# Condor Gold plc

**7th Floor**
**39 St. James's Street**
**London**
**SW1A 1JD**
**Telephone +44 020 74932784**
**Fax: +44 020 74938633**

30th August 2017

**Condor Gold plc**
('Condor', 'Condor Gold' or 'the Company')

**Drill Results from La India: including 3.6 m @ 13.7 g/t Gold and 7 m @ 2.90 g/t Gold**

Condor Gold (AIM: CNR) is pleased to announce new results from drilling on the Mestiza Vein Set ('Mestiza') at the La India Project, Nicaragua. A drill programme of 5,922 m has now been completed. The initial focus was on the Tatiana Vein, one of the four constituent veins; later drilling tested the nearby Buenos Aires and Jicaro veins. The objective is to convert an historic Soviet mineral resource (2,392 kt at 10.2 g/t gold for 785,694 oz gold) to Canadian NI 43-101 standard.

**Highlights:**

- 5,922 m completed, with drilling restricted to the top 200 m (below ground surface).
- A high-grade ore shoot on the Tatiana vein is defined over a strike length of 450 m. It has mineralised true widths up to 4.6 m (averaging 2.2 m over the main mineralised section), in addition to a hanging wall vein up to 6.1 m true width (averaging 1 m)
- Best results received from the most recent 2,848 m include:
    - LIDC365 drill width 3.60 m (true width 3.12 m) at 13.7 g/t gold and 13.9 g/t silver from 142.6 m downhole depth.
    - LIDC363 drill width 7.00 m (true width 6.10 m) at 2.90 g/t gold from 145.5 m.
- Best results received from the 5,922 m
    - LIDC 344 drill width 3.30 m (true width 2.20 m) at 28.3 g/t gold and 38.9 g/t silver from 76.70 m.
    - LIDC 358 drill width 3.55 m (true width 2.30 m) at 23.3 g/t gold and 66.6 g/t silver from 160.50 m.
- Prospect mapping has shown that the Mestiza vein system has a strike length of over 3.5 km. Historic sampling includes 41.5 g/t Au and 47.7 g/t Au up to 2 km north of the recent drilling

**Mark Child, Chairman and CEO comments:**
'The drill programme of approximately 6,000 m on Mestiza has been completed and drill rigs stood down. The highlight of results so far is a high-grade ore shoot in the Tatiana vein. This has a strike length of 450 m and an estimated average true width of 2.2 m. The shoot can be extrapolated approximately 200 m below surface; LIDC 344, which has a drill width 3.30 m at 28.3 g/t gold, is 60 m vertically beneath surface. LIDC 358, drill width of 3.55 m at 23.3 g/t gold, is approximately 100 m vertically below LIDC 344.

New mapping has identified a larger vein system than previously thought. The Mestiza vein set is about 3.5 km long and about 1 km wide. Surface samples of 41.5 g/t and 47.7 g/t gold are 2 km north of the recent drilling. Mapping will continue and is aimed at identifying further high grade shoots by targeting dilational bends in the veins.

Mestiza is excluded from the current mine plans in the PFS and PEA. A successful resource conversion of the Soviet-style resource has the potential to add large, high grade, and relatively shallow resources to a future mine plan, thereby increasing the annual gold production, life of mine, and project economics.'

**Background**

La India Project's existing NI 43-101-compliant mineral resource is 18 Mt at 4.0 g/t Au (2.31 Moz gold). This consists of seven separate resources, most of them open along strike and at depth. It includes Mestiza, which hosts a NI 43-101-compliant Inferred mineral resource of 1,490 kt at 7.47 g/t (333,000 oz gold). Here, Soviet-backed drilling in 1991 estimated a Soviet-style mineral resource of 2,392 kt at 10.2 g/t gold (785,694 oz gold) (See RNS dated 22nd May 2017). The bulk of the resources are contained within the Tatiana vein, the largest of the four main veins at Mestiza, which also includes the Buenos Aires and Jicaro veins to the north of, and Espinito vein set to the west of Tatiana.

**Current Drill Plan**

Condor commenced drilling with one drill rig on the 23rd March 2017, to test the Soviet drilling and convert the Soviet mineral resource to Canadian NI 43-101 standard (See RNS dated 31st March 2017). The first batch of assays was reported on the 22nd May 2017. A second rig was introduced and the second batch of assays was reported on the 29th June 2017.

This initial programme is now concluded, with the completion of 43 drill holes for 5,922 m in total. Table 1 lists the best intercepts above 20 g*m (grade x thickness) gold (Au). Results for LIDC361 to 377 are presented in Table 2. Assays from the last six holes are awaited.

