



# Condor Gold plc

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

## **Additional High Grade Drilling Results on La India/California Vein, Nicaragua**

Condor (AIM:CNR), a gold exploration company focused on delineating a large commercial resource on its 100%-owned La India Project in Nicaragua, is pleased to announce further drilling results from the current diamond core and Reverse Circulation ("RC") drilling on the La India Vein Set (Figure 1 below). The latest drilling results bolster the Company's belief that the La India-California vein trend has the potential to support open pit mining. See maps, cross-sections and tables below.

### **Highlights**

- **LIDC109 intercepted 12.2m at 34.79g/t from 173m drill depth which is 50m underneath an intercept of 34m true width at 2.31g/t (LIDC067). Grade increasing at depth.**
- **LIDC121 intercepted 6.65m at 32.23g/t from 111m drill depth which is 100m underneath an intercept of 15.5m true width at 7.39g/t from surface (LIRC102).**
- **11m at 10.45g/t from 97m drill depth is 50m along strike from LIRC105 which returned 25.1m true width at 7.73g/t.**
- **28m at 1.63g/t from 49m drill depth further demonstrates near surface open pit potential.**
- **Coalescence of La India Vein and California Vein continues to be proved along a 600m strike length with true width drill intercepts of 10m to 34m demonstrating continuity and width for open pit mining**
- **The resource on the California veins is currently 100m to 150m beneath surface. Drilling and trenching has extended the gold mineralisation above this vein to surface. See Figure 5 cross section.**

Mark Child Chairman and CEO commented:

"Yet again these are excellent drill results. La India Vein Set has a JORC Code Resource of 730,000 oz at 5.3g/t. La India Vein and California Vein lie parallel to each other in the same valley and have strike lengths of 2,000m and 1,300m respectively. Using a 2.5g/t cut off, La India Vein has an average width of 2.5m at 6.4g/t and the California Vein has an average width of 9m at 4g/t. The drill results complete 2,613m of a current 7,000m drill programme of which 4,665m drilling has been drilled to date on La India Vein Set. They provide further evidence that La India and

California veins coalesce not only at depth but at surface along a 600m strike length as exemplified with drill hole LIRC105 showing a 25.1m true width at 7.73g/t at only 25m drill depth and LIRC 102 showing 15.5m at 7.37g/t from surface, and where follow up drilling 100m down dip of the latter drill hole has just returned 6.65m at 32.23g/t in LIRC121. I am also delighted with bonanza gold grades in LIRC109 showing 10.8m true width at 34.79g/t from 173m drill depth which is 50m underneath LIRC067 which returned 34m true width at 2.31g/t as the grade increases with depth and the resource remains open to depth.

The current fully funded 7,000m drill programme on La India Vein Set has 2 objectives: to prove open pit potential; La India Vein and California Vein have a combined width of 11.5m at an average grade of circa 5g/t and merge along a minimum strike length of 600m and to a depth of at least 230m. Secondly, to increase the overall resource on La India Project to 1.75m oz from the current 1.62m oz at 5.6g/t and double the Indicated Resource to over 500,000 oz gold by October 2012, which looks increasingly achievable as the current resource on the California Vein is 100m to 150m beneath surface and the drill results this year extend the gold mineralisation above the resource to surface.”

Since the last drilling update on the initial 1188m drilling (see RNS announcement dated 14<sup>th</sup> June 2012) Condor has received assay results for a further thirteen drillholes, accounting for a further 1529m of drilling on La India Vein Set. These results represent part of a 7000m drilling programme designed to infill and extend zones of high grade gold mineralisation at 50m drill spacing where the India and California veins are very closely spaced and coalesce. Since drilling started in mid-April the company has completed forty-two drillholes for 4665m and received assay results for twenty-four of these drillholes, accounting for 2717m of the drilling programme. Condor currently has three diamond core and one RC drilling rig operating at La India.

