CONDOR GOLD TECHNICAL REPORT ON THE LA INDIA GOLD PROJECT, NICARAGUA, 2021

Prepared For

Condor Gold Plc

Report Prepared by

srk consulting

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UK31246

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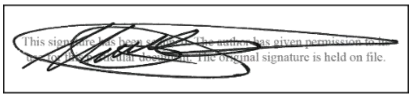

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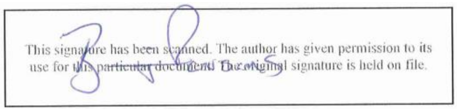

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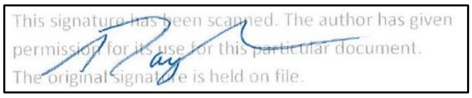

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CONDOR GOLD TECHNICAL REPORT ON THE LA INDIA GOLD PROJECT, NICARAGUA, 2021

1 SUMMARY

1.1 Introduction

SRK Consulting (UK) Limited ("SRK") has been requested by Condor Gold Plc ("Condor", the "Client" or the "Company") to prepare a technical report on its wholly owned La India Gold Project ("the Project"). This technical report (the "Technical Report") presents the most up to date MRE, and the results of a strategic mining study to Preliminary Economic Assessment ("PEA") standards, completed on the Project, reported in September 2021.

The strategic study covers two scenarios: Scenario A in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone ("CBZ") which targets a plant feed rate of 1.225 million tonnes per annum ("Mtpa"); and Scenario B where the mining is extended to include three underground operations at La India, America and Mestiza, in which the processing rate is increased to 1.4 Mtpa.

The economic evaluation of the Project presents an economically viable project for both scenarios.

- Scenario A returns a positive net present value ("NPV") of USD 236M (at a 5% discount rate and gold price of USD1,550/oz) and an internal rate of return ("IRR") of 48%; where the operation produces on average 125 koz of gold for the first 5 years with a 9-year Life of Mine and total gold production of 862 koz. At the same discount rate, but assuming a higher gold price of USD1,700/oz Scenario A returns a NPV of USD302M and an IRR of 58%.
- Scenario B returns an NPV of USD 313M (at a 5% discount rate and gold price of USD1,550/oz) at an IRR of 43%, due to higher upfront capital required. Scenario B produces on average 155 koz of gold at full production over the first five years, with a 12-year Life of Mine and total gold production of 1,469 koz. At the same discount rate, but assuming a higher gold price of USD1,700/oz Scenario B returns a NPV of USD418M and an IRR of 54%.

The two scenarios presented highlight the flexibility, scalability and potential economic upside of the Project, which in SRK's opinion, warrants developing to the next phase of study: an updated and expanded PFS and progression to FS.

The reporting standard adopted for the reporting of the Mineral Resource Estimate ("MRE") is 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 Committee for Mineral Reserves International Reporting Standards ("CRIRSCO").

The Qualified Persons (“QPs") responsible for the Technical Report are Dr Tim Lucks of SRK, 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.

1.2 Property Description

La India is located on the western flanks of the Central Highlands in the northwest of Nicaragua in the municipalities of Santa Rosa del Peñon and El Jicaral near the regional centre of Leon, approximately 70 km to the north of the capital city of Managua, Nicaragua.

Condor holds 100% ownership of a 588 km^2 concession package covering 98% of the historical La India Gold Mining District. The concession package comprises 12 contiguous concessions, eight of which were awarded directly from the Government between 2006 and 2019 and the remaining four concessions were acquired from other owners.

Records exist for industrial-scale gold mining centred on the La India deposit between 1936 and 1956, by Compania Minera La India and Noranda Mines of Canada. Production records estimate total production of some 575,000 oz gold from 1.73 Mt of rock at an average grade of 13.4 g/t Au.

SRK has produced six Mineral Resource Estimates (“MRE”) on the Project prior to the Mineral Resource Estimate authored in January 2019 which is reflected in this document, including: January 2011, April 2011, December 2011, September 2012, November 2013, and September 2014. In addition, a PEA for the Project was prepared by SRK in February 2013, and Pre-Feasibility study (“PFS”) on the La India deposit and a PEA on the La India, America and Central Breccia deposit in September 2014.