**Table 1 Best Drill Results from the Tatiana vein**

| Prospect | Drill hole ID | From** | To** | Drill Width (m) | True Width (m)* | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|---|---|
| Tatiana | LIDC344 | 76.70 | 80.00 | 3.30 | 2.20 | 28.3 | 38.9 |
| Tatiana | LIDC358 | 160.50 | 164.05 | 3.55 | 2.30 | 23.3 | 66.6 |
| Tatiana | LIDC365 | 142.60 | 146.20 | 3.60 | 3.12 | 13.7 | 13.9 |
| Tatiana | LIDC360 | 40.30 | 43.40 | 3.10 | 2.70 | 14.4 | 29.2 |
| Tatiana | LIDC348 | 91.00 | 93.65 | 2.65 | 1.70 | 12.6 | 21.8 |
| Tatiana | LIDC346 | 83.80 | 86.85 | 3.05 | 2.30 | 6.79 | 14.1 |
| Tatiana | LIDC345 | 129.60 | 133.00 | 3.40 | 2.20 | 6.06 | 21.4 |
| Tatiana | LIDC363 | 145.50 | 152.50 | 7.00 | 6.10 | 2.90 | 0.4 |

* Intercepts calculated above a 0.5 g/t Au cut off. True width is an interpretation based on the current understanding of the veins and may be revised in the future.
** Depth down hole from surface

Drilling with large diameter ('PQ') core was a priority because it provided high recoveries and large sample sizes. The drill rigs have achieved this, but are only able to test the top 200 m. More powerful rigs are required to drill deeper. Therefore, the rigs have been stood down while the results are received and interpreted.

**Drill results for most recent 2,848 m of the 5,922 m drill programme**

New drill results (from holes LIDC361 to 377) are shown in Table 2. The drill plan (Figure 1) shows the distribution of these holes. Of note, LIDC370 cut the Tatiana Vein 40 m below surface and proved a wide zone at lower grade (5.30 m @ 1.11 g/t Au). Holes LIDC363, LIDC365, LIDC367 and LIDC369 were drilled into the heart of Big Bend, at 90 to 200 m below surface. They gave high grades, similar to others in this zone (e.g. LIDC365 3.60 m @ 13.7 g/t Au). Holes LIDC361, LIDC366, LIDC368, LIDC370, LIDC371, intersected the Tatiana Vein at 180 to 220 m below surface and gave lower grades

and narrower widths. However, LIDC368 (0.55 m @ 6.10 g/t Au) shows that high gold grades do persist at depth in places. The overall pattern may reflect the base of supergene enrichment of gold at around 200 m below surface. Alternatively, the vein may pinch at depth. Further drilling is required to fully understand the system and this will require a more powerful drill rig.

LIDC372 to LIDC377 were drilled to test the Buenos Aires and Jicaro Veins. They intersected generally narrow veins and provided better information on the position of these veins. Further mapping has been conducted here, and over the Espinito Vein, to help better site future drill holes.

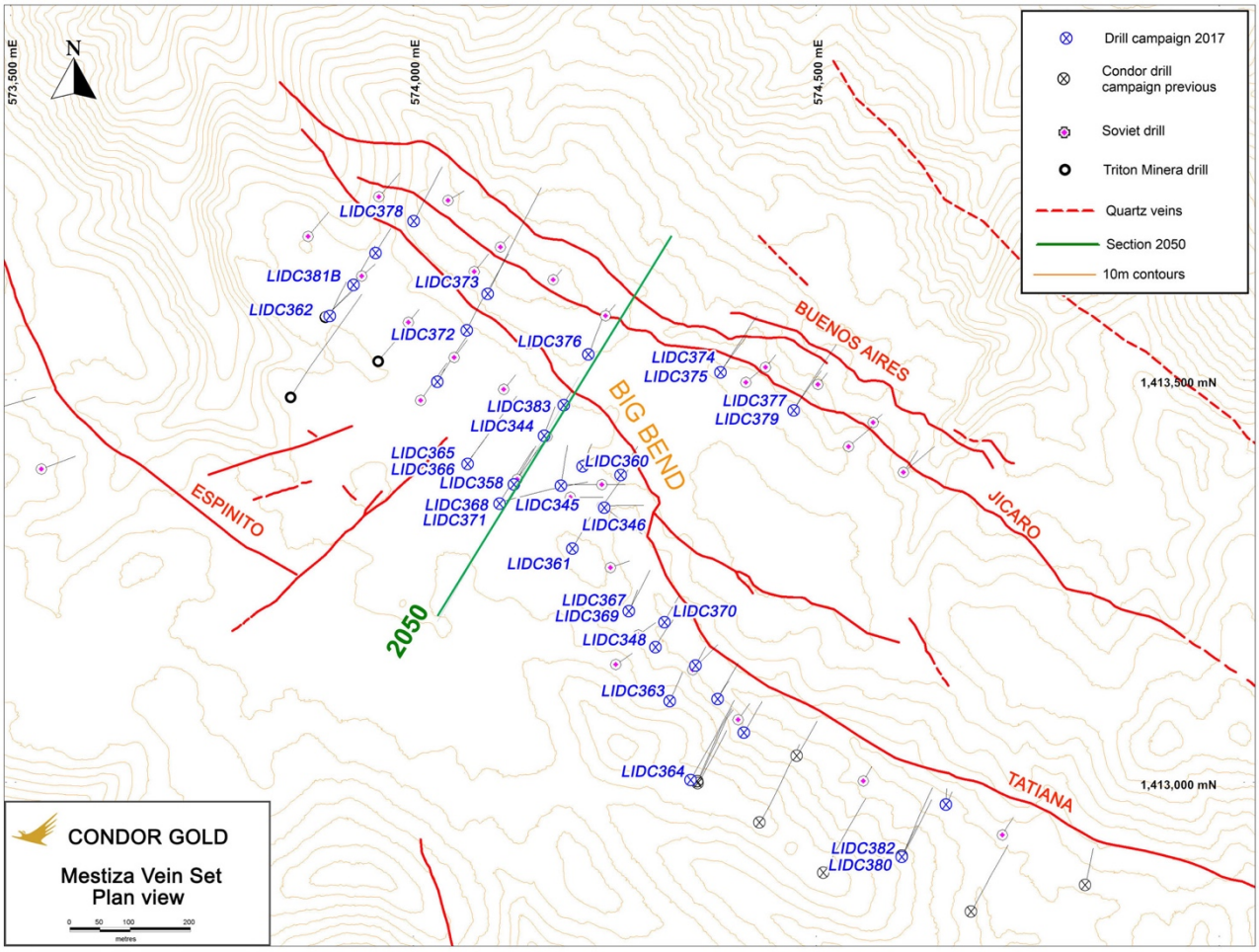
**Table 2 New Drill Results from Mestiza Vein Set**

