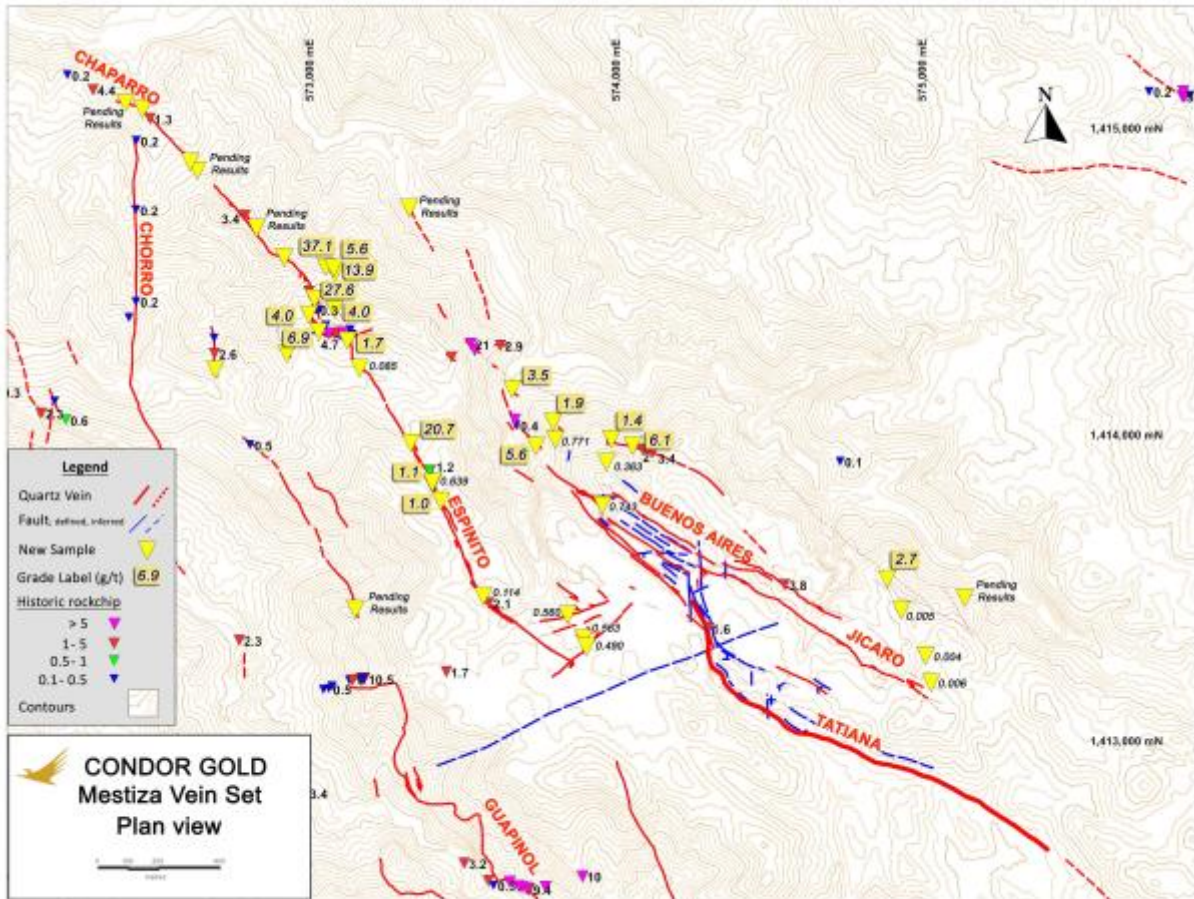
Mapping has traced epithermal quartz veins over a strike length of at least 3.5 km in the Mestiza area. The topography becomes steeper and forested towards the northwest and mapping more difficult. But the Tatiana, Jícaro and Buenos Aires veins appear to coalesce into a single northwest-striking vein (Figure 2).

The new samples (Figure 2) confirm historic sampling of the northwest extension of all these veins, and include samples with 37.1, 13.9 and 27 g/t gold. These come from close to a previously reported sample of 47.7 g/t gold, about 450 m along strike from the westernmost Tatiana vein exposures.

