



# Condor Gold plc

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## **Condor Gold Plc ("Condor", "Condor Gold" or the "Company")**

### **Condor Gold Mobilizes a Second Drill Rig for a 4,000m Infill Drilling Programme at the Permitted, La India 'High-Grade Starter Pits' and Provides an Update on Drilling**

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce that a second drill rig has been mobilised and started drilling on a 4,000 metre close-spaced infill diamond drilling programme within the permitted open pit at La India Project, Nicaragua. The 4,000m infill drilling programme started in early December 2020 (see RNS dated 7 December 2020). The programme's objectives are three-fold; firstly, to tighten the drill hole spacing within the planned high-grade starter pits on the principal La India Vein. The results of this drilling will provide the sample density required to finalize pit designs and mine schedules ahead of production. Secondly, the diamond drilling programme is designed to replace approximately 90% of the historical reverse circulation ('RC') drill holes within the overall La India open-pit Mineral Resource, the results of which will improve the geological model and sample quality. Thirdly, the diamond drilling is targeting near-by Inferred Mineral Resources to potentially upgrade the target to an Indicated Mineral Resource, and its then potential inclusion in the mine plan, furthermore the infill drilling may upgrade the Indicated Mineral Resource to the Measured Mineral Resource category.

#### **Highlights**

- Second drill rig mobilized on 4,000m infill drilling programme within permitted La India open pit.
- Drilling focused on shallow (to around 35m depth) high-grade starter pits within the main La India open pit.
- Final drilling to make the starter pits "shovel ready" ahead of production.
- Six drill holes completed to date. Assay results are pending.
- Second drill rig to accelerate the drill programme.
- Starter pits are designed pits containing 445Kt at 4.17g/t gold for 59,700 oz gold using a 2.0g/t gold cut-off.
- Aim to convert a small near-by tonnage in the Inferred Mineral Resource category to the higher confidence Indicated Mineral Resource category, and its potential inclusion in the mine plan.
- Aim to convert some of the Indicated Mineral Resource to the higher confidence Measured Mineral Resource category.

- Replacement of historical reverse circulation (RC) drilling within the main La India open pit with diamond core drilling to enhance sample quality and the database ahead of extraction and assist with mine scheduling.

**Mark Child, Chairman and CEO commented:**

“In early December 2020, Condor initiated a 4,000m infill drilling programme within the La India starter pits, which are within the main, permitted La India open pit. Six drill holes have been completed to date, assay results are pending. The arrival of a second drill rig will accelerate the infill drilling programme.

As Condor progresses towards production it has been decided to initiate mine production with high grade starter pits within the permitted main La India open pit and the permitted high grade Mestiza open pit. La India open pit hosts a Probable Mineral Reserve of 6.9 million tonnes (“Mt”) at 3.01 g/t gold for 675,000 oz gold with all-in-sustaining-cash costs of US\$690 per oz gold. The La India starter pits are designed pits; the estimated mill feed is 445Kt at 4.17g/t gold for 59,700 oz gold using a 2.0g/t cut-off. The starter pits have a maximum depth of 35m and have a relatively low strip ratio. The drill program within the La India starter pits will close-up the sample density to 25 metre by 25 metre spacing and is the final drilling ahead of extraction. Mining the higher grade will bring forward cashflow, shorten the payback period and enhance project economics.”

**Background**

On 25 January 2019, SRK Consulting (UK) Limited completed an updated Mineral Resource Estimate (the “MRE”; see RNS dated 28 January 2019 for further details of the MRE) on Condor’s 100% owned La India Project in Nicaragua comprising 9.85 million tonnes (“M tonnes” or “Mt”) at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48M tonnes at 4.3g/t gold for 1,179,000 oz gold in the Inferred category.

The La India Vein Set hosts an open pit Mineral Resource of 8,377kt at 3.1g/t gold for 837Koz gold in the Indicated category and 887kt at 2.4 g/t gold for 69,000oz gold in the Inferred category. Beneath the La India open pit is an underground Mineral Resource estimate of 678kt at 4.9g/t gold for 107Koz gold in the Indicated category and 1,718kt at 5.6 g/t gold for 309,000 oz gold in the Inferred category.