A Mineral Reserve was previously declared for the Project as part of a Pre-Feasibility Study completed in 2014 by SRK. The Mineral Reserve Estimate derived for the Project in 2014 was restricted to that portion of the La India deposit which could be realised through open pit mining methods. The scenario which supported the Mineral Reserve reflects the relocation of the La India village, and thus the pit limits extended further to the south than those envisioned within this strategic study. This Technical Report replaces the 2014 study and therefore the 2014 Mineral Reserves is considered to be a historical estimate.

1.3 Geology

The La India deposit comprises high-grade low-sulphidation epithermal gold-silver mineralised veins hosted by Tertiary intermediate to felsic volcanic rocks. The host lithologies include basaltic andesite, andesite and dacite-rhyolite lavas, and andesitic and dacite pyroclastic deposits. Historical mining exploited higher-grade veins within the district, with the bulk of the production from the high-grade veins on the La India and America Vein Sets.

1.4 Exploration, Drilling and Sampling

The Mineral Resource estimate produced prior to the current estimate was dated September 2014. Between then and 2019, the Company completed a small, targeted drilling program, which focused on Mestiza, La India and Cacao deposits. In summary, additions to the database comprised:

- 5,895 m drilling for 42 drillholes on Mestiza Prospect with the primary focus of confirming historical grades from the Soviet drilling program and on increasing confidence in areas referred to by the Company geologists as the "Big-Bend" on the Tatiana vein, which was thought to host the best potential for higher grades. Minor depth extension drilling was also completed at the base of the previous Mineral Resource.
- 1,607 m drilling on the La India depositFive drillholes were completed at depth, beneath the 2014 PFS pit, focusing on testing the geological interpretation in less well drilled areas, notably to the south,
- 720 m drilling for four drillholes on the Cacao Prospect, mainly to test the geological continuity and gold mineralisation at depth.

With the addition of this new drilling, the total size of the drilling database for the Project was increased to 516 holes for 75,100 m.

All samples from the most recent drilling programs have been sent for preparation to BSI-Inspectorate Laboratories sample preparation facility in Managua, and then dispatched to Reno Nevada (USA) or (for the 2015-2017 Campaign) to Vancouver (Canada) for analysis by fire assay. Density determinations have also been undertaken using an industry-standard wax-coated water immersion technique.

SRK is confident that the data provided by the Company is of sufficiently high quality, and has been subjected to a sufficiently high level of verification to support the MRE as presented here.

1.5 Mineral Resource Estimates

In summary, SRK undertook the following to derive the January 2019 MRE update, which remains consistent with SRK's approach for MRE completed previously:

- modelled mineralisation domains in 3D;
- completed a statistical analysis of the sample assay data to determine an optimum sample composite length;
- applied high-grade caps determined per estimation domain from log-probability and histograms;
- created block models with parent block dimensions of 25x25x10 m, 25x25x25 m or 20x20x10 m, sub-blocking was employed to honour the wireframe geomtries;
- undertaken statistical and geostatistical analyses to determine appropriate interpolation algorithms for each mineralised domain;
- undertaken a Quantitative Kriging Neighbourhood Analysis ("QKNA") to test the sensitivity of, and refine, the above interpolation parameters;
- used the above to above to interpolate grades into the block models;
- visually and statistically validated the estimated block grades relative to the original sample results; and
- reported the Mineral Resource according to the terminology, definitions and guidelines given in the CIM Code.

Upon consideration of data quality, drillhole spacing and the interpreted continuity of grades controlled by the deposit, SRK has classified portions of the deposit in the Indicated and Inferred Mineral Resource categories.

SRK has applied basic economic considerations to restrict the Mineral Resource to mineralisation that has reasonable prospects for economic extraction by open-pit and underground mining methods. To determine this, the Mineral Resource has been subject to a pit optimisation study using NPVS software and a set of assumed technical and economic parameters, which were selected based on experience and benchmarking against similar projects.

The CIM Code compliant Mineral Resource Statement is presented in Table 1-1.

