



# Condor Gold plc

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

### **La India exploration update: 142.4 g/t gold rock chip sample identified, 1,123 m of 4,000 m Scout Drilling and 168 km<sup>2</sup> of Soil Survey Completed**

Condor (AIM:CNR), is pleased to provide an update on scout drilling and regional exploration at the La India Project, Nicaragua, which hosts a high grade mineral resource of 18.08 M tonnes at 4.0 g/t for 2.31 M oz gold.

#### **Highlights**

- 142.4 g/t gold rock chip sample identified approximately 30 m along strike from a 53.9 g/t gold rock chip on the Los Limones prospect at the northern end of a 12.5 km mineralised corridor, 9 km north of the main La India open pit reserve.
- 168 km<sup>2</sup> of 313 km<sup>2</sup> soil survey completed. The aim is to identify feeder zones and new gold targets.
- Initial interpretation of soil results shows two major feeder zones, the La India and Andrea Corridors, and supports the concept of a major gold District.
- 1,123 m of 4,000 m scout drilling has been completed, assay results due in 2017.

#### **Mark Child CEO comments:**

"Condor's strategy of proving that La India Project is part of a major gold District is yielding positive results. A 142.4 g/t gold rock sample, 30 m along strike from a 53.9 g/t gold rock chip, at the northern end of the 12.5 km-long Andrea mineralised corridor, and 6 km away from the nearest gold resource, is highly encouraging. A regional soil survey is about 50% completed. The purpose is to generate new gold targets and better understand the district-scale mineralisation. For example, to determine upflow zones of the fossil geothermal (epithermal) system and identify new gold targets.

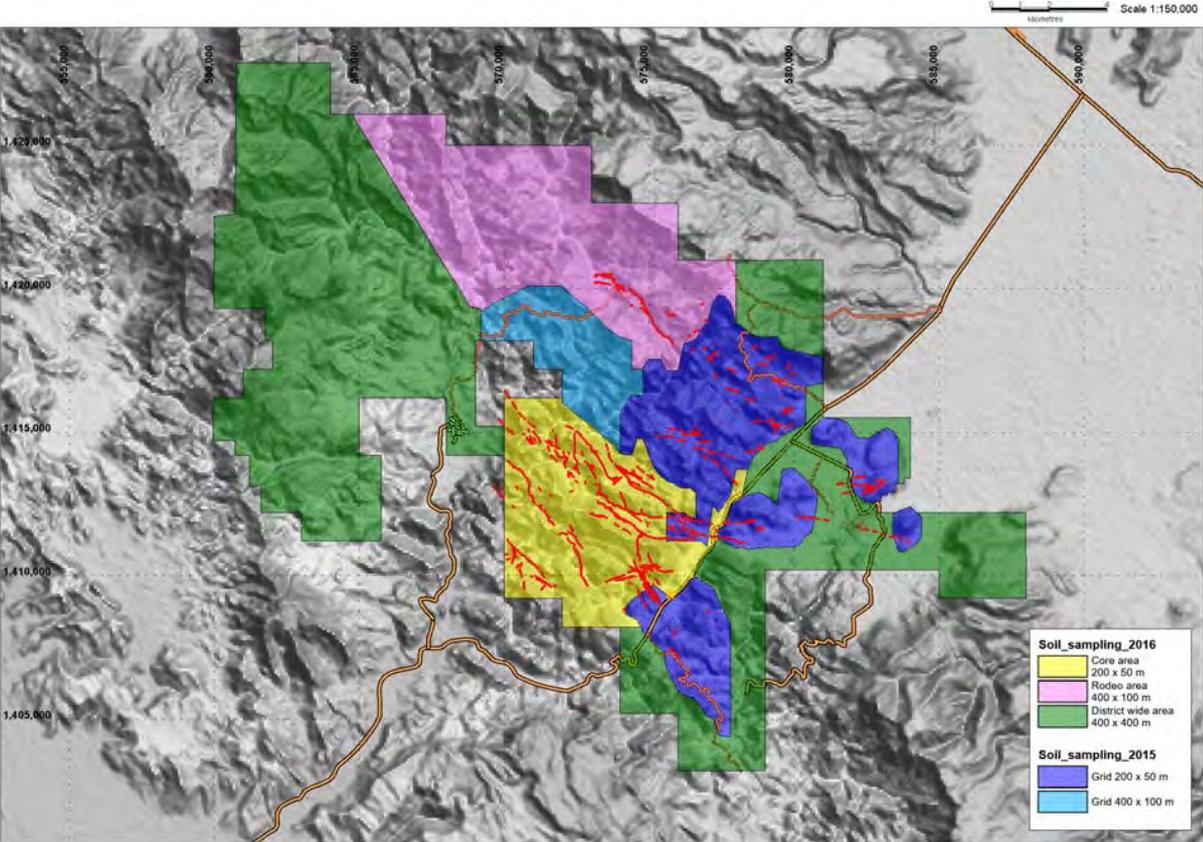
The initial interpretation of the soil survey, combined with helicopter borne geophysics, structural and regional mapping, is that there are two major feeder zones. The La India Corridor is better understood and hosts 90% of the Project's high grade mineral resource of 18.08 M tonnes at 4.0 g/t (2.31 M oz gold). The Andrea Corridor is less well understood and is the focus of the current 4,000 m scout drilling programme".