Most of the current drilling programme is targeting a 600m strike length at the centre of the 2000m long India-California vein trend at locations where the sub-parallel India and California veins have been shown to be very close-spaced and to merge into an interleaved stacked vein and breccia zones (Figure 2 and 3 below). Exploration to date and historical research has shown that the historic La India Mine only exploited a narrow part of these wide zones using narrow shrinkage stoping mining techniques, leaving significant widths of moderate to high-grade gold mineralisation behind. The current drilling is testing the potential for open pit mining of the gold mineralised wallrock and un-mined parallel veins. Drilling is at 50m spacing to allow any wallrock mineral resource to be estimated with Indicated category confidence and thereby accelerate the development of the project towards a mining study stage. The balance of the drilling programme is infilling deeper high-grade target zones identified in previous wide-spaced drilling to 50m drill spacing, again to convert areas of the Inferred Resource to Indicated category with a view to moving towards mining studies.

The latest results are (1) from the central and northern parts of the 600m long ‘Central Zone’ target, referred to as the ‘Central North’ and ‘Central Centre’ targets respectively, and (2) from the ‘South’ target, which is 300m south of the Central Zone as shown in Figure 3, where a high-grade zone at and beyond the southern limit of the historic mine workings is being infill drilled.

**The Central North Target** returned an intercept of 11m (also 11m true width) at 10.45g/t gold from 97m drill depth from RC hole LIRC120 (Figure 4 below). This intercept extends the strike length of the wide high-grade near surface gold mineralisation in the hangingwall and footwall of the historic mine workings to over 100m. The mineralisation is open along strike to the North where assay results are pending for a drillhole. From South to North along strike drilling has returned adjacent intercepts at 50m strike spacing of:

- 16m (15.5m true width) at 7.39g/t gold from surface and ending in a 1m wide mine stope (drillhole LIRC102) announced on the 14<sup>th</sup> June 2012;
- 26m (25.1m true width) at 7.73g/t gold from 25m drill depth (drillhole LIRC102) announced on the 14<sup>th</sup> June 2012;
- 11m (also 11m true width) at 10.45g/t gold from 97m drill depth (drillhole LIRC120);

A follow-up drill hole completed 50m down-dip of drillhole LIRC102 showed that the gold mineralisation becomes very high grade and slightly narrower with an intercept of 6.65m (6.6m true width) at 32.23g/t from 111.25m drill depth (drillhole LIDC121).

**The Central Centre Target** 50m spaced infill and down-dip extension drilling has confirmed and expanded the wide moderate-grade gold mineralisation recognised near to surface in the hangingwall and footwall of the historic mine workings over a strike length of at least 250m. Near surface intercepts such as 9m (8.7m true width) at 2.15g/t gold from 35m support and extend to surface the original discovery intercept of 38m (34m true width) at 2.31g/t gold from 96.01m drill depth announced on the 7<sup>th</sup> March 2012. As at the Central North target, an extremely high grade intercept of 12.2m (10.8m true width) at 34.79g/t gold from 173.15m drill depth (drillhole LIDC109), which includes a sample of 1.3m (1.2m true width) at 293.56g/t gold demonstrates very high grade gold mineralisation down-dip on the California Vein (Figure 5 below)