| Prospect | Drill hole ID | From** | To** | Drill Width (m) | *True Width (m) | Au (g/t) | Ag (g/t) | Other |
|---|---|---|---|---|---|---|---|---|
| Tatiana | LIDC361 | 147.95 | 148.05 | 0.10 | 0.10 | 1.00 | 15.0 | |
| | | 148.80 | 149.05 | 0.25 | 0.20 | 1.05 | 9.00 | |
| Tatiana | LIDC362 | 132.20 | 133.25 | 1.05 | 0.90 | **7.01** | 6.00 | |
| | | 167.80 | 169.70 | 1.90 | 1.60 | 3.66 | 6.95 | Including 0.5 m@ 9.45 g/t Au and 7.0 g/t Ag |
| | | 172.50 | 174.90 | 2.40 | 2.10 | 2.31 | 0.80 | |
| Tatiana | LIDC363 | 145.50 | 152.50 | 7.00 | 6.10 | 2.90 | 0.40 | Including 0.4 m@ 10.55 g/t Au and 9.6 g/t Au |
| | | 161.30 | 163.30 | 2.00 | 1.70 | 2.72 | 5.10 | |
| Tatiana | LIDC364 | 188.40 | 191.00 | 2.60 | 1.99 | 2.45 | 1.40 | |
| | | 193.60 | 194.35 | 0.75 | 0.57 | 1.18 | 3.00 | |
| | | 206.40 | 206.85 | 0.45 | 0.34 | 1.57 | <2.00 | |
| Tatiana | LIDC365 | 142.60 | 146.20 | 3.60 | 3.12 | **13.7** | **13.9** | Including **1.0 m @ 44.47 g/t Au and 35.4 g/t Ag** |
| Tatiana | LIDC366 | 39.80 | 41.70 | 1.90 | 1.30 | 2.34 | 4.70 | |
| | | 133.60 | 134.00 | 0.40 | 0.30 | 3.93 | 7.00 | |
| | | 181.70 | 182.75 | 1.05 | 0.70 | 1.16 | 4.00 | |
| Tatiana | LIDC367 | 55.60 | 56.00 | 0.40 | 0.30 | **5.25** | **53.0** | |
| | | 85.70 | 87.70 | 2.00 | 1.50 | 3.00 | 10.0 | Including 0.8 m @ 6.28 g/t Au and 13.0 g/t Ag |
| Tatiana | LIDC368 | 41.50 | 43.10 | 1.60 | 1.03 | 1.01 | <2.00 | |
| | | 105.15 | 105.70 | 0.55 | 0.35 | **6.10** | 5.00 | |
| | | 198.55 | 200.90 | 2.35 | 1.51 | 2.89 | 8.50 | Including 0.75 m @ 7.28 g/t Au and 20.1 g/t Ag |
| Tatiana | LIDC369 | 46.60 | 46.80 | 0.20 | 0.08 | 2.60 | 3.00 | |
| | | 81.60 | 82.90 | 1.30 | 0.55 | **11.8** | 21.4 | |
| | | 104.00 | 106.50 | 2.50 | 1.06 | 1.65 | 3.40 | |
| Tatiana | LIDC370 | 34.70 | 40.00 | 5.30 | 4.59 | 1.11 | 9.70 | |
| | | 41.50 | 41.90 | 0.4 | 0.35 | 1.48 | 4.00 | |
| Tatiana | LIDC371 | 196.70 | 197.50 | 0.80 | 0.61 | 0.95 | <2.00 | |
| Tatiana | LIDC372 | 26.30 | 26.80 | 0.50 | 0.38 | **6.26** | 7.00 | |
| Buenos Aires | LIDC372 | 163.75 | 164.20 | 0.45 | 0.34 | 4.47 | 2.00 | |
| Buenos Aires | LIDC373 | 93.30 | 94.00 | 0.70 | 0.63 | **11.9** | 7.00 | |
| Jicaro | LIDC374 | 33.70 | 34.60 | 0.90 | 0.78 | 0.86 | 6.00 | |
| Buenos Aires | | 82.60 | 82.95 | 0.35 | 0.30 | **9.20** | 11.0 | Immediately above this 0.90 m void probably artisanal workings |
| Buenos Aires | LIDC375 | 88.20 | 88.50 | 0.30 | 0.18 | 4.98 | 4.00 | |
| | | 104.80 | 106.20 | 1.40 | 1.01 | 1.55 | <2.00 | |
| | | 112.35 | 112.90 | 0.55 | 0.40 | 1.05 | <2.00 | |
| Jicaro | LIDC376 | 73.85 | 74.10 | 0.25 | 0.17 | 3.25 | 5.00 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Buenos Aires | | 104.00 | 104.30 | 0.30 | 0.24 | 4.59 | 3.00 | |
| Buenos Aires | LIDC377 | | | | | | | No significant mineralisation |

