



19 October 2021

## Condor Gold Plc

(“Condor”, “Condor Gold” or the “Company”)

### Condor Provides Update on a Feasibility Study for the La India Project

Condor Gold (AIM: CNR; TSX: COG) is pleased to provide an update on the status of studies underway in support of a Feasibility Study (“FS”) for its fully permitted La India Project, Nicaragua. The FS is being conducted on La India Open Pit and associated mine site infrastructure. The FS Studies currently underway will bring the level of confidence for the Project to the industry standard of engineering design, in order to support +/- 15% capital and operating cost estimates. Work is well underway with supporting field and testing studies nearing completion for the final mine design to commence in November 2021, with publication of the FS in the 1<sup>st</sup> quarter of 2022.

#### Highlights: Feasibility Studies Progress

- Processing plant design incorporating the 2,300tpd SAG Mill purchased by Condor, has been 100% completed. Associated infrastructure designs and costs are under development.
- A surface water hydrological model has been 100% completed, which feeds into the Site Wide Water Balance, with the supporting documentation due by the end of October. Detailed water management structure designs are underway.
- Tailings Storage Facility (“TSF”) design has been 100% completed, the draft report was delivered to Condor during the first week in October. The report is under review by Condor, with the material take-offs for construction passed to Hanlon Engineering for cost estimation.
- The stormwater attenuation structure at La Simona is under design and is 90% completed. As with the TSF, the material take-offs will be passed to Hanlon to estimate the construction costs.
- Metallurgical Studies – Analytical work is 95+% completed. A draft report is due by the end of October.
- Mineral Resource Estimate update. All assays from the infill drilling program have been received. Updates to the geological framework inclusive of the lithological, structural and weathering model are approximately 80% complete. Once completed the Mineral Resource estimate update for La India will commence.
- Pit Geotechnical – a review of the initial round of 1700 m of geotechnical drilling by SRK indicated that an additional 690m of oriented core drilling, followed by televiwer logging, will be required to meet FS level confidence. Completion of the drilling and logging is expected by mid November, with televiwer inspection to be conducted upon completion of each hole.

- Hydrogeology / pit water management - Condor successfully intercepted the deepest level of the 1950s-era underground mine workings in hole LIDC 178, providing confidence that said workings are suitable to tap in to, in order to draw down ground water levels and support depressurization of the pit slopes. A test borehole close to the historical mineshaft will be drilled in November to one of the options for the location of the long-term pumping station.

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

“I am pleased to provide an update on the development of a Feasibility Study in line with International best practices for the La India Open Pit and associated mineral processing and mine site infrastructure. Several key studies have been completed or are near completion. There are no negative surprises and the Project continues to be materially de-risked, nearing a shovel ready status. A Feasibility Study increases the confidence of the Project, incorporating a Feasibility Level engineering design, and +/- 15% capital and operating costs. This in turn will facilitate Project financing ahead of Project construction. Condor staff and our contractors at Hanlon Engineering, Tierra Group International, SGS Lakefield Laboratories and SRK Consulting (UK and USA) have been diligently pursuing the supporting work for the study for over a year and are making substantial headway in completion of that work, despite the challenges of logistics, market conditions, and of course, the impact of Covid on the ability to travel”.

**Background**

With the acquisition of the complete new SAG Mill package from First Majestic Silver (RNS Dated March 15, 2021), Condor initiated a series of studies intended to demonstrate feasibility-level engineering and economics for the flagship La India Open Pit. This effort included updates of the Pre-Feasibility Study (“PFS”)-Level studies conducted in 2014, along with interim studies conducted over the course of permitting and planning efforts, along with in-fill drilling targeting initial production from the La India Open Pit.

The FS Studies currently underway will bring the level of confidence for the Project to the industry standard of +/- 15% on operating costs, capital costs. The studies will cover the complete spectrum of supporting documentation, including:

- Feasibility level design of the processing plant and associated infrastructure. 100% completed.
- Hydrology: Detailed development of the surface water management requirements via a site-wide water balance and corresponding design of the facilities to manage surface water. 100% completed.
- Feasibility level design of the tailings storage facility. 100% completed.
- The stormwater attenuation structure at La Simona is under design and is 90% completed. As with the TSF, the material take-offs will be passed to Hanlon to estimate the construction costs
- Additional metallurgical testing of the La India ore to confirm recovery, rock crushing and grinding characteristics and reagent consumption. 95% completed.
- Mineral Resource Model: Updated geological interpretation and Resource model – combining the recent in-fill drilling on La India Open Pit with the updated interpretation. 80% completed.

