



# Condor Gold plc

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

### **Completion of 2,551 m Geotechnical Drilling for Feasibility Study on the La India Open Pit**

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce the completion of the geotechnical drilling for the upcoming Feasibility Study (FS) at its 100% owned La India Project (the "Project"). Further to the update of 19 October 2021, the programme required a total of 2,551.50 m of oriented core drilling backed by the use of optical and acoustic televiewer scanning, as well as geotechnical lab testing on core samples. This new information is in addition to the data set developed for the Preliminary Feasibility Study (PFS) which consisted of 11 geotechnical holes for a total of 1,836.25 m, and 12 resource drill holes for a total of 2550.43m which have been logged for geotechnical purposes.

Both the PFS and the current FS geotechnical programmes were designed and were being monitored by SRK Consulting (UK) Ltd ("SRK"), which included a recent site visit by a senior geotechnical consultant. The primary objective of the geotechnical programme is to upgrade the PFS work to an FS level.

#### **Highlights**

- **21 geotechnical drill holes completed in 2021 for a total of 2,551.50 m of geotechnical drilling for a geotechnical study to FS level on La India Open Pit**
- **Optical and/or acoustic televiewer employed depending on hole conditions**
- **Laboratory analysis of rock mass units on selected core samples is underway at Agapito Associates and Advanced Terra Testing, Colorado, USA.**
- **A combined 32 geotechnical drill holes for 3,251.50 m has been completed on La India open pit providing sufficient data for FS level design pit angles for the pit over the life of mine.**

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

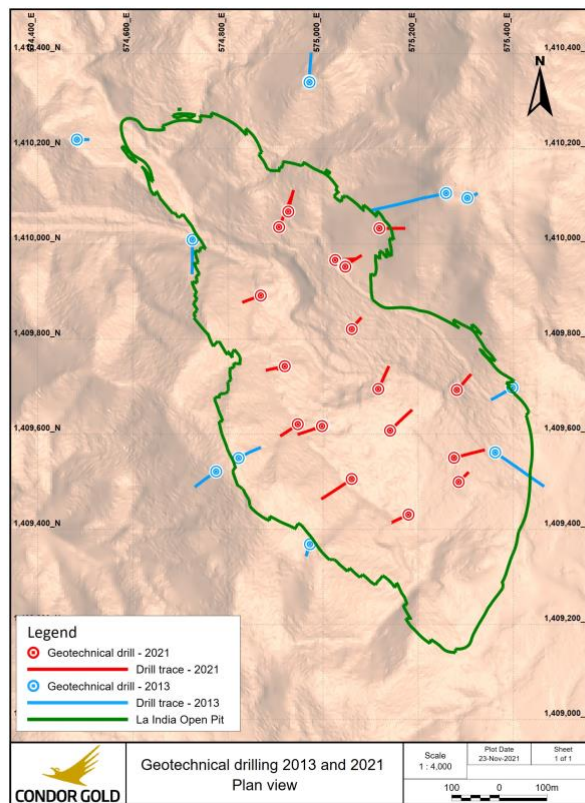
"The completion of an additional 2,551.50 m of geotechnical drilling for a total of 3,251,50 m of geotechnical drilling to date in support of the slope stability assessment, which includes pit slope angles, represents a significant milestone in the completion of the

Feasibility Study for La India Open Pit. The geotechnical analysis will establish the design parameters for the ultimate pit design and the intermediate phases, which in turn will govern the detailed production schedule that underlies the Feasibility Study due in the first quarter of 2022.”

## Background

Condor announced the commencement of geotechnical drilling in an RNS on the 15 June 2021.

**Figure 1: Location of all Geotechnical Drilling to Date on La India Open Pit**



Note: 17 geotechnical holes in 2021 including 4 holes redrilled at same/similar drill collar.

As noted, the objective of the additional geotechnical drilling was to update the understanding of the pit slope stability to a Feasibility Study level of design. The initial 1,700 m was completed in September 2021. Following a review of the results by SRK the programme was extended with an additional five drill holes to further refine the dataset and provide better coverage of key areas of the pit wall. The final data collection from 21 drill holes, including 4 holes that were re-drilled, for 2,551.50 m of drill core was completed on the 19 November, with acceptance of the programme by SRK confirmed the following week.

Laboratory analysis of the mechanical characteristics of the rock mass units was awarded to Agapito Associates Inc and Advanced Terra Testing Inc, both in Colorado, USA and has been conducted in parallel with the geotechnical drilling program.

Results of the slope analysis by SRK are expected in December 2021 and will govern the ultimate pit limits designed for inclusion within the mining schedules for the Feasibility Study planned for the 1<sup>st</sup> Quarter 2022.

### **About the La India Project and La India Open Pit**

Condor announced an updated Preliminary Economic Assessment Technical Report (PEA) on 9 September 2021, which has subsequently been filed on SEDAR. A highlight of the PEA is the open pit and underground scenario producing a Post-Tax NPV<sub>5</sub> of US\$418M, IRR 54%, average production of 150,000 oz gold p.a. for 9 years and payback 12 Months. The La India open pit represents the largest proportion of open-pit production for the La India Project. La India open pit inventory in the PEA, which combines an Indicated Mineral Resource and Inferred Mineral Resource, consists of approximately 8.34 million tonnes of ore grading 2.56 g/t with 79.62 million tonnes of waste for a strip ratio of 9.5 to 1.

- 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.

On 25 October 2021 Condor announced the filing of a Preliminary Economic Assessment Technical Report (“PEA”) for its La India Project, Nicaragua on SEDAR <https://www.sedar.com>. The highlight of the technical study is a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54% and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial 9 years of gold production for combined open pit and underground operations. The open pit mine schedules have been optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first 2 years from open pit material and underground mining funded out of cashflow.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted 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 the master permit for mining operations in Nicaragua. Condor has purchased a new SAG Mill, which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt 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) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) 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 1.12 M oz gold open pit Mineral Resources permitted for extraction.

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

## **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, October 2021*", dated October 22, 2021 with an effective date of September 9, 2021 (the "**Technical Report**"), prepared in accordance with NI 43-101. The Qualified Persons responsible for the Technical Report are Dr Tim Lucks of SRK Consulting (UK) Limited, and Mr Fernando Rodrigues, Mr Stephen Taylor and Mr Ben Parsons of SRK Consulting (U.S.) Inc. Mr Parsons assumes responsibility for the MRE, Mr Rodrigues the open pit mining aspects, Mr Taylor the underground mining aspects and Dr Lucks for the oversight of the remaining technical disciplines and compilation of the report.

## **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, but not limited to, statements with respect to: the use of proceeds of the offering; the impact of a Feasibility Study on, including investor confidence in, the Project; the ability of the Company to access future financing; 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 and resources; 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, 2020 dated March 31, 2021 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.

## Technical Glossary

Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study. (CIM Definition Standards)
Geotechnical Drilling	Drilling that is conducted primarily for the purposes of determining the strength and stability characteristics of a rock mass hosting a mineral resource. Such drilling determines the type of rock, orientation of faults or fracture patterns, presence of water or other factors determining the design parameters for a mine.
Preliminary Feasibility Study	A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral

	Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
NI 43-101	Canadian National Instrument 43-101 a common standard for reporting of identified mineral resources and ore reserves
Oriented Core	A specialized drilling technique that marks the core samples generated by diamond drilling with the high point of the core. These markings permit the determination of the faulting or fracturing directions within the rock mass.
Televiwer	A down-hole tool that is used to provide either optical or acoustic images of the walls of a drillhole, usually a diamond drill hole. These images can then be used to further refine the understanding of the orientation of faulting and fracturing with a rock mass.