The Espinito Vein has now been confirmed over a strike length of at least 2.6 km, and shows a jog in the Chaparro area, which seems to have higher grades (Figure 2). It hosts numerous artisanal workings and previously reported sampling gave up to 41.5 g/t gold. A series of east-northeast linking structures, with a strike length of over 300 m, occur between the southernmost part of the Espinito and Tatiana veins. These probably represent more dilational structures, exploited by mineralising fluids. Historic sampling includes 17.3 g/t gold.

Trenching of key areas is now underway at Mestiza, to help define new drill targets. New lines are being cut through thick vegetation to locate the northwest extensions of the Tatiana, Buenos Aires and Jicaro veins. They have located veins with true widths up to 3 m. Sampling is underway.

Figure 2 Map of Mestiza with location of new samples (top, yellow triangles) and results.

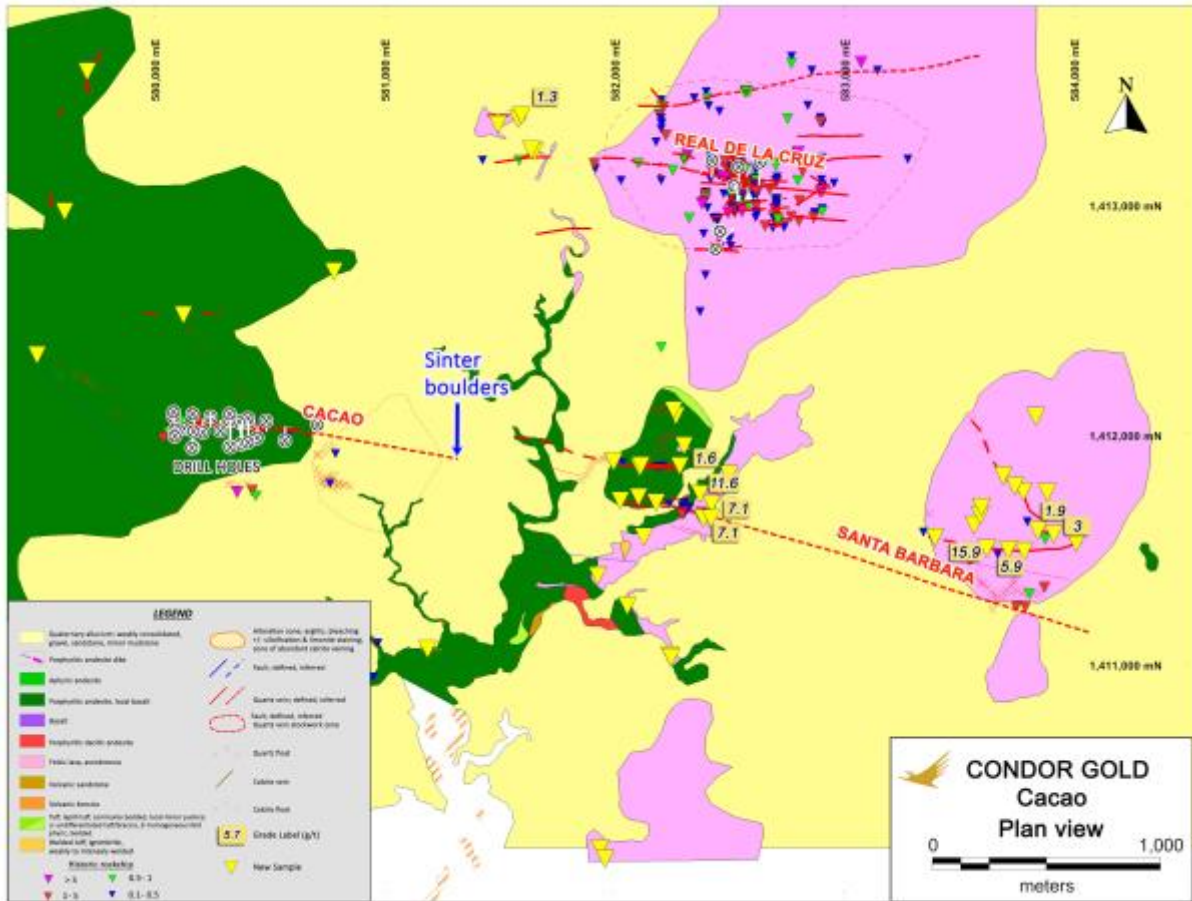


### Cacao and Santa Barbara

The Cacao vein, drilled recently (see RNS dated 27<sup>th</sup> January 2017), is an east-striking quartz/carbonate vein, which flares upwards into chalcedony-rich hydrothermal breccias and a possible sinter (hot spring deposit).