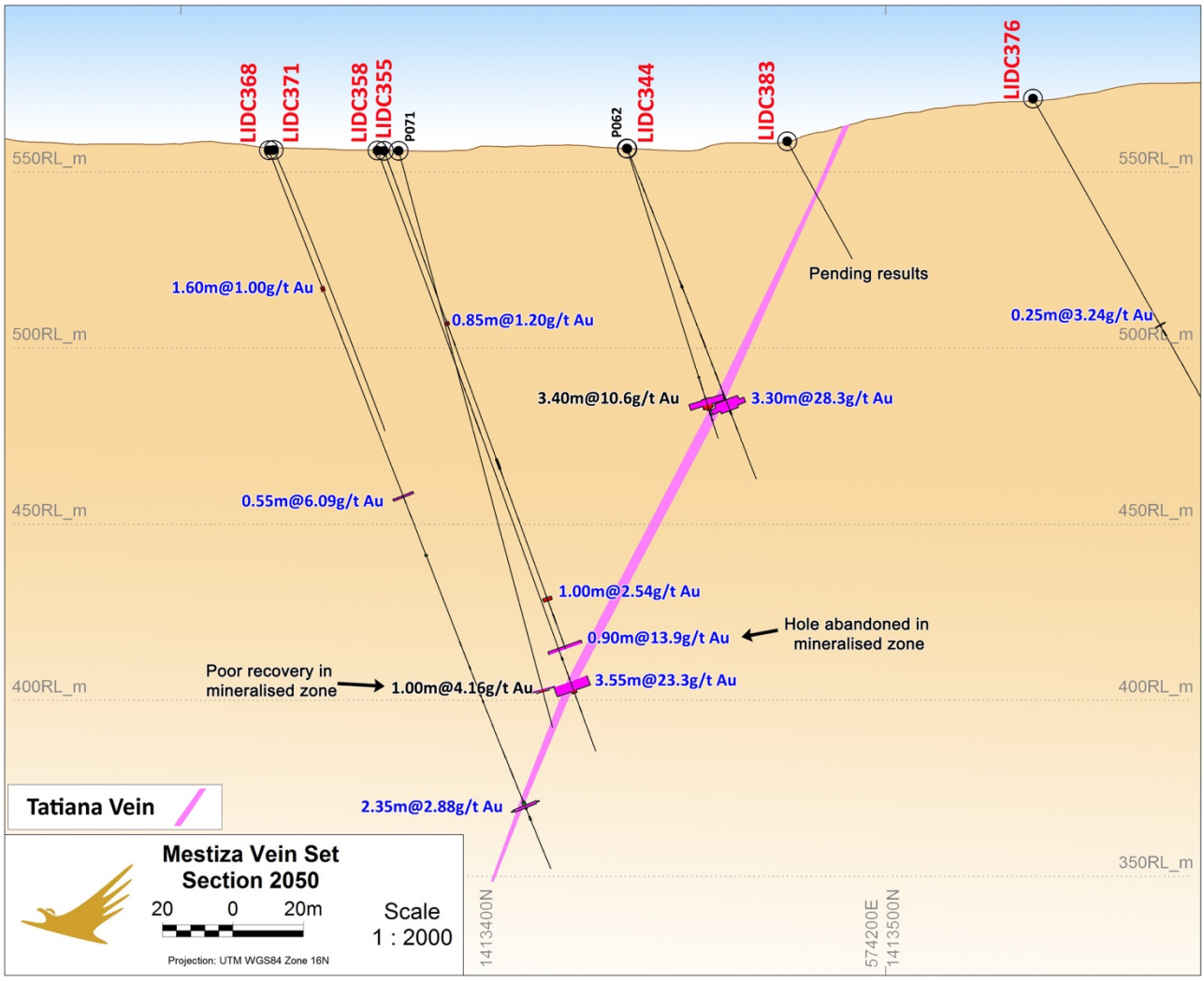
* Intercepts calculated above a 0.5 g/t Au cut off. True width is an interpretation based on the current understanding of the veins and may be revised in the future
** Depth down hole from surface