The 25 January 2019 MRE update did not materially change the La India open pit Mineral Resource estimate and consequently the 2014 Pre-Feasibility Study (“PFS”) remained unchanged. La India open pit has an existing Probable Mineral Reserve of 6.9 million tonnes (“Mt”) at 3.01 g/t gold for 675,000 oz gold.

As announced on 4 March 2020 (see RNS), Condor completed internal studies on readily accessible high-grade material within the permitted La India open pit. The starter pits within La India open pit contain a diluted tonnage of 387Kt at 4.29g/t gold for 53,000 oz gold. Condor has subsequently further advance these studies. Within a designed pit shell, the starter pits have two scenarios. At 0.75g/t gold cut-off grade, 635Kt at 3.32g/t gold for 67,800 oz gold with a 4.5 to 1 strip ratio. Using 2.0g/t cut-off grade, 445Kt at 4.17g/t gold for 59,700 oz gold with a 6.8 to 1 strip ratio. See table 1 below:

**Table 1: Starter Pits within the Main Permitted La India Open Pit**

		Cutoff0.75g/t	Cutoff2.00g/t(4)
Ore Tonnes	dmt	634,540	444,600
Gold Grade	g/t Au	3.32	4.17
Silver Grade	g/t Ag	6.53	7.91
Gold Ounces	tr.ozs	67,801	59,672
Silver Ounces	tr.ozs	133,316	113,114
Waste Material	dmt	2,845,209	3,035,149
Total Matl	dmt	3,479,794	3,79,749
<i>Strip Ratio</i>		4.5	6.8

**Notes:**

- 1) Resources include indicated and inferred material within the 2019 resource model
- 2) Resource tabulation from internal Condor estimates, which may differ slightly from SRK total
- 3) Resources are contained within the sub-pits Tajo 3,4, and 7
- 4) Cut off at 2.0 g/t requires that 190kt at 1.33 g/t (8,100ooz) be stockpiled for future processing

### Details of 4,000m in-fill drilling

The primary purpose of the diamond drilling programme is infill drilling on the near-surface high-grade zones where open-pit mining will start. A drill rig commenced drilling on 7 December 2020 (see RNS dated 7 December 2020), a seconded drill rig has arrived on site and will commence drilling shortly. Six drill holes have been completed to date. Condor notes that the drilling company stopped drilling over the Christmas and New Year period. The drill holes will infill between existing 50 metre-spaced drill intercepts to close-up the sample density to 25 metre by 25 metre spacing. The drilling aims to confirm geology and grade continuity in order to increase the confidence in the classification to the Measured category. A Measured Mineral Resource allows more detailed mine planning and scheduling, and the potential conversion of Probable Mineral Reserves to a Proven Mineral Reserve.

The opportunity will also be taken to re-drill and replace approximately 90% of the reverse circulation (RC) drilling within the open pit mineral resources with diamond core drilling. The current open-pit Mineral Resource partially relies upon chip samples from RC drilling in the upper 50 m of the planned open pit, including sections of the high-grade starter pits. It is generally recognised that RC drilling provides reliable gold-grade data at regular metre-scale sample intervals suitable for inclusion in an open-pit Mineral Resource estimation, however, greater and more detailed geological information on the structures that contain the gold mineralised veins and breccias is

provided by diamond core drilling. This additional data will further enhance the current Mineral Resources and Mineral Reserves ahead of mining.

### **Drilling on Mestiza open pit**

It is likely that following the infill drilling programme on La India starter pits that the two drill rigs will relocate to the permitted high grade Mestiza open pit to conduct an infill drilling programme. A separate announcement will be made when this decision is made. The Mineral Resource Estimate on the Mestiza open pit is 92Kt at a grade of 12.1 g/t gold for 36,000 oz contained gold in the Indicated category and 341Kt at a grade of 7.7 g/t gold for 85,000 oz contained gold in the Inferred category. Mining dilution studies have been completed by SRK Consulting limited (See RNS dated 4 March 2020). The diluted and modified mining model reported a total diluted tonnage of 600Kt at 5.76 g/t gold for 111,100 oz gold within the 1500 USD/toz optimized pit shell used in the 2019 Mineral Resource Update.

