



# Condor Gold plc

7/8 Innovation Place  
Douglas Drive  
Godalming  
Surrey  
GU7 1JX

Tel: +44 (0) 207 493 2784

27 October 2020

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

### Condor Gold Commences Ground Investigation Drilling in Preparation for Mine Construction at La India Project, Nicaragua

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce it has commenced a ground investigation program consisting of 20 geotechnical drill holes and 58 test pits on the Tailings Storage Facility (TSF), Water Retention Reservoir and Processing Plant site at La India Project, Nicaragua. Condor is accelerating La India Project from a Pre-Feasibility level of design to Final Engineering Designs on key infrastructure in preparation for construction on the fully-permitted La India gold mine project.

#### Highlights

- Geotechnical drilling and test pits for the final design for the tailing storage facility (TSF) has commenced.
- Final TSF design will be fully compliant with internal and external legislation.
- Geotechnical drilling and test pits on La Simona dam and reservoir - the purpose is to develop the design criteria for a retention dam and diversion water facility.
- Work also underway, via a dozen test pits, on initial characterization of the geotechnical properties of the plant area to allow next phase of design work to be detailed

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

"The commencement of ground investigations via a geotechnical drilling program of 20 drill holes and 58 test pits on the Tailings Storage Facility (TSF), La Simona water retention reservoir and processing plant site demonstrates Condor's commitment to advance La India Project to construction. Condor has previously completed a Pre-Feasibility level design on the TSF and water retention reservoir. The decision has been taken to accelerate the Project, by-passing a Feasibility level design, which is typically required for bank lending and go directly to a TSF Final level of design, which will, subject to funding, allow the fast tracking of the Project to future operational status".

#### Background

Tierra Group International, Ltd. (Tierra Group) has been engaged to develop the Final Designs for the TSF and water retention reservoir for a new mine at La India Project. The Final TSF design will be fully compliant with internal and external legislation. Tierra Group will also undertake an

initial ground investigation of the processing plant site that will be used to constrain and optimise the final layout design. Condor owns 100% of the land required for the TSF, La Simona dam and retention reservoir and plant location.

The purpose of the geotechnical drilling and some of the test pits is to characterize subsurface geology and foundation conditions below the proposed TSF and water retention dams' footprints. Test pits will also characterize the surficial geology along the TSF's proposed diversion channel alignments, the water retention properties of the soil and subsurface geology within the TSF and water retention reservoir, and the foundation conditions within the processing plant site. Tierra Group will perform in-situ permeability testing in the drill holes and measure the geomechanical properties of the soil and rock from the drill holes and test pits both on-site and through laboratory testwork. The geotechnical ground investigation is expected to take 70 days.

The geotechnical engineering analysis results and recommendations will support a TSF and retention dam Final Design, and contribute towards an advanced processing plant layout design. Tierra Group is completing the necessary civil engineering activities and are responsible for producing the final engineering design drawings for the TSF and water retention dam. The Ministry of Environment and Natural Resources ("MARENA") has requested Final Designs as a condition of granting the key environmental permit to develop, construct and operate a new mine at La India. Dr Luc English, Condor's former Country Manager is managing the geotechnical drilling and ground investigations as a senior consultant geologist, bringing with him extensive knowledge of the Project.

**- Ends -**

For further information please visit [www.condorgold.com](http://www.condorgold.com) or contact:

Condor Gold plc

Mark Child, Chairman and CEO  
+44 (0) 20 7493 2784

Beaumont Cornish Limited

Roland Cornish and James Biddle  
+44 (0) 20 7628 3396

SP Angel Corporate Finance  
LLP

Ewan Leggat  
+44 (0) 20 3470 0470

Blytheweigh

Tim Blythe, Camilla Horsfall and Megan Ray  
+44 (0) 20 7138 3204

**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 mining dilution studies reported for the Mestiza and America deposits have been performed under the supervision of Dr Tim Lucks, Principal Consultant (Geology & Project Management), of SRK Consulting (UK) Limited, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). Tim Lucks is an independent “qualified person” as such term is defined in NI 43-101. Tim Lucks consents to the inclusion in the announcement that material that relates to the America and Mestiza dilution studies, 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.

### **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.*