



# Condor Gold plc

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

## **55km<sup>2</sup> Soil Sampling Programme Generates Exploration Targets on La India Project**

Condor (AIM:CNR), is pleased to announce that the first phase of soil sampling has been completed over an area of 55km<sup>2</sup> identified as prospective for hidden deep-seated gold mineralisation. 5,767 B-horizon soil samples have been collected on 200m by 50m grid spacing, closed up to 100m by 50m in areas of interest, and analysed for 53 elements to ultra-trace detection limits using a standard ICP-MS package offered by Acme Labs in Vancouver. The results have enhanced the district-scale geological and epithermal gold mineralisation model and have identified several target zones within linear features for further exploration for hidden deep-seated gold deposits.

### **Mark Child CEO comments:**

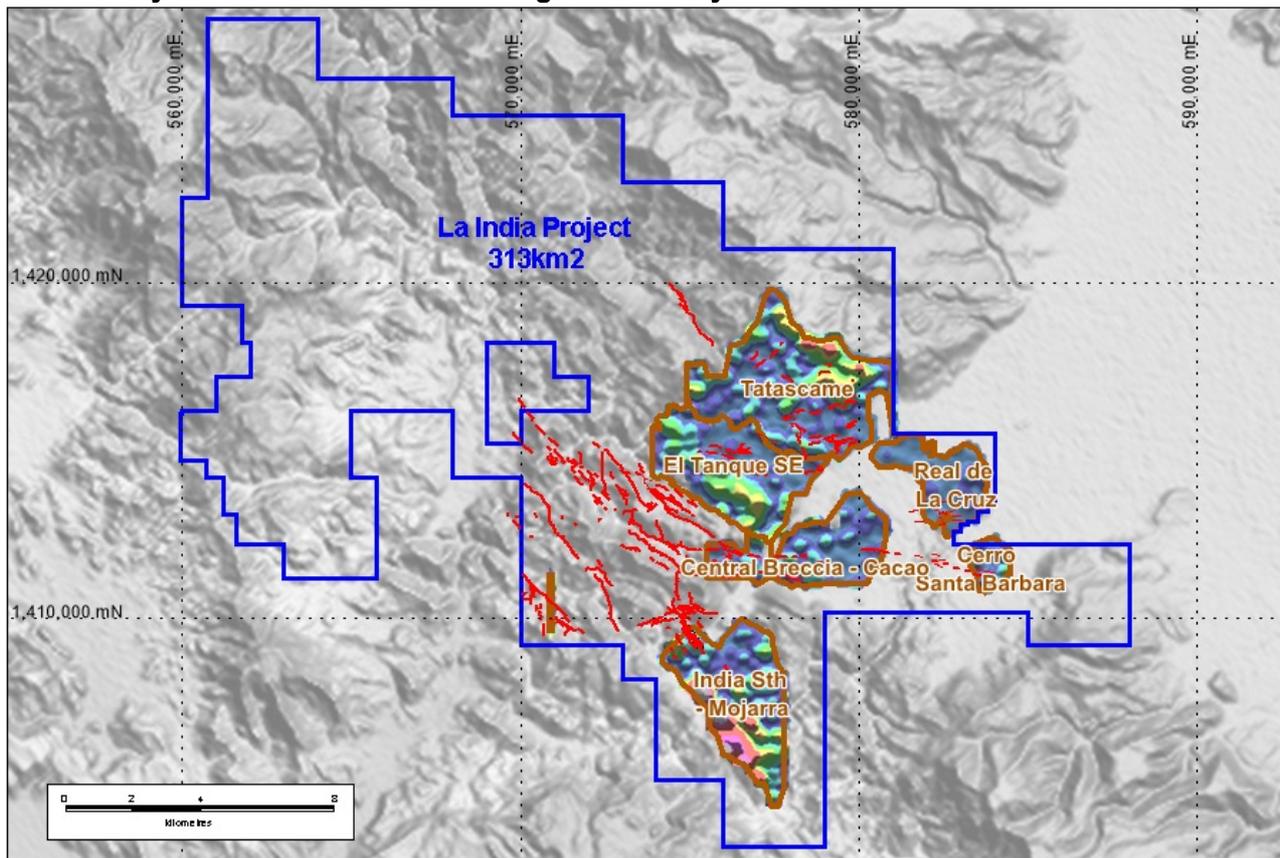
"Condor has completed soil sampling programmes on 6 areas covering 55km<sup>2</sup> of the 313km<sup>2</sup> La India Project. The areas were chosen as they potentially contain underground gold deposits. Of particular interest is a clear linear anomaly, which has been defined and appears to be a southeast strike continuation of the Andrea Vein, extending the Andrea hydrothermal conduit from a 2km long vein to a 4 to 7km long corridor. The soil sampling programme is part of Condor's strategy of demonstrating the significant exploration upside of 2.4M oz gold at 4.0g/t reserve and resource at La India Project. Condor has commissioned an expert structural geologist to compile a detailed structural model aimed at producing additional exploration targets, a summary of the report will be released in the near future."