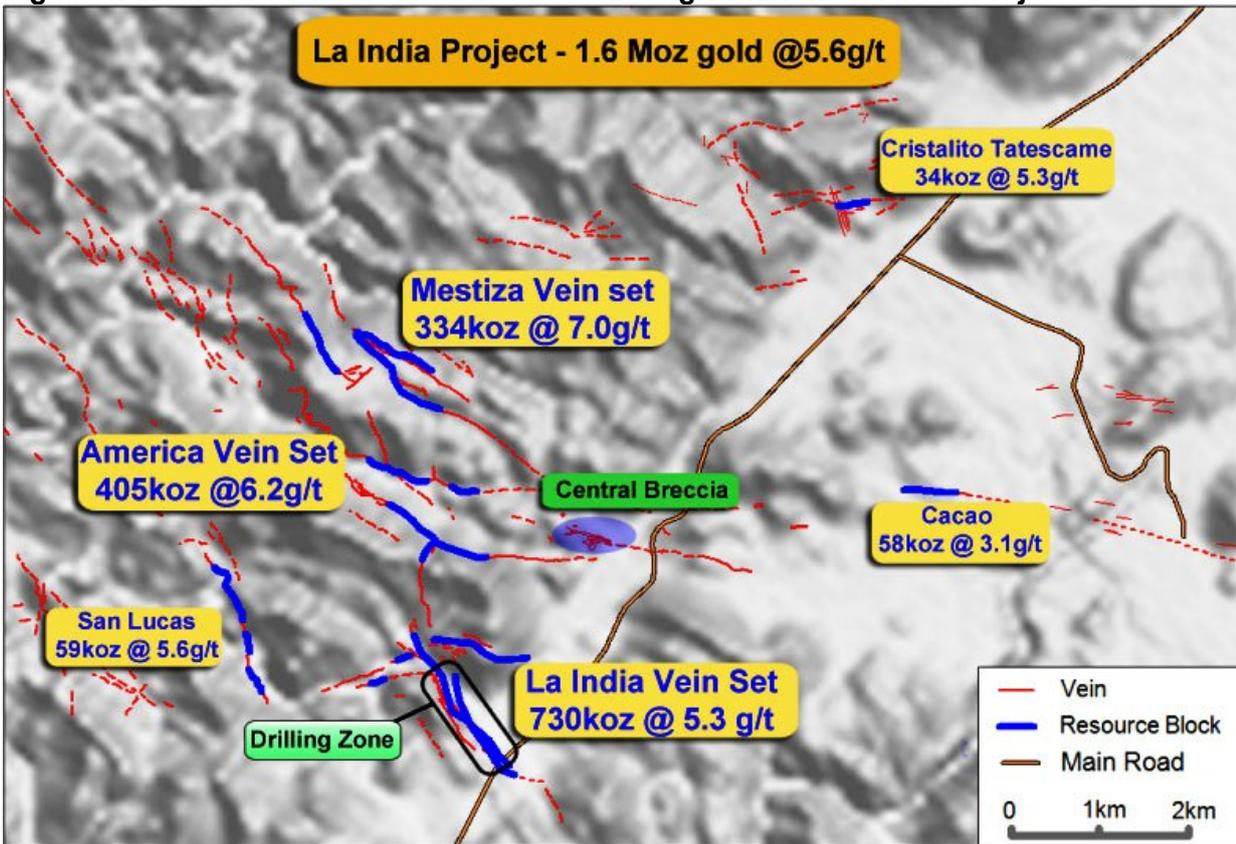
**The South Target** initial drilling results have confirmed significant gold grade and width with a best intercept of 7.39m (6.7m true width) at 3.79g/t gold from 96.01m drill depth in LIDC110. Further assay results are pending and further drilling is underway on this target. The infill drilling is designed to extend the current Indicated mineral resource along strike to the South beyond the historically mined area.