- Pit Geotechnical: More detailed analysis of the slope design parameters supported by additional geotechnical drilling
- Hydrogeological Modelling: Comprehensive characterization of the groundwater required for pit dewatering
- Geochemical analysis to confirm that the majority of waste rock is non acid forming with low sulphide sulphur contents
- Updated mine plans with consideration of the above findings
- Updated cost estimates for contract mining, plant consumables, fuel, staffing and labour
- Review of Social and Environmental management practices and corresponding costs
- Closure costs
- Development of a comprehensive technical / economic model

### **Plant Design**

Hanlon Engineering has now completed design of the processing plant and, along with Condor staff assistance, is engaged in sourcing cost estimates for construction and operating consumables from local vendors (where applicable).

Hanlon has also been awarded the design and costing of the infrastructure elements of the Project. General arrangement drawings of the plant and buildings were reviewed the week of October 8. Other than minor adjustments to the arrangement of the central office, these drawings will be sent out for FS-level cost estimates to local vendors by mid October.

### **Hydrological Model and Surface Water Management**

The La India Project is subject to short and intense rain events during the local rainy season, necessitating a robust understanding of the surface water hydrology. Condor commissioned a study of the site wide water balance (SWWB) in November 2020 by SRK (UK) to provide the design parameters for the surface water management system, integrating the various elements from the Tailing Storage Facility (TSF) and plant design with the haul road (between the pit and processing plant) and sound berm surrounding the nearby village. The SWWB analysis has now been completed with the report due before the end of October 2021.

Design work for the various structures comprising the surface water management system is currently underway, where Tierra Group are providing the designs for critical structures, and other less material components will be awarded to local Nicaraguan design firms.

### **Tailing Storage Facility**

The design of the TSF is now complete with the draft report under Condor review. The report package consists of the geotechnical characteristics of the foundation area for the dam, assessment of the seismic hazard potential, FS level construction drawings, and summary reports. This report will be submitted to the Government of Nicaragua following completion of the overall FS.

Tierra Group is also responsible for the design of the La Simona attenuation structure upstream of the open pit (which is 90% completed), and the sound berm between the village of La India and the open pit operations (80% completed).

### **Metallurgical Testing**

The 2014 PFS included a robust metallurgical testing regime with results supporting a 91% commercial-scale recovery on the hard and abrasive La India ores. A follow up series of tests was conducted in 2019 produced comparable results.

Additional variability and recovery tests were conducted in support of the FS study with results again comparable to previous expectations. The recent analyses by SGS Lakefield indicated that a 40 hour retention time in the leach circuit is advisable and has also demonstrated the potential for lower reagent consumption, retaining the 75 micron size recommended in the PFS. These recommendations have been incorporated into the Hanlon Plant design and will be included in the estimated processing costs. The final few lab results are expected the week of October 18<sup>th</sup> with the full draft report delivered by the end of October.

### **Geological Interpretation and Resource Model Update**

The current understanding of the La India deposit geology is not materially different than that underlying the 2014 PFS and the January 2019 Mineral Resource update. The recent addition of 3,370 meters of infill drilling within La India open pit in an area that comprises the initial years' feed to the mill is expected to improve the confidence in the model associated to this period. SRK are currently in the process of updating the geological interpretation/framework for the La India deposit inclusive of the lithological, structural and weathering model as a result of the infill drilling program, which is approximately 80% complete. Once completed the Mineral Resource estimate update for La India will commence inclusive of the results from the infill drill programme.

### **Pit Geotechnical / Slope Stability**

The studies to confirm and refine the slope design parameters applied in 2014 were initially slated for 1700 meters of oriented core drilling with support by optical or acoustic televiewer scans of the holes following the completion of drilling. Review by SRK indicated that an additional 690 meters of additional core drilling would be required to provide inputs on pit-wall locations with poor data recovery. This additional drilling commenced on October 4 and will be supplemented with a second drill rig added to the programme during the week of October 18 in order to expedite the process. Drilling, logging and televiewer scans will be completed by mid-November, pending equipment availability. Condor anticipates that the revised slope parameters will be delivered concurrently with the delivery of the updated resource model.

### **Hydrogeological Model**

One of the requirements of the pit slope design parameters is the assumption of a dewatered / depressurized rock mass. Condor initially tested the feasibility of this assumption in a pump test conducted as part of the PFS in 2014. The current efforts to support the dewatering programme for the mining operation are designed to provide locations for dewatering infrastructure that minimize the

potential impacts on mine operations, along with sufficient detail to estimate costs associated with the dewatering program.