New mapping demonstrates that the Cacao vein is covered in the east by a sheet of alluvial gravel, up to 20 m thick. This gravel contains blocks of chalcedonic sinter up to two metres in diameter. These blocks occur at the precise projected location of the Cacao vein, about 500 m east of the last known outcrops (Figure 3). This implies that the strike length is approximately double that known currently. Furthermore, new samples from river exposures, about 1.6 km east of the Cacao vein, again directly along strike, give values of 11.6 g/t gold (Figure 2). These also line up with new samples from Santa Barbara (Figure 3), with up to 15.8 g/t gold. Increasingly, the Cacao-Santa Barbara vein looks like a continuous corridor. Float boulders at Santa Barbara include typical high-level epithermal features, including chalcedony and bladed calcite replaced by quartz. Santa Barbara has never been drilled.

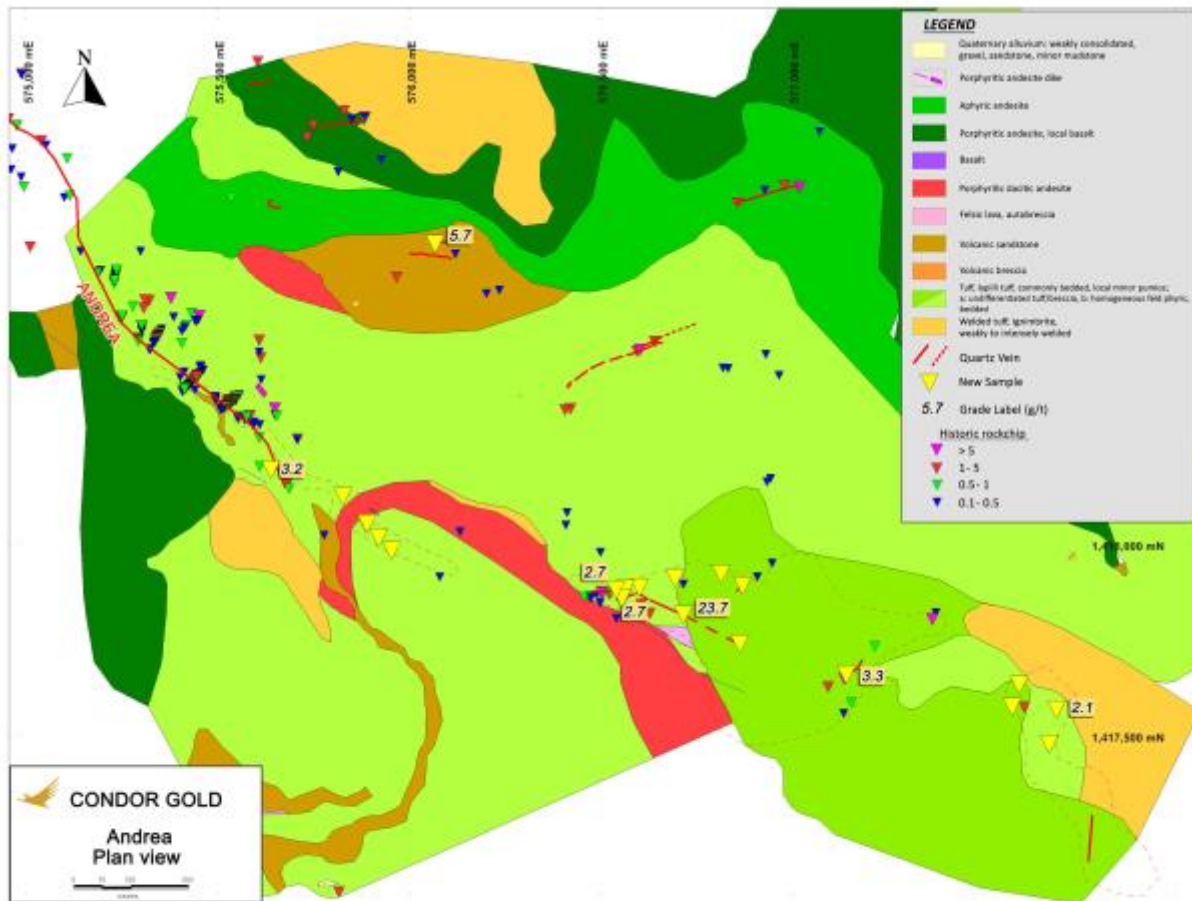
Figure 3 Map of Cacao and Santa Barbara with location of new samples and results.