#### **Background**

A regional soil geochemistry survey is underway over the 313 km<sup>2</sup> La India Project. During 2015 and 2016 a total of 12,208 samples were collected covering 168 km<sup>2</sup>, assays have been received for most. Samples are collected along lines at 200 m or 400 m apart and at intervals varying from 50 m to 400 m (see Figure 1 below). The survey covers both 'virgin' territory, with no mapped epithermal veins, and

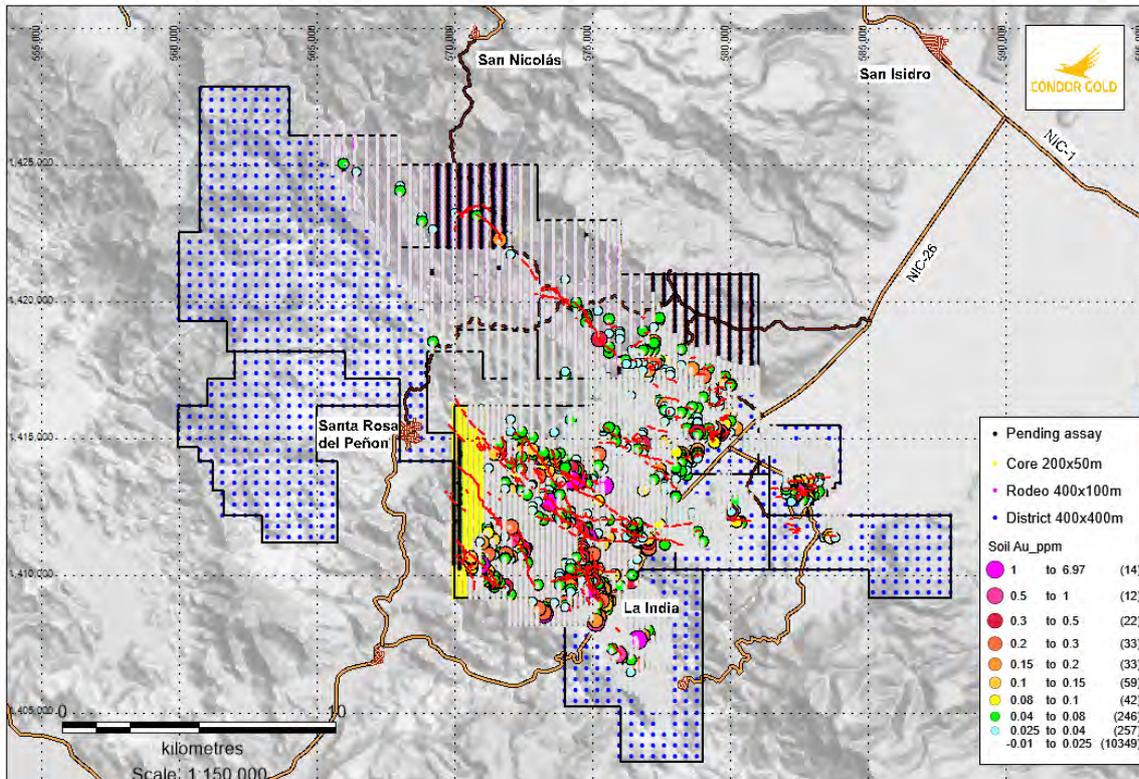
areas of known mineralization, such as La India, America and Mestiza. The La India Project has approximately 105 km strike length of veins, of which about 55 km have been trenched or mapped in any detail; only 13.2 km have been drill tested. Many veins have never been sampled.