Table 1-1: Mineral Resource Estimate, effective date 25 January 2019

SRK MINERAL RESOURCE STATEMENT as of January 2019 (4),(5),(6)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (koz)	Ag Grade (g/t)	Ag (koz) (7)
Indicated	Grand total	All veins	0.5g/t (OP) (1)	8,583	3.3	902	5.6	1535
			2.0 g/t (UG) (2)	1,267	5.8	238	8.5	345
		Subtotal Indicated		9,850	3.6	1140	5.9	1880
Inferred	Grand total	All veins	0.5g/t (OP) (1)	3,014	3.0	290	6.0	341
			2.0 g/t (UG) (2)	3,714	5.1	609	9.6	860
			1.5 g/t (3)	1,751	5.0	280		
		Subtotal Inferred		8,479	4.3	1,179	8.2	1201

(1) The La India, America, Central Breccia, Mestiza and Cacao pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,500 per ounce of gold. Prices based on experience gained from other SRK Projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, slope angles defined by the Company Geotechnical study which range from 40 - 48°. A haul cost of USD1.25/t was also added to the Mestiza ore tonnes to allow for transportation to the processing plant.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.36/t for processing, USD4.5/t G&A and USD50.0/t for mining, without considering revenues from other metals.

(3) These Mineral Resources are as previously quoted by SRK (22 December 2011) and are reported at a cut-off grade of 1.5 g/t Au and have not been updated as part of the current study due to no further detailed exploration.

In addition:

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

The reporting standard adopted for the reporting of the MRE is the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.

SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

Back calculated Inferred silver grade based on a total tonnage of 4569 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Auga Caliente, Guapinol, San Lucas, Cristalito-Tatescame or El Cacao.

1.6 Mineral Reserve

No Mineral Reserves are reported for the Project.

1.7 Geotechncial Mine Design Criteria

Different levels of geotechnical studies have been competed for the four potential open pits considered in both Scenario A and B, where theses range from a detailed pre-feasibility level investigation for La India, to scoping and benchmark values for Mestiza, America and Central Breccia.

SRKs' geotechnical analysis of the La India Project has been based on the results from the comprehensive drilling programs completed to date supplemented by limited surface and underground mapping. This work showed the rockmass strength to vary significantly over the length of the La India pit, in conjunction with geological structural and hydrogeological data, resulted in slope angles ranging from 47-50° in the footwall and from 46-49° in the hangingwall of the La India mineralisation.

No specific geotechnical data has been collected for the America, Mestiza or CBZ deposits, therefore, an assessment of core photographs from a number of boreholes located in proximity to the proposed pit slopes as well as understanding gained from the La India results, has been used to inform overall angles for pit slope optimisation purposes. This assessment indicates that overall slope angles for optimisation purposes should be in the order of 40°. On the assumption that a final design pit will carry a 30 m wide ramp offsets on each wall, inter-ramp slope angles of up to 50° will be required to achieve a 40° overall slope angle.

Scenario B considers the inclusion of underground mining at the La India, America and Mestiza deposits. To support the underground mining studies, SRK has reviewed and assessed the rock mass classification, and assessed the requirements for crown pillar design, sill pillar design and support. This study is based on the summarised geotechnical information from earlier studies including those referred to the SRK 2014, 2017 NI 43-101 Technical Report, with no further drill core or logging data added subsequently.

1.8 Hydrology and Hydrogeology

The La India project area is subject to intense rainfall events and a river currently flows through the proposed La India pit footprint. As such, mitigating the effects of the river is a significant consideration with respect to the viability of the Project.

The PEA has considered the hydrology and surface water management, groundwater and dewatering requirements, and the site wide water balance.

The hydrology and surface water management has been investigated by SRK based on monitoring of the local surface water network, flood peak estimates, total watercourse length and the average channel slope, with study findings used to support the PEA design. Methods analysed to mitigate flooding risk include incorporating a dam upstream of the La India pit (with a pumping system to discharge water downstream), attenuation structures ("Holding Ponds"), diversion structures and sedimentation ponds associated to the four operational areas.

With respect to groundwater the La India and America areas are considered brownfield sites, where the groundwater system is dominated by the historical underground workings, drainage adit and permeable structures (including faults and veins). Pre-dewatering of the La India open pit (and America main pit) will be achieved through pumping of the abandoned workings. Full dewatering of the deepest sections of the La India pit will not be achievable and it is assumed that the operation will need to revert to sump pumping when the pit floor cuts through the lowest workings. The remaining open pits are considered to be low risk from a dewatering perspective with in-pit pumping systems planned to be used to pump in-pit storm water runoff and any groundwater inflows.