**Table 1. Significant drill intercepts on the India-California veins**

Prospect	Drillhole ID	From	To	Drill Width	True Width	Au (ppm)	Ag (ppm)	Vein (vein assignments subject to revision)
India Central-Centre	LIDC109  <i>Including</i> <i>Including</i>	56.33	57.43	<b>1.10</b>	<b>1.0</b>	<b>4.71</b>	7.5	C5
		128.00	129.60	1.60	1.4	2.11	3.9	C4
		173.15	185.35	<b>12.20</b>	<b>10.8</b>	<b>34.79</b>	27.3	C1
		176.00	177.30	<b>1.30</b>	<b>1.2</b>	<b>293.56</b>	201.3	
		177.85	180.90	<b>3.05</b>	<b>2.7</b>	<b>10.27</b>	19.4	
India Central-Centre	LIRC121	111.25	117.90	<b>6.65</b>	<b>6.0</b>	<b>32.23</b>	39.5	C1
		123.17	132.59	9.42	8.5	1.02	1.8	India Vein
India Central-North	LIRC120	64	67	3	3.0	1.66	2.3	C4
		71	75	4	4.0	1.18	2.4	C3
		84	87	3	3.0	1.43	2.8	C2 hangingwall
		92	94	2	2.0	-	-	C1 - Stope
		97	108	<b>11</b>	<b>11.0</b>	<b>10.45</b>	11.1	India Vein open to depth
India Central-Centre	LIRC117	1	2	1	1.0	1.36	2.9	mullock
		24	26	2	1.9	1.17	12.1	C3
		49	78	29	28.0	1.63	3.7	C1-C2
India South	LIDC110	96.01	103.4	<b>7.39</b>	<b>6.7</b>	<b>3.79</b>	14.9	India Vein
India South	LIDC114	152.40	153.92	1.52	1.2	0.72	2.0	C1
		170.19	175.26	<b>5.07</b>	<b>4.6</b>	<b>5.42</b>	3.8	India Vein
India Central-South/Centre	LIRC122	32	34	2	1.9	1.09	1.9	C1 hangingwall
		34	35	1	1.0	0.00	0.0	stope
		35	44	<b>9</b>	<b>8.7</b>	<b>2.15</b>	3.8	India Vein -C1 footwall
India Central-Centre/North	LIRC119	3	6	<b>3</b>	<b>3.0</b>	<b>5.00</b>	7.1	mullock
		26	35	<b>9</b>	<b>9.0</b>	<b>1.56</b>	2.2	C3-C5
		45	54	<b>9</b>	<b>9.0</b>	<b>1.23</b>	5.3	C1-C2
		66	67	1	1.0	1.54	5.1	India Vein
India Central-South	LIRC108	2	3	<b>1</b>	<b>0.9</b>	<b>5.48</b>	2.3	C1
		63	67	4	3.8	0.65	0.8	India Vein hangingwall open to depth
		Drillhole failed to reach the principal vein due to mechanical problems						
India Central-Centre	LIRC115	18	23	5	4.8	-	-	Shaft
		30	47	<b>17</b>	<b>16.4</b>	<b>2.02</b>	3.9	<i>C1-C2 (including 2 mine cavities)</i>
		74	75	1	1.0	3.75	5.2	India Vein
India Central-Centre	LIRC123	70	71	1	1.0	2.21	1.2	
		73	86	13	12.6	-	-	stope
		86	93	7	6.8	1.02	3.0	footwall
India Central-South	LIRC111	0	1	1	1.0	1.03	1.5	Colluvial mullock
		12	15	3	2.9	1.16	5.2	India Vein (footwall of stope)
India Central-Centre	<i>Including</i>	35	49	14	13.5	1.25	3.5	<i>C5 (including 2 mine cavities)</i>
		35	39	<b>4</b>	<b>3.9</b>	<b>2.79</b>	5.9	
		52	55	3	2.9	1.55	2.7	C4
		68	69	1	1.0	1.15	1.2	C3
		74	77	3	2.9	1.09	0.5	C2
		80	81	1	1.0	1.55	1.3	C1
		89	90	1	1.0	1.11	0.5	India Vein

Drillholes listed by grade x width of best intercept. True width is an interpretation based on the current interpretation of the veins and may be revised in the future.

Figure 1. Location of the La India Vein Set drilling within the La India Project area.



**Figure 2. Photograph looking West towards the Central Zone the India-California vein trend.**  
 Note: intercept width in metres at gold grade in g/t (i.e. 25.1m @ 7.73g/t)