### **Background and Rationale**

In 2013 Condor geologists completed a district-scale study aimed at identifying and ranking areas that have the potential to host hidden deep-seated gold mineralisation. The study integrated an airborne magnetic and radiometric survey flown earlier in that year, high-resolution satellite digital terrain modelling and imaging data also acquired that year, and the existing geological mapping and exploration database to create a new model of the gold mineralisation system in La India District. Geological structures that were interpreted as potential conduits for gold mineralised hydrothermal fluids, and where the surface exposures were interpreted as being at a high-level in the epithermal system, above the boiling zone where most of the gold is usually deposited, were identified and ranked for prospectivity. This exercise identified six areas for further exploration using soil geochemistry surveying methods optimised to detect the pathfinder elements that will have been vented along structures above the gold-enriched boiling zone.

The first phase of soil sampling has covered these priority target areas with a relatively tight-spaced 200m by 50m soil survey grid, initially over the 11km<sup>2</sup> La India South-Mojarra area reported in a press release of 29th May 2015, and then over a further 44 km<sup>2</sup> covering the Cacao-Central Breccia trend, El Tanque area, Tatascame area, Santa Barbara Hill and Real de La Cruz area (see Figure 1 below).

**Figure 1. Phase 1 soil geochemistry survey areas covering 6 target areas over 55km<sup>2</sup> of Condor's 313km<sup>2</sup> La India Project concession package. Soil survey areas coloured by blue-red where yellow to red indicates soil geochemistry characteristic of basalt bedrock.**



## Analysis of Results

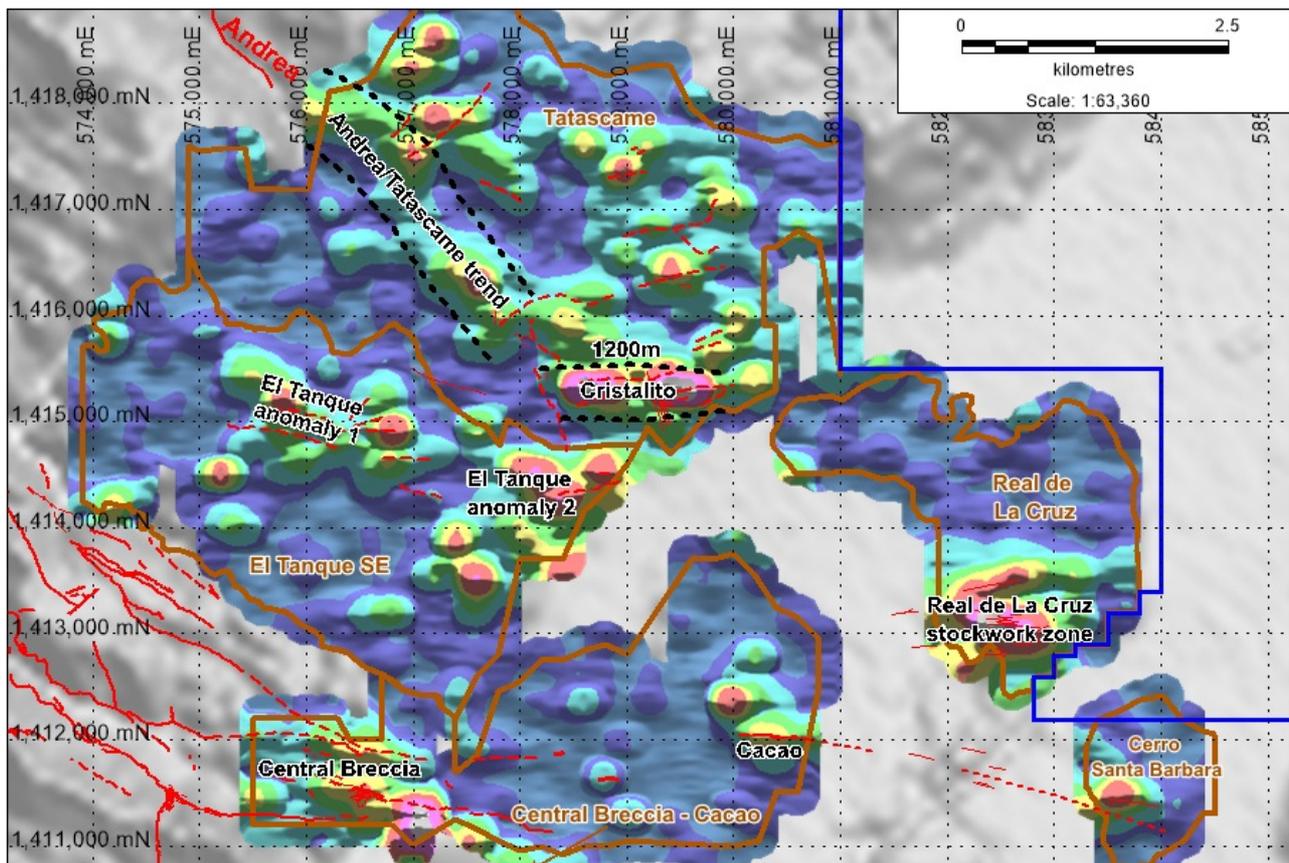
Initial analysis of the multi-element soil geochemical data has enhanced both the regional geological model and the hydrothermal fluid flow model. Mafic, intermediate and felsic rocks have distinct chemical signatures which are reflected in the soil geochemistry in areas with little or no rock outcrops. For example the soil survey data has improved mapping of the distribution of three principal basalt lava flows in La Mojarra, El Tanque and Tatascame. This improved bedrock geology map helps in interpreting the faults that host gold mineralisation.