## Figure 1 Map of Mestiza Vein Set Showing 4 Main Veins




Green line in Figure 1 above is the section shown in Figure 2

**Figure 2 Cross section 2050 of Tatiana Vein**




Note: The pink line in Figure 2 above represents the Tatiana Vein at Cross Section 2050

## Discussion of Drill Results

Mineralisation occurs within a 4 to 6 m wide mineralised structure cutting a major unit of welded tuff with conspicuous fiamme. The structure consists of:

- An early-stage broad zone of jigsaw and crackle hydrothermal breccia with drusy and comb vein quartz in the matrix. These support angular clasts of weakly silicified wall rock. This phase normally has lower gold grade.
- A central high-grade quartz vein, typically 0.5-1.0 m wide, with comb and drusy quartz and minor chalcedony. Textures of the vein vary between holes, from massive silica to locally colloform banded pale green chalcedony with fine streaks of sulphide mineralization and leaching textures with moulds after calcite.
- Late fault breccias contain clasts of vein and hydrothermal breccia in a sooty, black, manganiferous gouge and brick red smectite. These can contain high grade gold.

Gold mineralisation is associated with the quartz vein and fault breccia over true widths of up to 3 m. The nature of the fault breccia, with variable amounts of gold-mineralised vein clasts in a ‘difficult to recover’ clay gouge, leads to high grade variability across the deposit. There is also a supergene effect

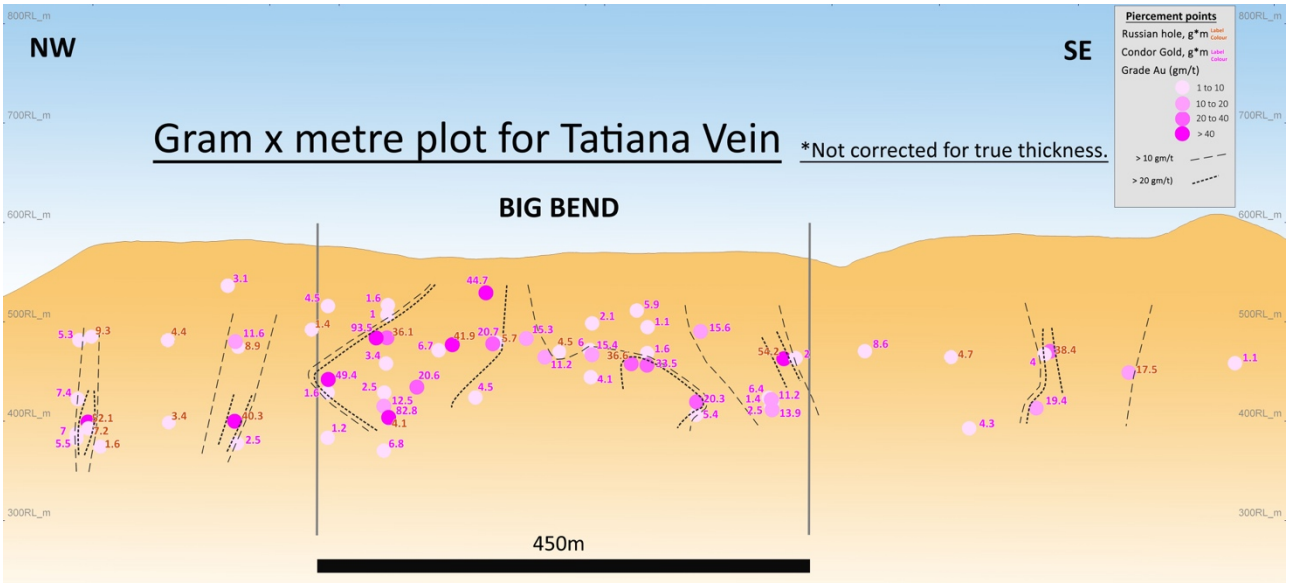
as suggested by enrichment in silver in some of the deeper historic holes (e.g. 0.7 m @ 356 g/t Ag from 198.1 m in LIDC030B).

A long section of the Tatiana Vein (Figure 3) plots the drill hole intercepts where they pierce the vein. It shows all historic and new drilling. Each point is described by a grade x thickness factor; this is the downhole intercept length multiplied by the gold grade. At the local scale, this shows the highly variable nature of mineralisation, but at the larger scale shows that the vein is broadly well mineralised and forms high grade shoots separated by intervening areas of low grade where the mineralised zone is thinner.

A geological model has been developed which correlates high grade gold mineralisation with bends in the vein (see 'Big Bend' in Figure 1). These bends created more open space, allowing more hydrothermal fluid circulation, resulting in higher grade. The Big Bend high grade shoot, which appears to pitch almost vertically, extends over a strike length of approximately 450 m.

The deepest drill holes, about 200 m below surface, intersected lower grades. This may reflect pinching of the vein or the base of supergene enrichment. This has only been tested in two holes at the western end of Big Bend; further deeper drilling is required to test this observation.