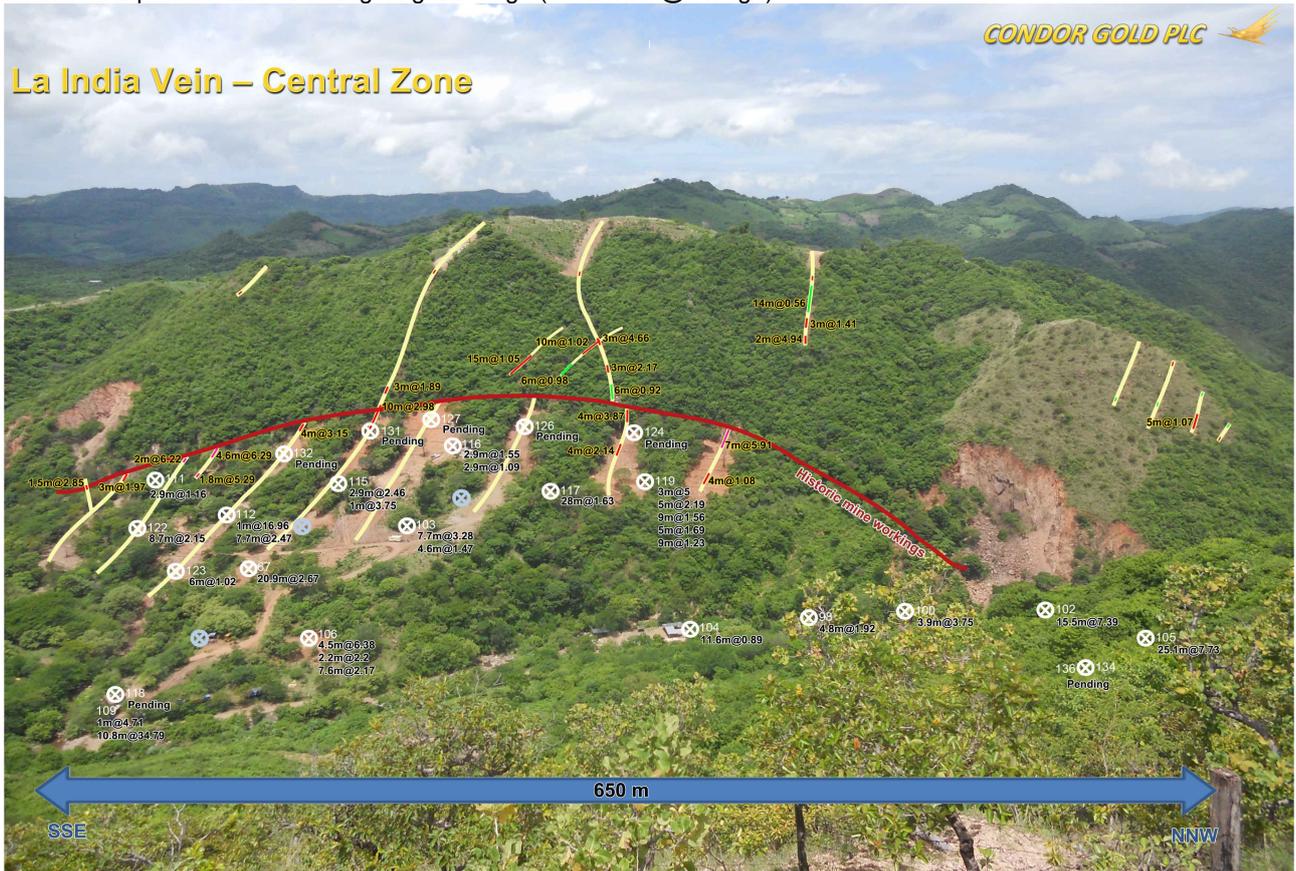
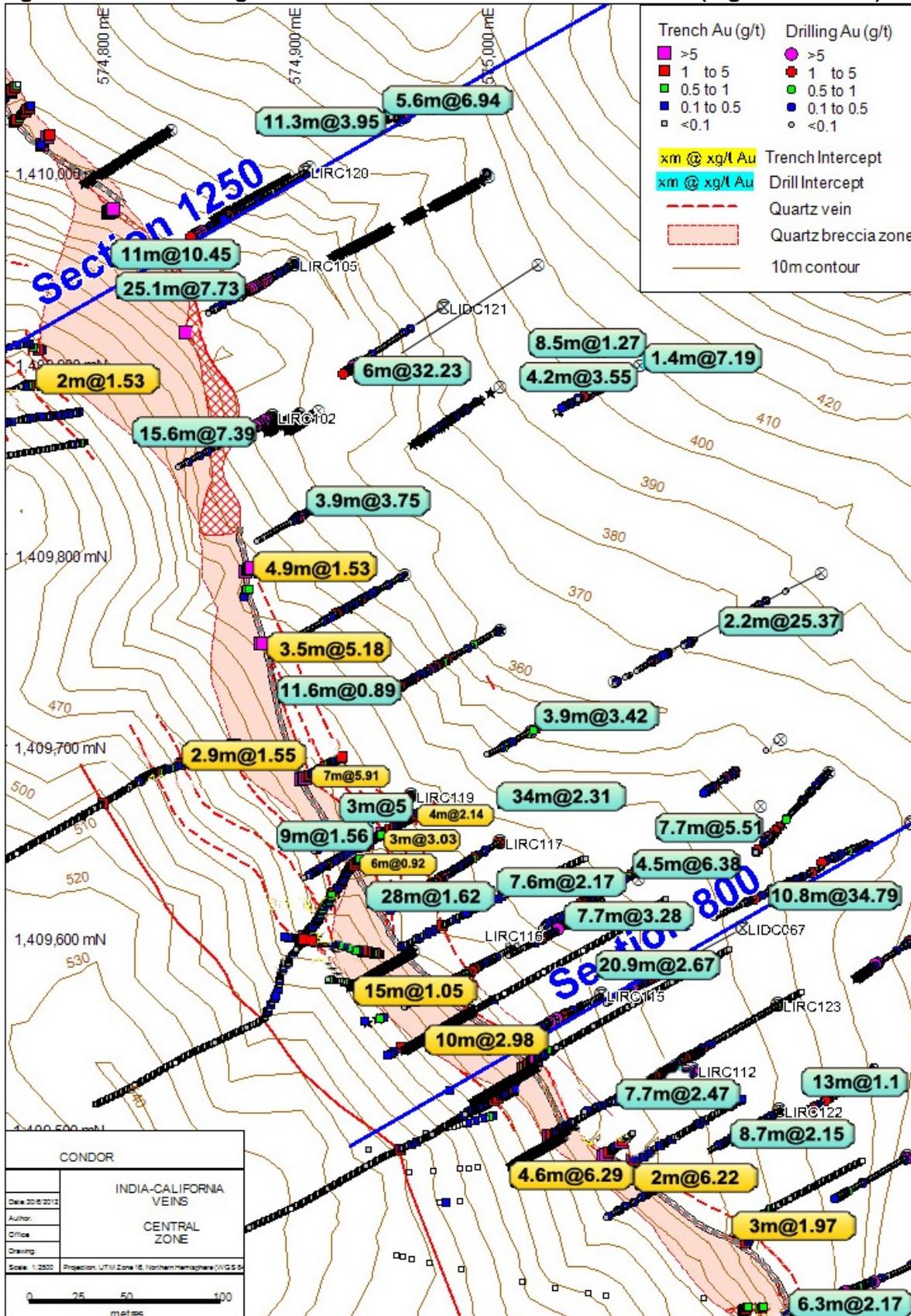