**- 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 in May 2006 and dual listed on the TSX in January 2018. The Company is a gold exploration and development company with a focus on Nicaragua.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Company the Environmental Permit (“EP”) for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at its wholly-owned La India gold project (“La India Project”). The EP is considered to be the master permit for mining operations in Nicaragua. Condor Gold published a Pre-Feasibility Study (“PFS”) on the La India Project in December 2014, as summarised in the Technical Report, as defined below. The PFS details an open pit gold Mineral Reserve in the Probable category 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. La India Project contains a Mineral Resource of 9,850Kt at 3.6 g/t gold for 1,140Koz gold in the Indicated category and 8,479Kt at 4.3g/t gold for 1,179Koz gold in the Inferred category. The Indicated Mineral Resource is inclusive of the Mineral Reserve. A gold price of \$1,500/oz and a cut-off grade of 0.5g/t and 2.0g/t gold were

assumed for open pit and underground resources respectively. A cut-off grade of 1.5g/t gold was furthermore applied within a part of the Inferred Resource. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources will be converted to Mineral Reserves.

Environmental Permits have also been granted in April and May 2020 in relation to the Mestiza and America open pits respectively, both located in the vicinity of the La India Project. The Mestiza open pit hosts 92Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz contained gold) in the Indicated Mineral Resource category and 677Kt at a grade of 3.1 g/t gold (67,000 oz contained gold) in the Inferred Mineral Resource category. Following the permitting of the Mestiza and America open pits, together with the La India open pit Condor has 1.12M oz gold open pit Mineral Resources permitted for extraction, inclusive of a Mineral Reserve of 6.9Mt at 3.0g/t gold for 675,000 oz gold.

## **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.

## **Qualified Persons**

The Mineral Resource Estimate has been completed by Ben Parsons, a Principal Consultant (Resource Geology) with SRK Consulting (U.S.), Inc, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Ben Parsons has some nineteen years' experience in the exploration, definition and mining of precious and base metal Mineral Resources. Ben Parsons is a full-time employee of SRK Consulting (U.S.), Inc, an independent consultancy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a "qualified person" as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators and as required by the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Ben Parsons 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.

The technical and scientific information in this press release has been reviewed, verified and approved by Gerald D. Crawford, P.E., who is a "qualified person" as defined by NI 43-101 and is the Chief Technical Officer of Condor Gold plc.

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., who is a "qualified person" as defined by NI 43-101.

## **Technical Information**

Certain disclosure contained in this news release of a scientific or technical nature has been summarised or extracted from the technical report entitled “*Technical Report on the La India Gold Project, Nicaragua, December 2014*”, dated November 13, 2017 with an effective date of December 21, 2014 (the “**Technical Report**”), prepared in accordance with NI 43-101. The Technical Report was prepared by or under the supervision of Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Principal Consultant (Mining), Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, and Neil Lincoln of Lycopodium Minerals Canada Ltd., each of whom is an independent “qualified person” as defined by NI 43-101.

## **Forward Looking Statements**

*All statements in this press release, other than statements of historical fact, are ‘forward-looking information’ with respect to the Company within the meaning of applicable securities laws, including statements with respect to: the ongoing mining dilution and pit optimisation studies, and the incorporation of same into any mining production schedule, future development and production plans at La India Project. Forward-looking information is often, but not always, identified by the use of words such as: “seek”, “anticipate”, “plan”, “continue”, “strategies”, “estimate”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, “potential”, “could”, “might”, “will” and similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.*

*Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: mineral exploration, development and operating risks; estimation of mineralisation, resources and reserves; environmental, health and safety regulations of the resource industry; competitive conditions; operational risks; liquidity and financing risks; funding risk; exploration costs; uninsurable risks; conflicts of interest; risks of operating in Nicaragua; government policy changes; ownership risks; permitting and licencing risks; artisanal miners and community relations; difficulty in enforcement of judgments; market conditions; stress in the global economy; current global financial condition; exchange rate and currency risks; commodity prices; reliance on key personnel; dilution risk; payment of dividends; as well as those factors discussed under the heading “Risk Factors” in the Company’s annual information form for the fiscal year ended December 31, 2019 dated March 31, 2020 and available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and*

*future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*