



# Condor Gold plc

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16<sup>th</sup> October 2013

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

## **Geotechnical Study to PFS Level Completed on La India Open Pit, Nicaragua.**

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial reserve on its 100%-owned La India Project in Nicaragua, which hosts a CIM compliant Mineral Resource of 2.4 Million oz gold at 4.6g/t, is pleased to announce the completion of a geotechnical study to the Pre-Feasibility Study ("PFS") level of confidence on the proposed La India Open Pit. The study has demonstrated that the La India Open Pit will support pit wall angles varying between 40 and 48 degrees, an improvement in the 40 to 42 degree angles assumed in the Preliminary Economic Assessment ("PEA").

Mark Child, Chairman and CEO commented:

"The results of the geotechnical report to the Pre-Feasibility Level of confidence are encouraging. The pit angles range from 40 to 48 degrees and are an improvement on the 40:42 degree pit angles used in the Preliminary Economic Assessment released in March 2013. Steeper pit angles may allow the open pit to be pushed deeper and reduce the strip ratio of waste rock to mineralised ore, thus improving economics. This is particularly significant to La India Project as 432,000 oz gold at 4.9g/t sits beneath the current open pit resource of 954,000 oz gold of 3.6g/t. It is also noted that the PEA used a smaller pit containing 800,000 oz gold. An improvement in pit angles could drive the pit deeper, so that circa 1 Million oz gold open pit resource could be used in the next mining study. Furthermore, it is likely that the pit angles will be improved/optimised further once hydrogeology studies are completed, which include hydrogeological drilling to determine the dewatering characteristics of the open pit."

### **Summary of Geotechnical Study Findings for La India Vein Set Resource**

La India Vein Set hosts a mineral resource of 12 Million tonnes at 4.0g/t for 1.5 Million oz gold, as announced in September 2012. Over 60% of the resource is contained within an optimised open pit shell derived using Whittle pit modelling software for an open pit resource of 8.21 Million tonnes at 3.6g/t for 954,000 oz gold. There is a further 2.77 Million tonnes at 4.9g/t for 432,000 oz gold underground resource beneath the La India Open Pit resource. A PEA based on the September 2012 resource data suggested that an 800,000 oz gold open pit was potentially feasible using a conservative assumption of 40-42° pit slope angles as no geotechnical or hydrogeology work had been undertaken (see announcement dated 5<sup>th</sup> March 2013). The geotechnical study was undertaken to provide a more accurate model of the slope angles that can be supported by an open pit, to a level of confidence that can be used in a future PFS.

### **Geotechnical Study Data**

The geotechnical study was planned and overseen by SRK Consulting (UK) Limited ("SRK") and completed to PFS level of confidence incorporating data from:

- Geotechnical mapping of surface outcrops and old mine workings.
- Geotechnical core logging by an SRK consultant of 11 geotechnical drill holes for 1836m, supplemented by geotechnical logging of 12 selected resource drill holes for a further 2550m.
- Measurement geo-mechanical properties of over 400 samples completed both on-site and in specialist geotechnical laboratories in Nicaragua and the United Kingdom.
- Groundwater data collected from 13 existing wells and mine shafts, supplemented by 6 piezometers installed in selected geotechnical drill holes, including hydraulic conductivity data collected using falling head tests on three selected drill holes.
- 3-Dimensional geological mapping of rock types, geological structures and weathering horizons.

The analysis and interpretation of geotechnical data has been completed. La India Open Pit area has been divided into eight geotechnical domains, four in the hanging wall and four in the footwall zones, each of which will support different pit wall angles reflecting variations in properties such as the rock strength and the frequency, pattern and form of natural joints, fractures and faults in the rock. Pit slope angles vary between 40 degrees at the northern end of the open pit where the gold mineralised Arizona Vein cross-cuts the La India Resource, and 48 degrees between the 600-1200 cross sections where the bulk of the gold mineralisation is contained and the pit will be deepest.

### **Resource Update**

Further to the completion of 23,600m drilling on La India Project since the September 2012 resource announcement, a resource update is currently underway and due by the end of October 2013. 13,956m of this drilling campaign was in La India Open Pit area focused on converting the gold resource from inferred to indicated category within the entire 954,000 oz open pit resource and part of the 432,000 oz gold beneath the open pit resource. The steeper pit walls will reduce the amount of waste rock that needs to be moved, improving economics and opening the possibility of mining deeper than previously envisaged using open pit methods

### ***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 eighteen 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 their 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 is an AIM listed exploration company focused on developing gold and silver resource projects in Central America. The Company was admitted to AIM on 31<sup>st</sup> May 2006 with the stated strategy to prove up CIM/JORC Resources in Nicaragua and El Salvador. Condor has seven 100% owned concessions in La India Mining District (“La India Project”); three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor’s concession holdings in Nicaragua currently contain an attributable CIM/JORC compliant resource base of 2,497,000 ounces of gold equivalent at 4.6 g/t in Nicaragua and an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource base in El Salvador. 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

CIM	Canadian Institute of Mining, Metallurgy and Petroleum whose terminology, definitions and guidelines are an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee (CRIRSCO) as required by National Instrument 43-101.
Core orientation	The technique of reconstructing the spatial position of rock samples (core) taken to the surface by drilling in their original orientation. There are several electronic and mechanical methods available generally involving marking the position of the rock in the drillhole prior to extraction.
Cross-cut adit	A cross-cut adit is a tunnel driven perpendicular to the longest horizontal direction (strike) of an ore or mineralised body, usually constructed to provide access.
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.
Fracture frequency	The measurement of the number of natural physical fractures or breaks in a rock per unit distance along a straight line drawn through the rock. The fracture frequency often varies considerably depending on the orientation of the line
Geomechanics	The study of the mechanical or physical properties of rock and soil, particularly the response to applied forces, generally by measuring the force required to induce failure
Geotechnical	The study of the mechanical and chemical properties of rock and soil with respect to engineering
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
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.
Hydraulic Conductivity	A measure of the ease with which water will move through a medium such as rock
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
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
koz	Thousand troy ounces (equivalent to 31.103477 kilograms)
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
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.
Mt	Million tonnes
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).
oz	Troy ounce, equivalent to 31.103477 grams
Pit Slope Angles or Pit Angles	The overall slope angle of the pit wall in a open pit as measured from a horizontal plane, such that 90 degrees would be a vertical wall
Rock Strength	The measurement of the stress that a rock can withstand before failuring
stripping ratio or strip ratio	Refers to the ratio of the volume of overburden or waste material required to be handled in order to extract some volume of ore. For example, a 10:1 stripping ratio means that mining one cubic meter of ore will require mining ten cubic meters of waste rock
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.
Weathering	The chemical and physical change of a rock in response to exposure to surface processes, typically dominated the oxidation of minerals through chemical reaction to atmospheric oxygen and water, and physical disaggregation due to temperature effects.
Whittle Pit	An open pit mine planning method in which the optimum dimensions of an economic open pit are modelled around a mineral resource constrained by various technical and economic variables.