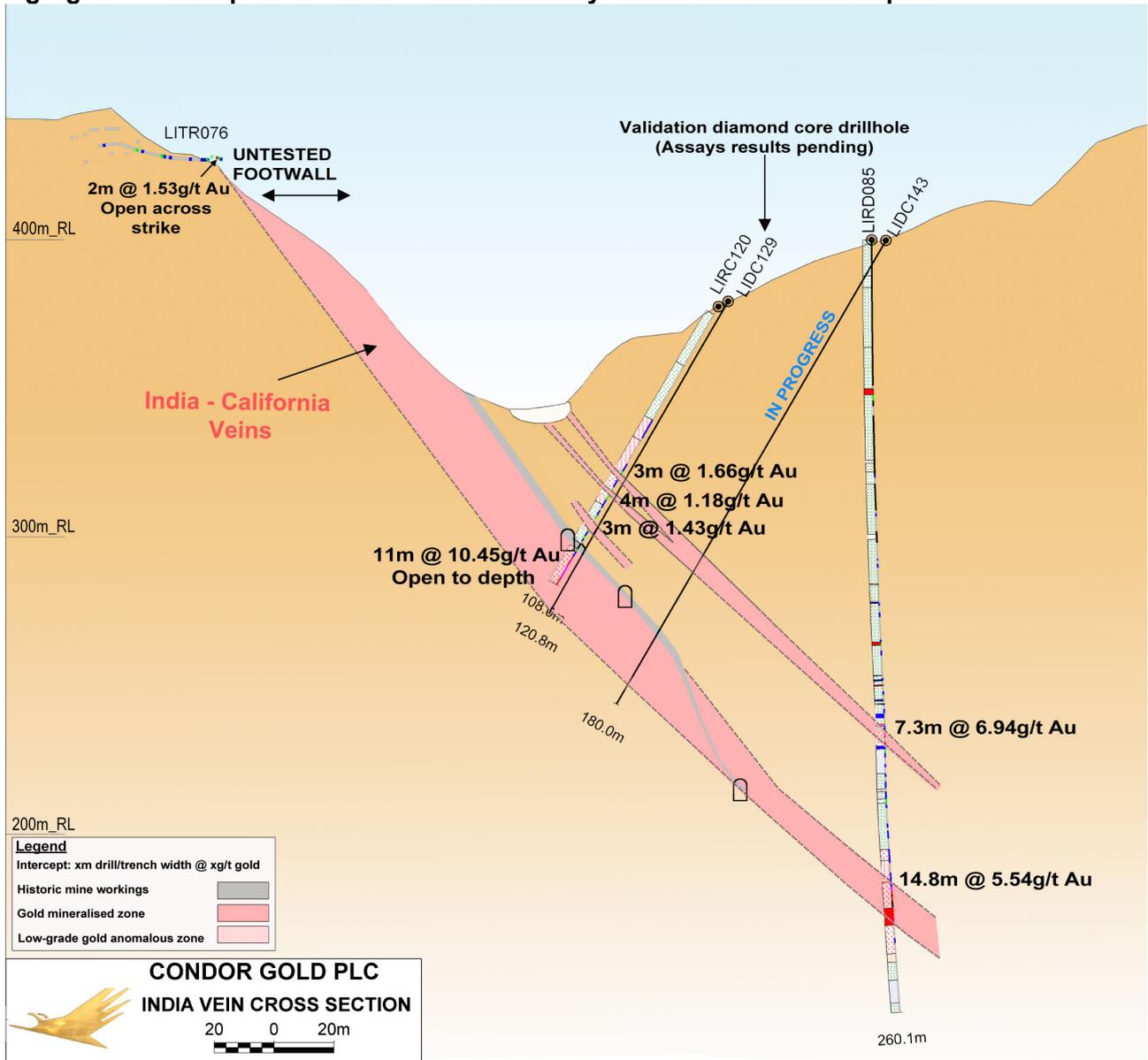