**Figure 3 Long Section of Tatiana Indicating a High Grade Ore Shoot**




**Mapping at Mestiza**

Detailed mapping was initiated at Mestiza to better understand the geometry of the veins and identify new bends that may warrant drill testing. Figure 4 shows the distribution of quartz veining together with rock chip and channel assay highlights.

The dominant lithology is a welded tuff showing different facies: it includes a pumice-rich lithic tuff unit and a pumice-poor crystal tuff unit. The latter seems to be a more competent rock for vein development. The tuff is at least 200 m thick. It is underlain by a sequence of andesites and sediments.

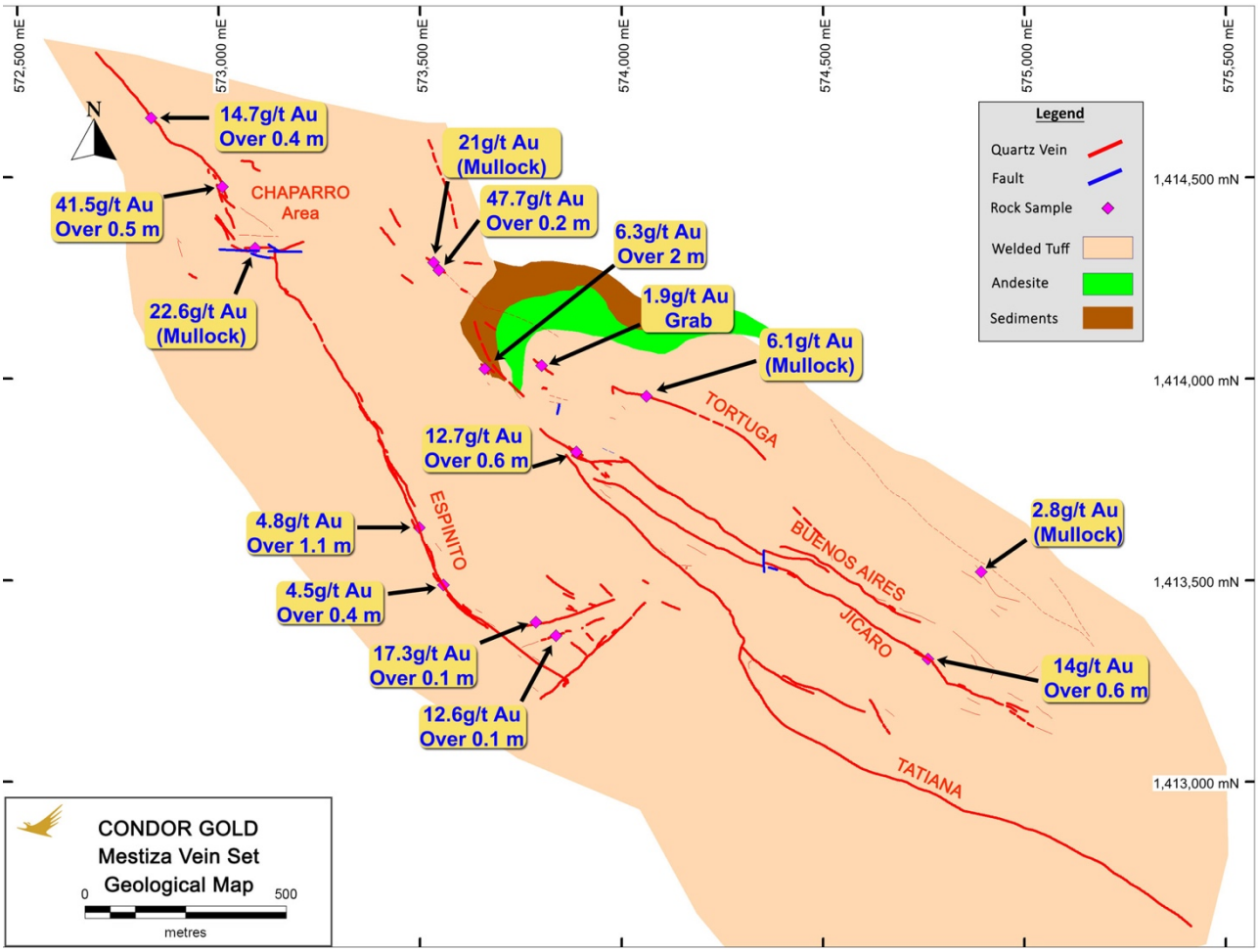
Mapping has traced epithermal quartz veins over a strike length of at least 3.5 km in the Mestiza area. The Tatiana, Jicaro and Buenos Aires veins coalesce in the northwest and appear to combine into a single northwest-striking vein. There is also a newly discovered, parallel vein, the Tortuga Vein, which

assayed up to 6.1 g/t Au in a mullock rock sample. Historic sampling of the northwestern extension of all these veins includes 47.7 g/t Au over 0.2 m, at 450 m along strike from the westernmost Tatiana vein exposures.