**Figure 1: Soil Survey Sample Spacing**



Samples collected to date are shown in the Figure 2 below. The blue dots remain to be collected. Assays are awaited for the black dots.

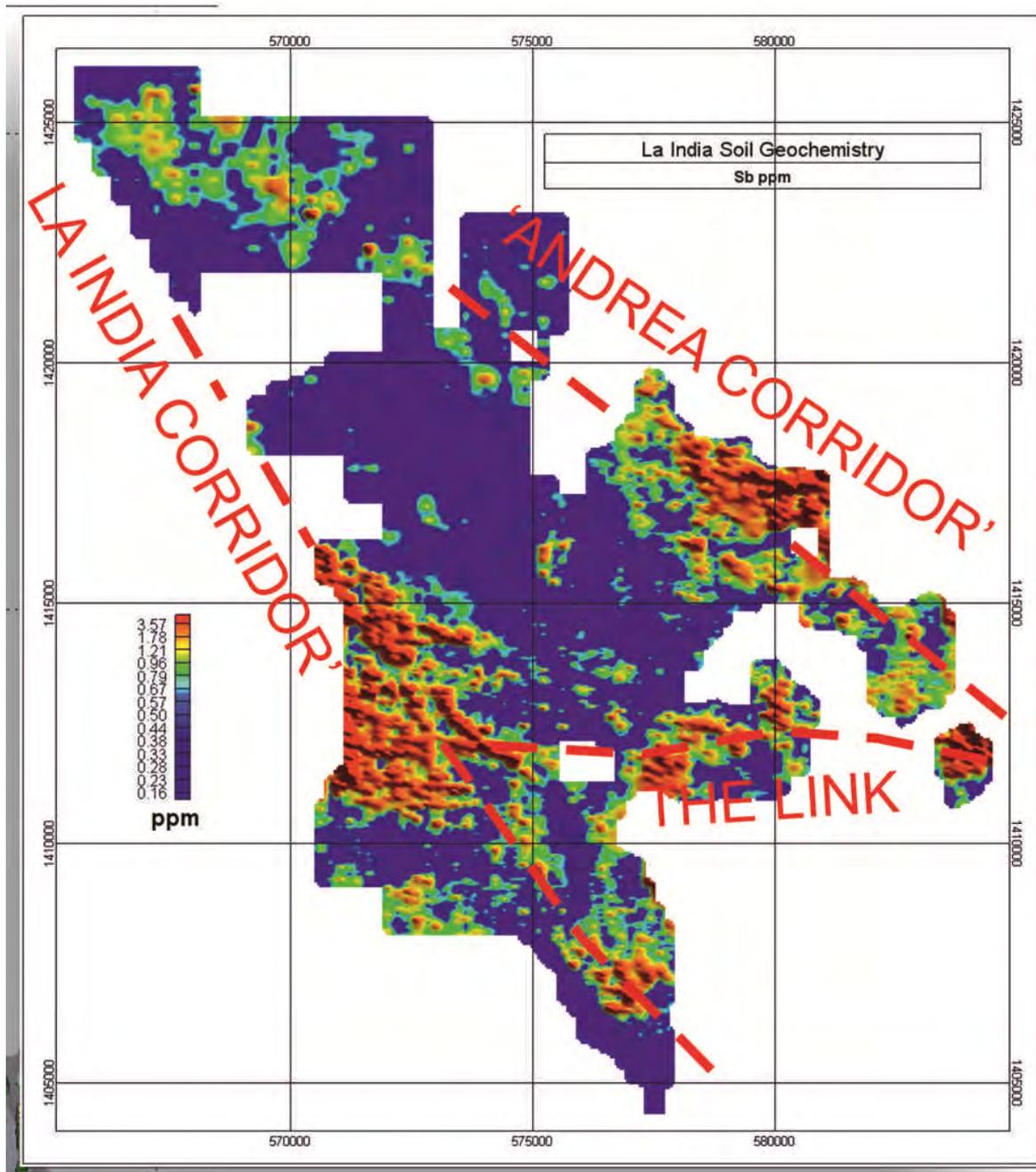
**Figure 2: Soil Samples Collected to date**