The development of underground workings beneath the La India open pit will require detailed evaluation and risk assessment given the potential for flooding of the open pit. Scenario B of the PEA considers the inclusion of a tunnel to divert the flow of water away from the La India pit whilst underground operations are in place. Inflows associated with the America and Mestiza operations are considered to be lower risk, given their relatively smaller catchment extents, but will still need to consider inflows from the overlying pits. The La India underground pumping system will comprise a primary pumping station at the base of the workings comprised of "dirty water" pumps. Dirty water will be discharged to the environment via the primary sedimentation pond downstream of the La India pit. It is envisioned that the underground dewatering strategy for Mestiza and America will follow the same design philosophy as La India with a dirty water pumping station near the base of workings discharging to a sediment pond at surface.

1.9 Mining

Both Scenario A and Scenario B assume open pit mining from the four deposits: La India, America, Mestiza, and CBZ, where Scenario B incorporates a greater milling capacity to accommodate feed from the envisaged underground ("UG") mining operations at La India, Mestiza and America.

Mineral Resources classified as both Indicated and Inferred were included in the pit optimisation process used to derive the open pits for the strategic mining study.

The La India project site is expected to be run as a conventional drill, blast, load and haul operation. The material from the open pit ("OP") and UG operations, will be hauled to waste rock dumps ("WRD"), backfill areas, low-grade ("LG") stockpiles or directly tipped at the crusher.

Mining recovery and dilution factors for the open pit operations were developed through a combination of block regularisation (La India, CBZ) and dilution skin (America and Mestiza) approaches. Based on a set of pit optimisation results, strategic planning objectives and the Company's key policy drivers, from which a series of shells were selected for developing the mine design and strategic schedule. For Scenario A, SRK developed an OP strategic schedule to support a production rate of 1.225 Mtpa, optimising the extraction of La India, Mestiza, America and CBZ to maximize NPV on an annual basis. The schedule was developed with Maptek's Evolution and Chronos scheduling software, which optimises the mining sequence of each mine to meet the primary and secondary scheduling targets.

The main underground mining method selected for all deposits is mechanized cut and fill ("MCF") with unconsolidated rockfill ("URF"). Where the vein is much narrower than the required operating width of the smallest available load, haul, dump machine ("LHD"), SRK has considered the application of using MCF with resuing. Identification of UG stoping areas has been undertaken on each of the mineralised veins included in the Mineral Resource for the La India, Mestiza and America deposits. In order to ensure regional stability underground, SRK has recommended that a crown pillar of up to 30m should remain between the open pit and underground operations depending on geotechnical parameters and geometry, and that rib and sill pillars should be left between MCF stopes. Scoping level MCF designs for the La India, Mestiza and America deposits were completed in Deswik software, based on the Deswik Stope Optimizer ("DSO") stope shapes. At this stage of study, the designed lateral and vertical development is limited to main ramps, level accesses, stope access/attack ramps, ventilation drives and ventilation/emergency egress raises. In order to account for development not included into the design, an additional 10% has been applied to the development meters for the main ramps to account for such items as remucks, storage, refuge stations, sumps and electrical cutouts. A combined OP and UG production scenario, was developed to reflect a mill feed rate of 1.4 Mtpa, where the OP and UG schedules were developed separately and later combined in an Excel based scheduling model.

The strategic schedules for both Scenario A and Scenario B are presented in terms of tonnage and average gold grade in Figure 1-1and Figure 1-2 respectively.