The Espinito Vein has been traced over a strike length of 2 km, and shows a jog in the Chaparro area (Figure 4). It hosts numerous artisanal workings and previous sampling returned up to 41.5 g/t Au over 0.5 m. A series of ENE-WSW linking structures, with a strike length of over 300 m, occur between the southernmost part of the Espinito vein and the Tatiana vein. These probably represent more dilational structures, exploited by mineralizing fluids. Historic sampling includes 17.3 g/t Au over 0.1 m.

Trenching of key areas is proposed and will be completed and reviewed prior to recommending drilling.

**Figure 4 Mestiza Vein Set; geological map and selected gold assays**

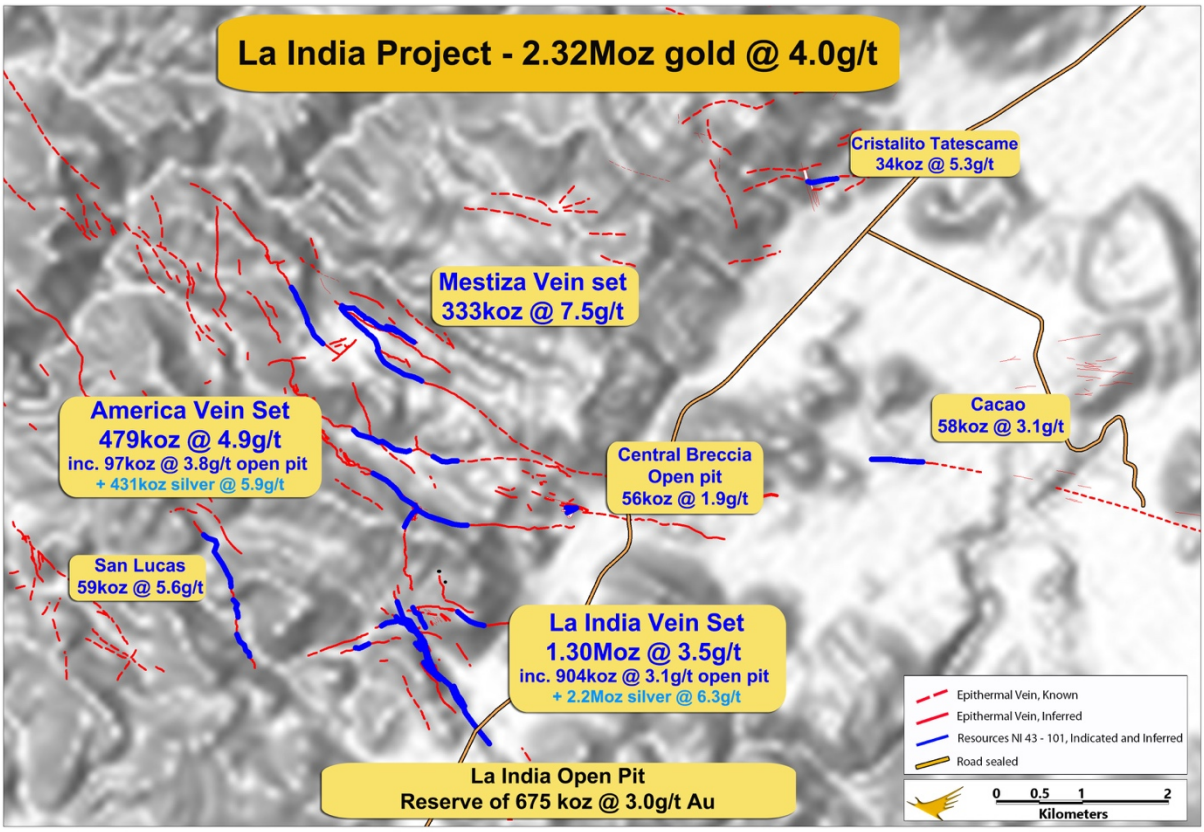


**Mestiza in the context of La India**

Mestiza is significant for five reasons:

1. It already hosts a NI 43-101-compliant mineral resource of 1,490 kt at 7.47 g/t; 333,000 oz gold, although a Soviet mineral resource of 2,392 kt at 10.2 g/t gold for 785,694 oz gold was previously defined over the area and hence an opportunity exists to upgrade the former. This is excluded from the current Pre-Feasibility Study ('PFS') and Preliminary Economic Assessment ('PEA') at La India.
2. The PEA (December, 2014) has an open pit and underground mining scenario using a 1.6 Mtpa processing plant recovering 1,203 koz gold over the life of mine, with the first 5 years production averaging 138,000 oz gold pa.
3. The January 2016 Whittle Enterprise Optimisation to NPV of the above PEA materially increased the recovered gold and project economics. Using the same 1.6 Mtpa processing plant, recovered gold increased to 1,437 koz gold over the life of mine, with the first five years of production averaging 165,000 oz gold pa.
4. All production scenarios exclude Mestiza, which is in close proximity to La India (See Figure 5). There is excellent potential to bring high grade gold from Mestiza into a future mine plan, feeding a centralised processing plant.
5. Importantly, Mestiza hosts a relatively shallow, high-grade, oxidised resource. This is currently viewed as a combined open pit-underground mining target. The average drill depth is 112 m for the 6,000 m resource conversion drilling programme. The existing resource is open along strike in both directions and at depth. Its shallow, high grade nature suggests it could be added early on to the mine plan, enhancing the production profile and economics of the project.