### Initial Soil Survey Interpretation

The soil survey is ongoing, so this is an initial interpretation. Several elements, in particular Gold (Au), Tellurium (Te), Thallium (Tl), Arsenic (As), Silver (Ag) and Antimony (Sb), define two significant trends. These are interpreted as two major basement feeder zones: La India and Andrea Corridors (see Figure 3 below). The La India Corridor cuts obliquely across some of the better known veins, such as La India, America, Mestiza and seems to localize higher gold grades at these intersections. This understanding will help future drill targeting. There is also a suggestion that some rich veins (Tatascame, Los Limones) are *en echelon* structures, at high angle to the Andrea Corridor. They may have provided localized dilations for fluids to rise. Drilling to test this model at Tatascame is due to commence shortly.

**Figure 3 Two Major Basement Feeder Zones**



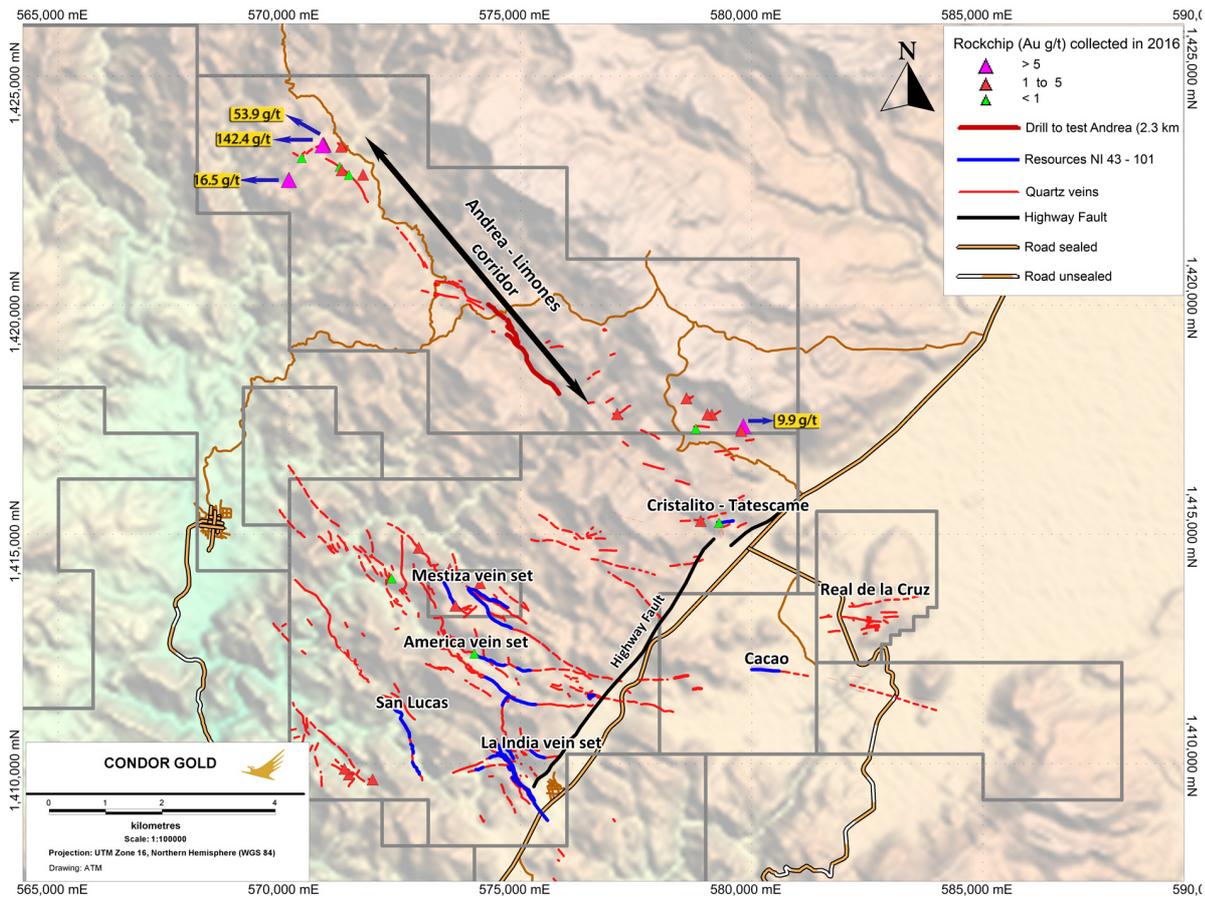
Antimony, along with Selenium (Se) and Te, also seem to define a sinuous, almost East-West, linking structure between the two corridors ('The Link' above). This has lower gold values, for example in the East part of the Guapinol and Constancia Veins. It may not have been as important an upflow zone as La India and Andrea corridors.

