



# Condor Gold plc

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

## **Drill Intercept of 7.55m at 10.2g/t gold on La India Project**

Condor (AIM:CNR), is pleased to announce completion of 1,952m drilling on the flagship La India Project. The initial drilling has successfully indicated the extension of high-grade gold mineralisation 50m along strike and 60m deeper to the south of the current underground gold resource on La India Vein through a series of drill results, one of which has an intercept of 7.55m (6.2m true width) at 10.2g/t gold. Accordingly, the gold mineralisation would appear to remain open at depth and along strike.

### **Highlights:**

- **Condor completes 1,952m of up to 4,000m drilling programme.**
- **Drill intercept of 7.55m (6.2m true width) at 10.2g/t gold.**
- **Drilling to test southern strike extent of La India open pit reserve and underground gold resource successfully extends high-grade mineralisation 50m along strike and 60m down-dip.**
- **Assay results for 1,324m drilling received, assay results for 638m drilling pending**
- **11km<sup>2</sup> soil survey area has been extended to a total of 60km<sup>2</sup> covering 6 target areas**

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

"A drill intercept of 7.55m (6.22m true width) at 10.2g/t to the south of the La India open pit reserve of 675,000 oz gold at 3.0g/t has been successful in indicating an extension of high grade gold mineralisation 100m outside the pit shell adjacent to La India underground resource. This high-grade intercept demonstrates that the underground mining potential at La India may currently be significantly underestimated.

Separately, the soil sampling results from an area extending from La India open pit to the south for 5km has produced 2 drill targets that have been drilled, assay results are pending. Condor has increased its soil survey area from 11km<sup>2</sup> to a total of 60km<sup>2</sup> covering 6 new target areas in order to demonstrate that La India Project hosts a substantial gold district."

### **Drilling Programme Rationale**

A portion of the drilling is to test the depth extent of gold mineralisation beneath, and at depth along strike to the south, of the La India Pre-Feasibility Study ("PFS") open pit reserve of 675,000 oz gold at 3.0g/t. The drilling is also designed to establish if there is potential to expand the current underground combined Indicated and Inferred Mineral Resource of 1.8Mt at 5.0g/t for 294,000 oz gold deeper or further along strike. On the La India structure, most of the mineral resource is concentrated in three main high-grade zones defined along a 1.5km strike length. The two principal high-grade shoots within the open pit reserve crop-out at surface and have already been defined as high-grade resources down to a maximum of 350m down-dip from surface using a

combination of historic mine records and drilling intercepts. A less well defined high-grade shoot, along strike to the south of the PFS open pit shell, hidden beneath surface and un-depleted by historic mining, has an underground mineral resource defined by drilling intercepts of up to 21.08m (16.1m true width) at 10.2g/t gold from 193.80m drill depth (see press release dated 29<sup>th</sup> August 2012).

### Drilling Results

Drilling completed since February 2015 has tested the depth extent of the central high-grade shoot and the depth and strike extent of the southern high-grade shoot, drilling up to 400m below surface. A drill hole completed in the **central high-grade shoot** supports the current mineral resource model in which high-grade material, at grades and widths considered amenable to open pit and, below the pit, to underground mining, extend from surface to a maximum down-dip extent of 350m. Whilst there remains some scope for further resource definition at depth with some closer spaced step-down drilling, one of the exploratory drill holes completed in the current programme returned, as expected, a narrow low-grade intercept which limits the down-dip extent of high-grade mineralisation to less than 400m from surface.

It is recognised that gold mineralisation in the Central Zone reaches surface and therefore has been subject to some loss of the upper levels through natural erosion. The less well defined **southern high-grade shoot** along strike to the south of the PFS open pit shell is un-depleted by historic mining and hidden beneath surface, completely preserved below the modern day level of erosion. Three drill holes have been completed to test the depth and strike extent of this high-grade shoot. The drilling has successfully extended the high-grade a further 50m along strike to the south and 60m deeper with an intercept of 7.55m (6.2m true width) at 10.2g/t gold at a vertical depth of 260m below surface (Figure 1 below). Low-grade intercepts in the other two drill holes, one testing the upper levels of the high-grade shoot and the other testing the lower levels at the northern end of the shoot, support a general plunge of mineralisation to the south; the top of the high-grade material is approximately 130m below surface at the southern end.