**Andrea**

The recent six drill holes (total 945 m) on the Andrea vein, which lies about 5 km North of Mestiza (outside Figure 1), were designed to test the structure. The final hole, in the southeast (LIDC 341) gave an intersection of 5.1 m at 1.9 g/t gold (see RNS dated 31<sup>st</sup> March 2017), suggesting improving gold grades to the southeast. Mapping and sampling were therefore extended to the southeast, an area which has never been drilled. The most promising samples, with grades up to 23.7 g/t gold, are shown in Figure 4. The sampling implies excellent potential for mineralised veins and will be followed up by trenching.

Figure 4 Map of Andrea with location of new samples and results.



### 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 20 years of experience in the exploration and definition of precious metal mineral resources. Dr Pratt consults to Condor Gold plc for 100 days per year and has considerable experience in epithermal mineralisation, 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
Ag	Silver
Au	Gold

breccias	A fragmental rock, composed of rounded to angular broken rock fragments held together by a mineral cement or in a fine-grained matrix. They can be formed by igneous, tectonic, sedimentary or hydrothermal processes.
C1	C1 reserves are broadly equivalent to JORC indicated resources and have been estimated by a sparse grid of trenches, drill holes or underground workings. The quality and properties of the deposit are known tentatively by analyses and by analogy with known deposits of the same type. The general conditions for exploitation are partially known
C2	C2 reserves are broadly equivalent to JORC inferred resources and have been extrapolated from limited data, probably only a single hole
Chalcedony	A variety of quartz formed by microscopic or submicroscopic crystals. In an epithermal environment, chalcedony is formed in low temperature and pressure conditions high in the system.
Colloform banded	A texture found in fine grained quartz (chalcedony) veins where crystals have grown in a radiating and concentric manner from a vein centreline to give a finely banded appearance
Comb quartz	A quartz vein texture describing masses of parallel long, thin crystals growing inwards from the vein margins produce a texture like that of a comb.
Drusy quartz	A coating of fine quartz crystals on a rock fracture surface, which may be an open space in the vein.
Fiamme	Fragments of volcanic ejecta, often pumice, that have been flattened by compaction to form flame-like shapes
Geochemistry	The study of the elements and their interaction as minerals to make up 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.
Kt	Thousand tonnes
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.
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.
NI 43-101	Canadian National Instrument 43-101 a common standard for reporting of identified mineral resources and ore reserves
Phreatic breccias	Fragmental rocks formed near the Earth's surface by the interaction of hot rock and cold water, or vice versa. Commonly occur at the top of mineralized epithermal gold systems.
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
Soviet Classification	The former Soviet system for classification of reserves and resources, developed in 1960 and revised in 1981, which divides mineral concentrations into seven categories of three major groups, based on the level of exploration performed: explored reserves (A, B, C1), evaluated reserves (C2) and prognostic resources (P1, P2, P3)
Soviet GKZ	The former Soviet State Commission for Mineral Reserves.
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.
Welded tuff	A fragmental volcanic rock formed by sufficiently hot volcanic ejecta that the fragments

	weld together
Zeolite veinlets	Zeolites are hydrated aluminosilicates found in gas bubbles within basalts and in geothermal districts. They also found in the upper parts of gold-bearing epithermal systems.

**- Ends -**

For further information please visit [www.condorgold.com](http://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 its wholly owned 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 per annum. for seven years. The PEA for the open pit only scenario details 100,000 oz gold production per annum for eight years whereas the PEA for a combination of open pit and underground details 140,000 oz gold production per annum. for eight years. La India Project contains a total attributable mineral resource of 18.08 Mt at 4.0 g/t for 2.31 million oz gold and 2.68 million oz silver at 6.2 g/t to the CIM Code.

The resource calculations are compiled by independent geologists SRK Consulting (UK) Limited.

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