**Figure 5 Location of 7 resources that comprise the La India Project**




***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, and reviewed, by Mr Peter Flindell, Member of the Australian Institute of Geoscientists, Member of the Australasian Institute of Mining and Metallurgy and Member of the Society of Economic Geologists. Mr Flindell is a geologist with over thirty years of experience in the exploration of precious metal mineral resources. Mr Flindell is a non-executive director on the Board of Condor Gold plc who also provides technical leadership to the technical team in Nicaragua and has considerable experience in epithermal mineralization, the type of deposit under consideration, and sufficient experience in the type of activity that 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. Mr Flindell 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.

**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 |
| breccias | A fragmental rock, composed of rounded to angular broken rock fragments held together by |

| | |
|---|---|
| | a mineral cement or in a fine-grained matrix. They can be formed by igneous, tectonic, sedimentary or hydrothermal processes. |
| C1 | C1 reserves are broadly equivalent to JORC indicated resources and have been estimated by a sparse grid of trenches, drill holes or underground workings. The quality and properties of the deposit are known tentatively by analyses and by analogy with known deposits of the same type. The general conditions for exploitation are partially known |
| C2 | C2 reserves are broadly equivalent to JORC inferred resources and have been extrapolated from limited data, probably only a single hole |
| Chalcedony | A variety of quartz formed by microscopic or submicroscopic crystals. In an epithermal environment, chalcedony is formed in low temperature and pressure conditions high in the system. |
| Colloform banded | A texture found in fine grained quartz (chalcedony) veins where crystals have grown in a radiating and concentric manner form a vein centreline to give a finely banded appearance |
| Comb quartz | A quartz vein texture describing masses of parallel long, thin crystals growing inwards from the vein margins produce a texture like that of a comb. |
| Drusy quartz | A coating of fine quartz crystals on a rock fracture surface, which may be an open space in the vein. |
| Fiamme | Fragments of volcanic ejecta, often pumice, that have been flattened by compaction to form flame-like shapes |
| 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. |
| Kt | Thousand tonnes |
| 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. |
| 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 |
| Phreatic breccias | Fragmental rocks formed near the Earth's surface by the interaction of hot rock and cold water, or vice versa. Commonly occur at the top of mineralized epithermal gold systems. |
| 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 |
| Soviet Classification | The former Soviet system for classification of reserves and resources, developed in 1960 and revised in 1981, which divides mineral concentrations into seven categories of three major groups, based on the level of exploration performed: explored reserves (A, B, C1), evaluated reserves (C2) and prognostic resources (P1, P2, P3) |
| Soviet GKZ | The former Soviet State Commission for Mineral Reserves. |
| 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. |
| Welded tuff | A fragmental volcanic rock formed by sufficiently hot volcanic ejecta that the fragments |

| | |
|---|---|
| | weld together |
| Zeolite veinlets | Zeolites are hydrated aluminosilicates found in gas bubbles within basalts and in geothermal districts. They also found in the upper parts of gold-bearing epithermal systems. |

**- Ends -**

For further information please visit www.condorgold.com or contact:


| | |
|---|---|
| Condor Gold plc | Mark Child, Executive Chairman and CEO<br>+44 (0) 20 7493 2784 |
| Beaumont Cornish Limited | Roland Cornish and James Biddle<br>+44 (0) 20 7628 3396 |
| Numis Securities Limited | John Prior and James Black<br>+44 (0) 20 7260 1000 |
| Farm Street Media | Simon Robinson<br>+44 (0) 7593 340107 |


**About Condor Gold plc:**

Condor Gold plc was admitted to AIM on 31st May 2006. The Company is a gold exploration and development company with a focus on Central America.

Condor published a Pre-Feasibility Study ("**PFS**") on its wholly owned La India Project in Nicaragua in December 2014, as summarized in the Technical Report (as defined below). The PFS details an open pit gold mineral reserve in the Probable category of 6.9 million tonnes ("Mt") at 3.0 grammes per tonne ("g/t") gold for 675,000 ounces ("oz") gold, producing 80,000 oz gold per annum for seven years. La India Project contains a mineral resource in the Indicated category of 9.6 Mt at 3.5 g/t for 1.08 million oz gold and a total mineral resource in the Inferred category of 8.5 Mt at 4.5 g/t for 1.23 million oz gold. The Indicated mineral resource is inclusive of the mineral reserve.

The mineral resource and reserve calculations disclosed herein were prepared by independent geologists SRK Consulting (UK) Limited. The mineral reserve and mineral resource estimates disclosed herein have an effective date of 21 December 2014 and 30 September 2014, respectively.

**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 Information

The disclosure contained in this news release of a scientific or technical nature has been summarized or extracted from the Technical Report titled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", with an effective date of December 21, 2014 (the "Technical Report"), prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("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 such term is defined in NI 43-101.

David Crawford, Chief Technical Officer of the Company and a Qualified Person as defined by NI 43-101, has approved the written disclosure in this press release.