The southern shoot remains open to depth and along strike at depth, confirming it as a highly prospective underground target. Previous shallow drilling up to 100m further along strike to the south returned wide low-grade and narrow higher grade gold intercepts. The lower grade intercepts in the upper 130m are interpreted as gold mineralisation above the main high-grade boiling events.

**Table 1. Drill intercepts for the first 4 drill holes for 1,324m of the current drill programme on the India vein.**

| Section       | Drill hole ID | From (m) | To (m) | Drill Width (m) | True Width (m) | Au (ppm)    | Ag (ppm)  | Vein<br>(vein assignments subject to revision) |
|---------------|---------------|----------|--------|-----------------|----------------|-------------|-----------|--|
| Central 10775 | LIDC322       | 218.00   | 218.40 | 0.40            | 0.2            | 0.66        | -2.0      | HW2  |
|               |               | 270.60   | 271.60 | 1.00            | 0.6            | 0.60        | -2.0      | HW1  |
|               |               | 338.80   | 341.05 | 2.25            | 1.3            | 1.17        | 29        | India  |
| South 10125   | LIDC323       | 203.80   | 206.80 | 3.00            | 1.7            | 0.87        | -2.0      | HW1  |
|               |               | 319.50   | 321.00 | 1.50            | 0.9            | 0.61        | -2.0      | India  |
|               |               | 380.15   | 381.00 | 0.85            | 0.5            | 1.30        | 9.0       | Alfonso Vega (FW vein)                         |
| South 10075   | LIDC324       | 272.75   | 274.50 | 1.75            | 1.4            | 1.96        | 3.9       | India HW Breccia                               |
|               |               | 279.45   | 287.00 | <b>7.55</b>     | <b>6.2</b>     | <b>10.2</b> | <b>21</b> | India  |
|               |               | 289.25   | 290.85 | 1.60            | 1.3            | 0.74        | 3.0       | India FW1                                      |
| South 10075   | LIDC325       | 182.60   | 184.60 | 2.00            | 1.9            | 0.83        | 0.0       | HW2  |
|               |               | 197.30   | 198.05 | 0.75            | 0.7            | 0.61        | 3.0       | HW1  |
|               |               | 210.65   | 211.95 | 1.30            | 1.3            | 0.93        | 2.8       | India  |

True width is an interpretation based on the current interpretation of the veins and may be revised in the future. HW = Hangingwall; FW = Footwall.