The main aim of the soil survey is to improve the regional model of the gold-bearing hydrothermal system. The soil sampling has proved particularly useful in areas such as El Tanque and Tatascame where the outcrops of gold mineralised rocks are restricted to small exposures of quartz stockwork or quartz breccia where the overall strike direction is not apparent. At El Tanque ultra-trace level gold and other pathfinder elements indicative of hydrothermal alteration and mineralisation have defined both a northwest-southeast and an east-west striking mineralisation trend. At Tatascame a clear linear anomaly with a northwest-southeast orientation has been defined which appears to be a southeast strike continuation of the Andrea Vein, extending the

Andrea hydrothermal conduit from a 2km long vein to a 4 to 7km long corridor. On all these linear anomalies sectors where the boiling zone mineralisation is exposed at surface have been differentiated from sectors of high level fluid venting, The sectors within or just above the boiling zone are characterised by elevated gold and silver values, the high level sectors which will be targeted for exploration for hidden gold mineralisation are elevated in arsenic, mercury, tellurium and thallium.

In other areas where the surface exposure of a vein is of limited strike extent the pathfinder elements have demonstrated additional strike continuity of hydrothermal activity, suggesting that the gold bearing vein could be considerably longer beneath the surface. For example soil geochemistry demonstrates that hydrothermal activity on the structure that hosts the 400m long Cristalito Resource of 202kt at 5.27g/t for 34k oz gold actually extends for at least 1,200m. Extensions of veins beneath the surface has already been successfully demonstrated at the flagship La India deposit where recent exploration drilling has returned significant gold intercepts at depth where there is only a soil anomaly at surface (see press release dated 29<sup>th</sup> May 2015) (see Figures 3 below).

**Figure 2. Principal soil gold anomalies identified on the Cacao-Central Breccia trend, El Tanque area, Tatascame area, Santa Barbara Hill and Real de La Cruz area.**



**Current and Future Exploration**

The soil survey is currently being extended along a trend to the northwest of the El Tanque area using a broader 400m by 100m sample spacing to complete coverage of the prospective El Tanque structure identified in the 2013 targeting exercise.

Two soil anomalies identified on the La Mojarra area have already been drill tested: El Carrizal and Cerro El Pilon soil anomalies, located approximately 1.7km to the south and south-east respectively of La India open pit Mineral Reserve. High-level epithermal alteration and barren calcite veining were intersected at depths of up to 200m below surface at both localities suggesting that any gold mineralisation would be deeper and therefore beyond the target depth of the current exploration programme in these two targets.

More detailed analysis of variations in the pathfinder geochemistry along the fluid flow pathways, both horizontally and vertically is underway to further improve the identification of the geochemical fingerprint associated with venting of hydrothermal fluids and vapours at the top of an epithermal gold mineralisation system. The soil geochemistry results will be integrated with a review of the district-wide structural model that has been commissioned from a structural geology specialist and is currently underway. Further exploration will be planned on those structures that exhibit both a structural setting conducive to gold mineralisation and a geochemical signature indicative of deep-seated gold mineralisation.

The next phase of drilling is planned for the Real de La Cruz Concession to test beneath an area that displays both wide low-grade gold mineralised stockwork quartz zones of up to 63.6m at 1.01g/t gold in trench sampling, and also high-grade mineralisation in a cross-cutting 4m true width quartz breccia grading at up to 16.4g/t gold exposed in an artisanal pit wall (see RNS dated 19<sup>th</sup> August 2014). This drilling has been delayed until drilling permitting processes are completed.

### **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 twenty 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 the information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

### **Technical Glossary**

B-horizon soil	The organic-poor soil horizon consisting of typically brown coloured completely weathered rock material with no primary textures. This horizon often occurs beneath the organic-rich A-horizon and contains some organic material such as roots are usually present.
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
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.
ICP-MS (Inductively	A technique that measures the concentrations of elements in a substance, such as a rock,

Coupled Plasma Mass Spectrometry)	by dissolving the substance in a solution, typically an acid, ionizing a sample and separating the ions to measure the relative concentrations based on their mass-to-charge ratio. The technique is capable of measuring very low concentrations with high precision.
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.
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.

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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 31<sup>st</sup> 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 6.9M tonnes at 3.0g/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 18.4Mt at 3.9g/t for 2.33M oz gold and 2.68M oz silver at 6.2g/t to the CIM Code.

In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6g/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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