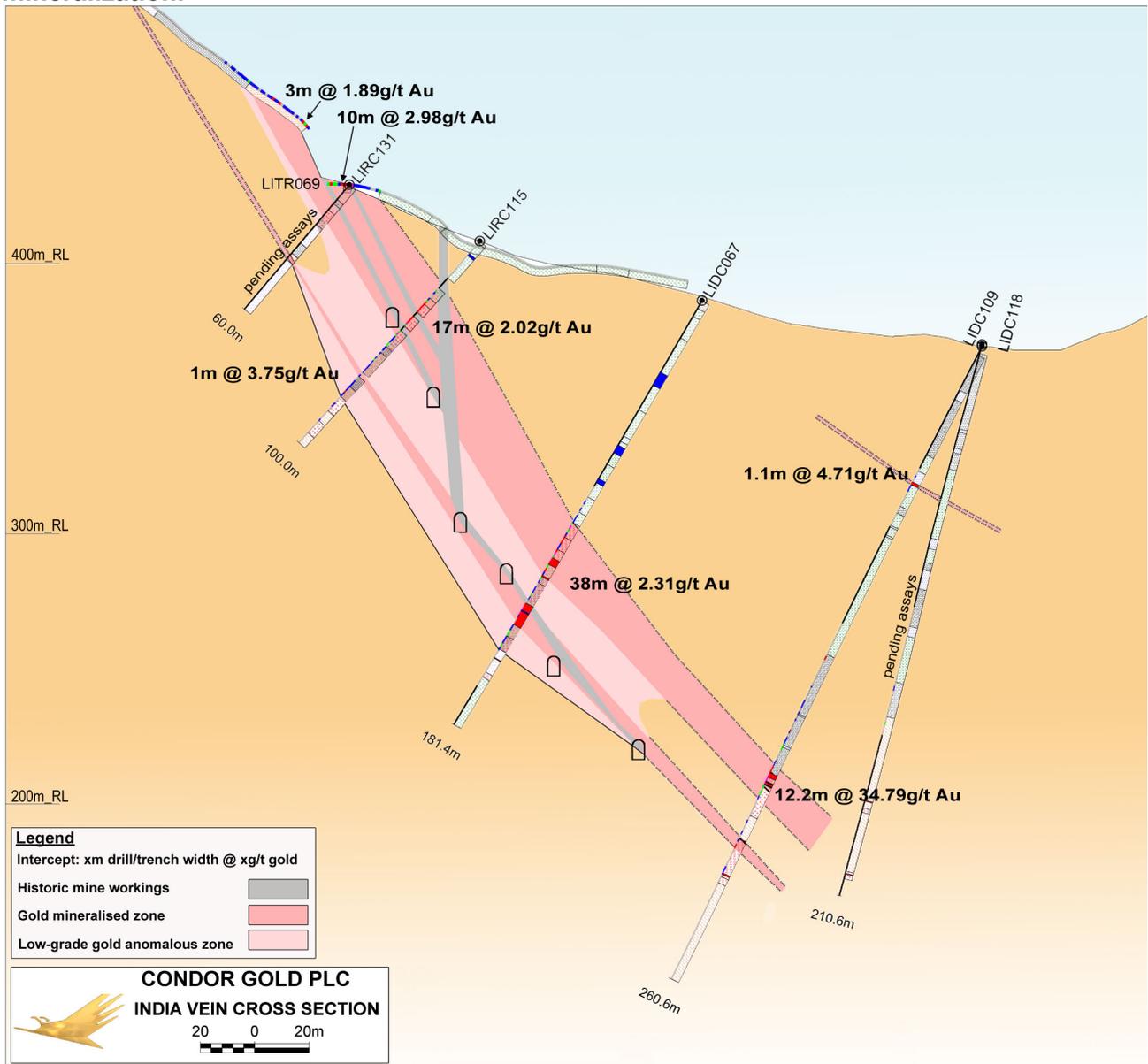
Figure 3. Plan showing location of drillholes and cross-sections (Figures 4 and 5).