**La Mojarra Soil sampling results generate two drilling targets that have been drilled.**

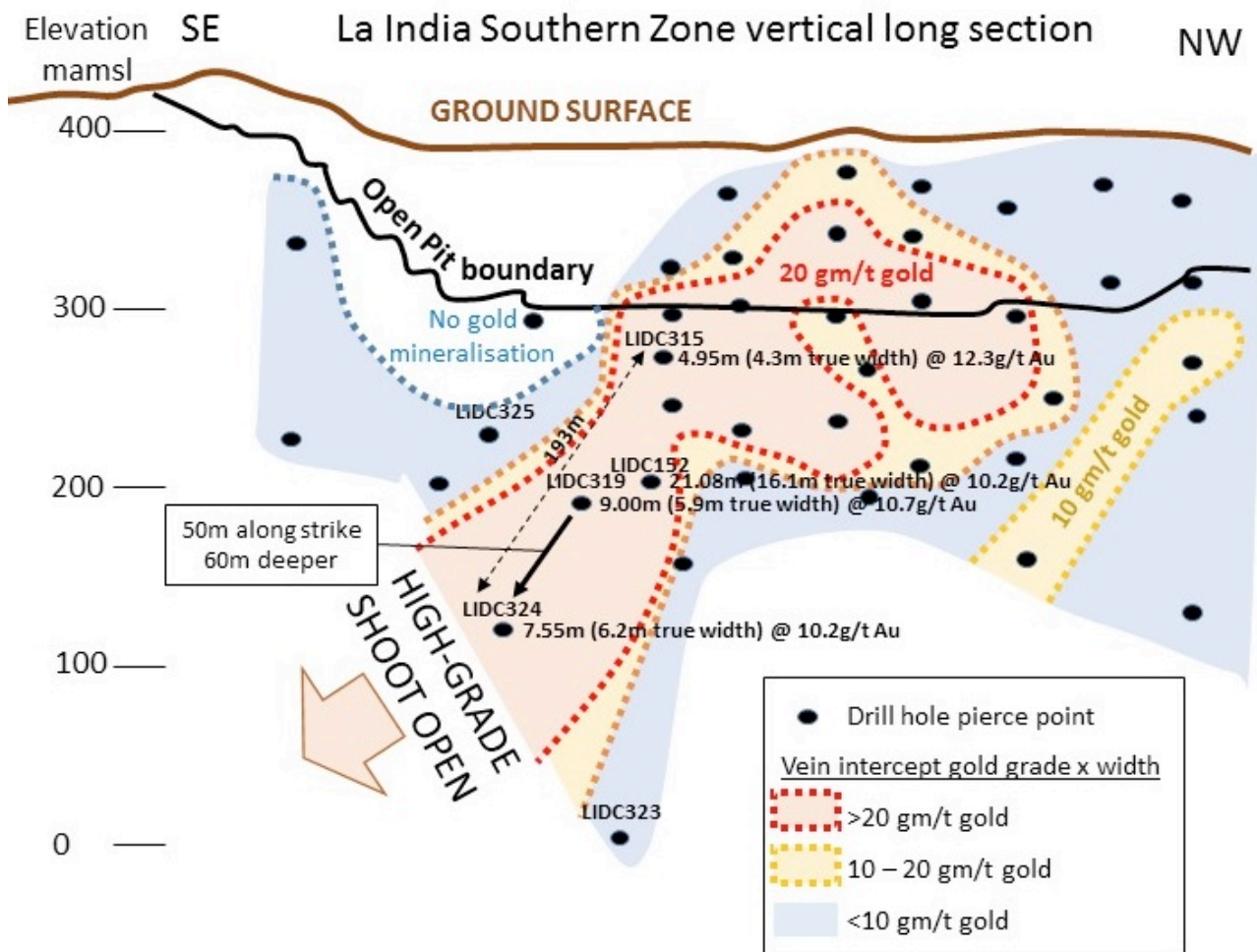
Soil sampling has been completed over an 11km<sup>2</sup> area covering a 5km strike extension to the southeast of La India open pit resource. This was the first area identified as prospective for hidden deep-seated gold mineralisation. 1,383 B-horizon soil samples have been collected on a 200m by 50m grid spacing, with infill sampling at 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.

Analysis of the multi-element data, within the framework of the bedrock geology and geophysical parameters, has identified a number of pathfinder elements indicative of hydrothermal alteration and mineralisation, including gold, arsenic, antimony, mercury, tellurium and molybdenum. Seven geochemical anomalies have been identified with pathfinder geochemistry indicative of venting of hydrothermal fluids and vapours at the top of an epithermal gold mineralisation system, see Figure 1 below. Of these, two targets, which are up to 1.7km to the south of La India open pit, have been drilled. El Carrizal (Locality 3 on Figure 2 below) and Cerro El Pilon (Locality 5 on Figure 2 below). Assay results are pending.

