



# Condor Gold plc

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

### **Condor selects Hanlon Engineering as the Lead Engineer for a Feasibility Study Design for a New Processing Plant Utilizing the Recently Acquired New SAG Mill**

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce it has selected Hanlon Engineering & Associates of Tucson, Arizona ("Hanlon"), a wholly owned subsidiary company of GR Engineering Services Limited (GRES) <https://www.gres.com.au> (ASX:GNG) as the Lead Engineer to develop a Feasibility Study (FS) level of design for a new processing plant around Condor's recently acquired new SAG Mill at La India Project, Nicaragua. Hanlon will be responsible for the engineering designs, the capital cost and operating costs of the processing plant to a FS level of design.

#### Highlights

- Hanlon and GRES are respected and experienced independent Engineering Consultancy Groups, with a recognised capability in the design and construction of Gold Plants within Australasia and South American context.
- The Feasibility Study design will develop costs to a +/- 15% level of accuracy for the design, capex and opex of a fully engineered Processing Plant package, which is normally a mandatory requirement of debt financing.
- The processing plant design will incorporate the SAG mill recently acquired by Condor.
- The processing plant will be designed to a nominal capacity of 2300 tpd, but have the built-in capacity in several key areas to potentially upgrade throughput to 2,850 tpd.
- Hanlon is due to deliver the FS level engineering designs for a new processing plant within 12 weeks.
- Initial production is expected to range from 80,000 to 100,000 oz gold per annum based on the nominal capacity of 2300 tpd.
- Hanlon will be working in conjunction with its parent company GRES utilising their extensive global experience with the design, construction and expansion of gold processing plants

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

"I am delighted to appoint Hanlon Engineering & Associates to complete the Feasibility Study level design for a new processing plant at La India Project. It's important to note that Hanlon Engineering was engaged by First Majestic Silver, the vendor of the SAG Mill, to help design the new SAG Mill recently purchased by Condor. Their knowledge of the SAG Mill and involvement with many similar process plant designs completed to date will help fast track the delivery of the Feasibility Study

design. A senior engineer from Hanlon is due on site this week. The Feasibility Level designs for the processing plant are due to be delivered to Condor within 12 weeks.”

## **Background**

In recent years, Condor adopted a strategy of de-risking the La India Project focusing on the grant of the master permit to construct and operate a mine by the Ministry of the Environment and Natural Resources, the acquisition of the land needed for the operation of the La India mine, along with continued exploration and permitting of the satellite deposits adjacent to the permitted mine.

With the acquisition of the new Semi-Autogenous Grinding (SAG) mill package from First Majestic Silver in March 2021, and a series of internal and external strategic analysis, Condor sized the plant by committing to a nominal plant capacity of 2,300 tonnes per day with the potential of expansion to 2,850 tonnes per day or more. This has triggered a requirement for a more robust assessment of the capital and operating costs consistent with that capacity to a FS level of accuracy.

An FS level of accuracy, generally plus-or-minus 15%, requires a more detailed design conducted by an experienced processing plant engineering firm, in conjunction with the development of similar levels of accuracy for all of the constituent inputs needed for a comprehensive financial assessment of the project.

Following extensive internal discussion, Condor selected Hanlon to be the FS design engineer for the processing plant. Hanlons’ team demonstrated an extensive catalog of gold plants in South America and Australasia through its parent company GRES. Together, the Hanlon/GRES group can demonstrate over fifteen gold plants designed and built over the last 20 years. Furthermore, GRES was the design engineer for First Majestic Silver’s San Dimas silver/gold plant expansion, was awarded an Engineering Procurement Construction and Management contract at San Dimas and is therefore familiar with the details of the Metso/Outotec SAG mill Condor recently acquired. Lastly, Hanlon was able to demonstrate existing contacts within the region for construction contractors with current experience with the costs of construction for the area.

**- 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 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 Gold published a Pre-Feasibility Study (“**PFS**”) on the project in December 2014, 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 7 years. La India Project contains a Mineral Resource of 9,850 Kt at 3.6 g/t gold for 1.14 Moz gold in the Indicated category and 8,479 Kt at 4.3 g/t gold for 1.18 Moz 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 0.5 g/t and 2.0 g/t gold were assumed for open pit and underground resources, respectively. A cut-off grade of 1.5 g/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 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 Moz gold open pit Mineral Resources permitted for extraction, inclusive of a Mineral Reserve of 6.9 Mt at 3.0 g/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). He has some nineteen years' experience in the exploration, definition and mining of precious and base metals. 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, 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

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
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation.
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)
g/t	grams per tonne
Indicated Mineral 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,
Kt	Thousand tonnes
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

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).
Recovery (drilling)	The percentage of the length of rock that is brought to the surface surface by drilling. The rock samples are typically brought to the surface in 1m to 3m long sections and the recovery is expressed as a percentage of the length of each section.
SAG Mill	Semi-Autogenous Grinding Mill – A rock grinding mill designed to produce plant feed of approximately 75 microns, relying on the hardness of the ore to act as it's own grinding media along with a partial load of steel balls.
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.