Several elements show a distinct drop off on the East side of the Highway Fault (see Figure 4), implying that the district-scale epithermal system was dropped down by a post-mineral offset. This down-throw preserves the top of the system at Cacao, which includes sinter and phreatic breccias, indicating paleosurface.

## 142.4 g/t Gold and 53.9 g/t Gold Rock Chip Samples

During January-November 2016 a total of 169 rock chip samples were collected during soil sampling and mapping. Of these, 5 came back with gold values greater than 5 g/t, 4 from the Los Limones prospect, including 53.9 g/t and 142.4 g/t samples (See Figure 4 below) and 1 sample slightly north of Tatascame. In addition, 19 samples from the Dos Hermanos, Mestiza, Tatascame-El Derrumbado and Los Limones prospects have returned with values of 1-5 g/t.

**Figure 4**



## Scout Drilling Update

Condor initiated 4,000 m of scout drilling on several prospects on 7<sup>th</sup> November 2016, starting with Cacao (See RNS dated 10<sup>th</sup> November 2016). Four drill holes for a combined drilling of 719.6 m have now been completed at Cacao. The assay results will be announced in 2017, when they are all received. The drill rig has moved to the Real de La Cruz concession, which has not previously been drilled by Condor. Circa 400 m has been drilled at the time of writing. See Figure 4.

## 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 Dr Warren Pratt, Chartered Geologist (1994), Fellow of the Geological Society of London and Fellow of the Society of Economic Geologists. Dr Pratt is a geologist with over twenty years of experience in the exploration and definition of precious metal mineral resources. Dr Pratt consults to Condor Gold plc on an *ad hoc* basis 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. Dr Pratt 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
En echelon	In structural geology, en echelon veins are structures within rock caused by tension fractures that are parallel to the major stress orientation. They appear as sets of short, parallel, planar, mineral-filled lenses within a body of rock.
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.
Magnetic (aeromagnetic) survey	The measurement of the magnetic properties of the earth surface as controlled by the concentration and distribution of magnetic minerals, particularly magnetite, in the rock. Rocks containing higher levels of iron, such as mafic igneous rocks or some sedimentary rocks will have a higher magnetic susceptibility than felsic igneous rocks, siliciclastic and carbonate sediments and their metamorphic derivatives..
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.
Radiometric	Also known as gamma ray spectrometry, is the measure of natural radiation on the top 30-45cm of the earth's surface. The abundance of the three naturally occurring radioactive elements, potassium (K), thorium (Th) and uranium (U), is proportional to the abundance of minerals containing those elements. This information can be used in mapping the surface geology including the definition of areas of potassium enrichment related to hydrothermal alteration.
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

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.

**- 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 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.