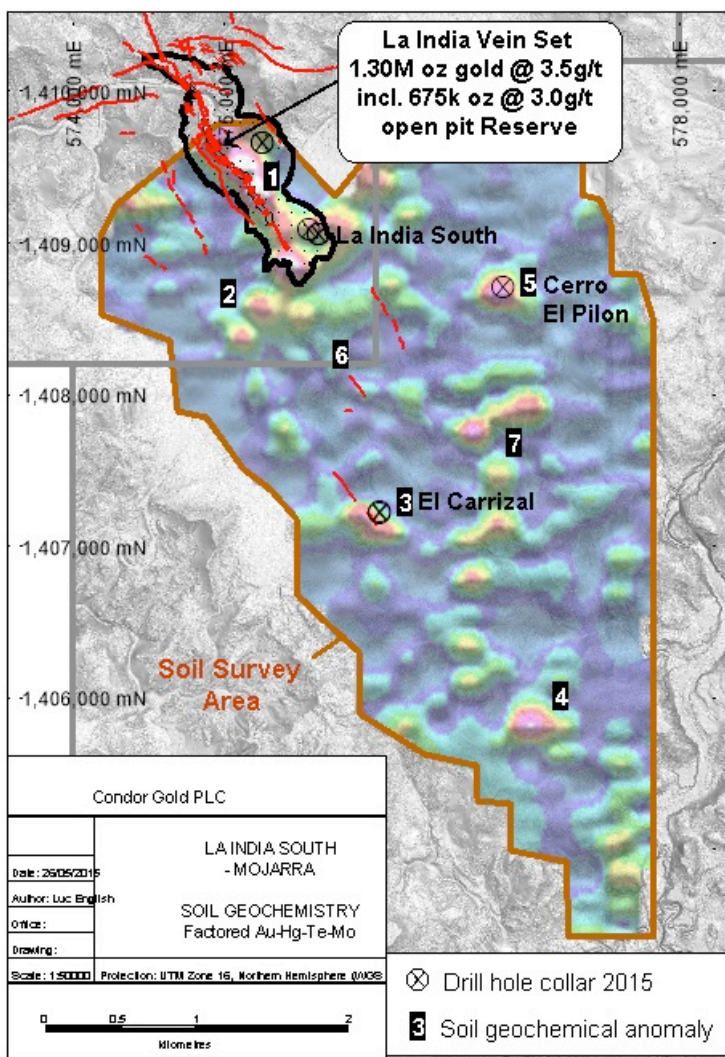
The original 11km<sup>2</sup> soil survey area has been extended to a total of 60km<sup>2</sup> covering 6 new target areas identified in the district-scale gold mineralisation model developed by Condor geologists as having the potential for the discovery of hidden deep-seated gold mineralised structures with underground mining potential. This is part of a longer term exploration initiative that will expand to the entire district over the coming years.

**The next phase of drilling** is planned on 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 temporarily delayed whilst drilling permitting processes are completed.

Figure 1. Vertical long-section of the La India Vein southern high-grade shoot. New drill intercept of 7.55m (6.2m true width) at 10.2g/t gold extends the high-grade shoot a further 50m along strike and 60m to depth. Gold mineralisation remains open along strike and to depth.



**Figure 2. Soil geochemistry anomalies identified on the 11km<sup>2</sup> La India South – Mojarra soil survey. Six exploration targets identified in addition to the La India Vein soil anomaly. Drilling locations on two of the targets shown; El Carrizal and Cerro El Pilon.**



**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.

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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

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

|                |  |
|----------------|--|
| Alteration     | The chemical process of chemically transforming rock minerals to other rock minerals through contact with hot fluids.  |
| 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  |
| 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.   |
| Calcite        | A common rock mineral composed of the elements calcium, carbon and oxygen.   |
| CIM Code       | The reporting standard adopted for the reporting of the Mineral resources is that defined by the terms and definitions given in the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral resources and Mineral Reserves (December 2005) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee |
| Chalcedonic    | A type of quartz texture in which the silica crystals making up the mineral are very small such that they give a waxy luster to the mineral. This is characteristic of crystallization under low-temperature conditions.   |
| 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.  |
| Down-dip       | Further down towards the deepest parts of an ore body or zone of mineralisation  |
| Foot wall      | The rock adjacent to and below an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the foot wall will be inclined nearer to the vertical than horizontal.   |

|                           |   |
|---------------------------|---|
| Geochemistry              | The study of the elements and their interaction as minerals to makeup rocks and soils   |
| 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)  |
| Hanging wall              | The rock adjacent to and above an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or mineralised bodies the hanging wall will be inclined nearer to the vertical than horizontal.   |
| 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  |
| 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  |
| Mineral Reserve           | An 'Ore Reserve' is 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   |
| 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  |
| Mt                        | Million tonnes  |
| oz                        | Troy ounce, equivalent to 31.103477 grams   |
| 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).  |
| Quartz                    | A common rock mineral composed of the elements silicon and oxygen.  |
| Quartz veins              | Deposit of quartz rock that develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling, taking on the shape of the cracks that they fill.  |
| 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.   |
| Up-dip                    | Further up towards surface 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.  |
| Wallrock                  | The rock adjacent to an ore or mineralised body or geological fault.  |