Condor successfully reconditioned an existing exploration hole to serve as a piezometer and test bed to demonstrate connection with the historical Level 8 workings from the 1950's era mining. This process led to a successful test of the connection, indicating that the existing workings can potentially serve as a dewatering collection system. Condor is assessing several options for a dewatering pump station, which include a pump station adjacent to the old mine shaft, or potentially intercepting/accessing of the old San Lucas drainage tunnel.

### **Waste Geochemistry**

Previous analyses from the PFS in 2014 indicated that the waste rock produced by the La India Open Pit will be non-acid forming and is net-neutralizing, likely due to calcite in the various lithological units. Following the recommendations of CORES Consultants, Condor constructed a series of 5 barrels containing the various waste rock types exposed to normal precipitation. Two series of water samples were collected and tested locally within Nicaragua, prior to a recent conversion to SGS Laboratories in Lakefield, Ontario to achieve lower detection limits. As of this writing, the results of the two series of water analyses have indicated that only sedimentation ponds will be needed to maintain discharge water quality, although this will be confirmed with continued testing of water from the barrels and subsequent predictive modelling.

SRK has requested that additional variability samples be collected and tested with industry standard static laboratory tests for ARDML assessment. The requested samples have been collected and been shipped. Condor anticipates that the testing and reporting process will require 6-8 weeks.

### **Waste Dump Footing Characterization**

Condor has reviewed and under current assumptions indicated that sufficient capacity for anticipated waste volumes from the open pit can be stored in a single dump location to the west of the pit. In order to verify these assumptions, and as part of the FS design requirements from SRK, Condor is excavating a number of test pits at selected locations to confirm sufficient stability under the planned waste dump footprint. This work has already begun with points surveyed and access roads established to the first sample locations. Test work will consist of soils logging, shear vane tests and percolation tests.

### **Mining Studies**

In parallel to the recently reported PEA (see RNS 9 September 2021) Condor included preliminary designs of the La India Open Pit. While the 2300 tpd production schedules included conformance with the PFS design parameters, including the PFS slope stability parameters and inclusion of ramps, as well as production of a series of phase plans to optimise access to mineralise material, these were also intended as preliminary production schedules to support initial bid packages to be sent out to local mining contractors. The final pit designs will be updated based on the updated Mineral Resource estimate, along with any changes resulting from the Geotech / Slope stability and hydrogeological and hydrological studies.

- 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
H&P Advisory Limited	Andrew Chubb and Nilesh Patel +44 207 907 8500
Blytheweigh	Tim Blythe 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 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 the master permit for mining operations in Nicaragua.

La India Project contains a Mineral Resource of 9,850 Kt at 3.6 g/t gold for 1.14 M oz gold in the Indicated category and 8,479 Kt at 4.3 g/t gold for 1.18 M oz gold in the Inferred category. A gold price of \$1,500/oz and a cut-off grade of 0.5 g/t and 2.0 g/t gold were assumed for open pit and underground resources, respectively. A cut-off grade of 1.5 g/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 were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt 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) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) 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 1.12 M oz gold open pit Mineral Resources permitted for extraction.

## Reporting Standards

The reporting standard adopted for the reporting of the Mineral Resource Estimate (“MRE”) uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101 (“The CIM Code”). The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee.

The 2021 PEA Technical Report will be issued within 45 days of the public disclosure in accordance with the public disclosure to NI 43-101 standards.

## 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). He has some nineteen years’ experience in the exploration, definition and mining of precious and base metals. 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 Qualified Persons responsible for the Technical Report are Dr Tim Lucks of SRK Consulting (UK) Limited, and Mr Fernando Rodrigues, Mr Stephen Taylor and Mr Ben Parsons of SRK Consulting (U.S.) Inc. Mr Parsons assumes responsibility for the MRE, Mr Rodrigues the open pit mining aspects, Mr Taylor the underground mining aspects and Dr Lucks for the oversight of the remaining technical disciplines and compilation of the report.

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.

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., who is a “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 and resources; 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, 2020 dated March 31, 2021 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.

## 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
ARDML	Acid rock drainage and metal leaching
Au	Gold



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
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.
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,
IRR	The Internal Rate of Return (IRR) is the discount rate that makes the net present value (NPV) of a project zero. In other words, it is the expected compound annual rate of return that will be earned on a project or investment
Kt	Thousand tonnes
Mineral Resource Estimate	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
NPV	Net Present Value (NPV) is the value of all future cash flows (positive and negative) over the entire life of an investment discounted to the present. NPV analysis is a form of intrinsic valuation and is used extensively across finance and accounting for determining the value of a business, investment security, capital project, new venture, cost reduction program, and anything that involves cash flow. It is after deducting the upfront capital cost
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).
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.