**Figure 4. Cross-section through the Central-North target (1250 section) showing latest wide high-grade intercept near surface and continuity of mineralization to depth.**



**Figure 5. Cross-section through the Central target (800 section) showing extremely high grade gold mineralization at depth down-dip of near surface wide moderate grade gold mineralization.**



**Competent Person’s Declaration**

The information in this announcement that relates to 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 sixteen years of experience in the exploration and definition of precious and base metal Mineral Resources. Luc English is a full-time employee of Condor Resources 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 JORC Resources in Nicaragua and El Salvador. Condor has six 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 JORC compliant resource base of 1,707,000 ounces of gold equivalent at 5.5 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**

Adit	An adit is a horizontal or near horizontal tunnel driven into the side of a hill, either directly along an ore body or as an access to an ore body.
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
Breccia	A rock made up of angular rock fragments cemented together by a finer grained matrix
Channel sample	Samples taken from a rockface along a specified line for a distance along which the sample volume per unit length is constant in order to collect a representative sample.
Diamond core drilling	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.

Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
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.
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
Quartz	A common rock mineral composed of the elements silicon and oxygen.
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.
Indicated 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
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept is described by the entire thickness and the average grade of mineralisation
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral resources and 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
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

Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geothermal liquids filling the space between the rock fragments.
Quartz veins	Deposit of quartz rock that develop in fractures and fissures in the surrounding rock. They are deposited by saturated geothermal liquids rising to the surface through the cracks in the rock and then cooling, taking on the shape of the cracks that they fill.
Reverse circulation drilling	A drilling method in which penetration is achieved through a combined hammer and rotary drilling action and pulverised rock samples are transported to the surface through the drilling rods using compressed air. The 1m samples collected for analysis are of sufficient quality to be used in a Mineral Resource Estimation.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation
Trench	The excavation of a horizontally elongate pit (trench), typically up to 2m deep and up to 1.5m wide in order to access fresh or weathered bedrock and take channel samples across a mineralised structure. The trench is normally orientated such that samples taken along the wall are perpendicular to the mineralised structure in order to establish the width and grade of the structure.
True width	The shortest axis of a body, usually perpendicular to the longest plane. This often has to be calculated for channel or drill samples where the sampling was not exactly perpendicular to the long axis. The true width will always be less than the apparent width of an obliquely intersect sample.