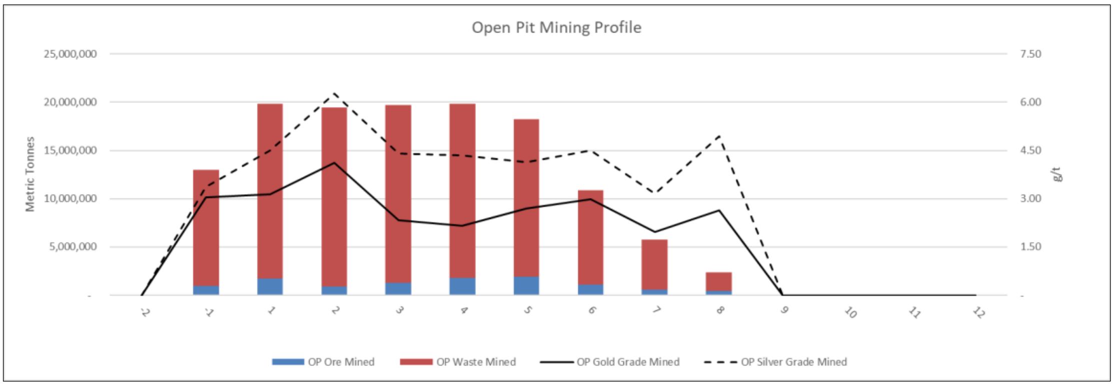


Figure 1-1: Scenario 1 Open Pit Only Mine Plan

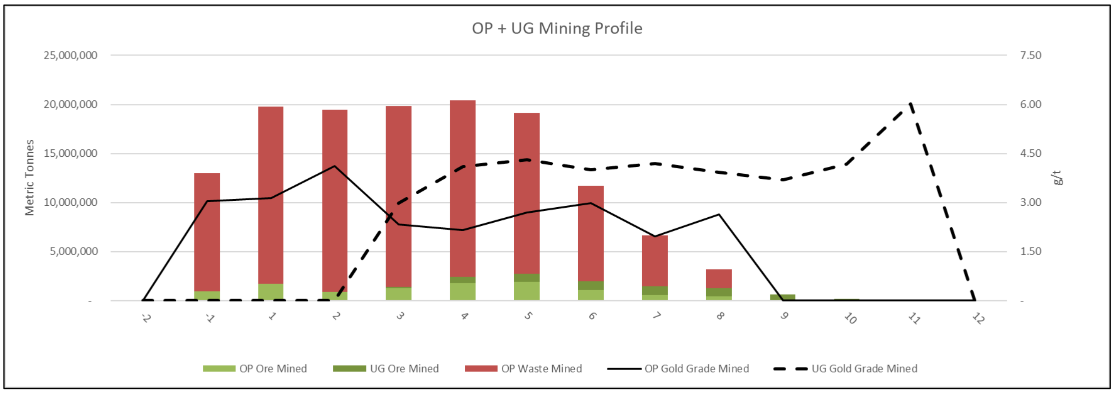


Figure 1-2: Scenario 2 OP +UG Mine Plan

The OP cost estimates have been based on a contractor mining operation, developed from two contractor quotes for the La India mine received from Esinsa and Explotec in January 2019 and November 2017, respectively. The UG operation is also assumed to be contractor operated and the cost estimates have been benchmarked with existing UG operations of similar scale.

Table 1-2 shows the Open Pit RoM Inventory for the Project as of September 15, 2021.

Table 1-2: Open Pit RoM Inventory for the Project as of September 9, 2021

Deposit	Total (Mt)	Waste (Mt)	Mill Feed (Mt)	Mill Feed Au (g/t)	Strip Ratio (t:t)
La India	87.96	79.62	8.34	2.56	9.5
Mestiza	13.76	13.26	0.5	5.37	26.6
America	22.17	21.29	0.88	4.2	24.3
Central Breccia	5.09	4.17	0.92	1.89	4.5
Total	128.98	118.34	10.63	2.77	11.1

(1) The La India, America, Central Breccia and Mestiza pits are amenable to open pit mining and the open pit RoM inventory in each case is constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,550 per ounce of gold. Prices based on experience gained from other SRK Projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t to $4.00/t for mining, slope angles defined by the Company Geotechnical study which range from 40 - 48°. A haul cost of USD1.25/t was added to the Mestiza ore tonnes to account for transportation to the processing plant.
(2) The Open pit RoM inventory is reported at a diluted cut-off grade of 0.65 g/t Au and has not been updated as part of the current study due to there being no further detailed exploration.
(3) The Open pit RoM inventory is not an Ore Reserve and is based in part on Inferred MIneral Resources. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. The Concession is wholly owned by and exploration is operated by Condor Gold plc
(4) Historical Underground mining occurred and the presented values within this table reflect an approximation of the depletion.

Table 1-3 shows the mill feed from the underground operations for the Project as of September 15, 2021

Table 1-3: Underground mill feed for the Project as of September 9, 2021

Deposit	Total (Mt)	Waste (Mt)	Mill Feed (Mt)	Mill Feed Au (g/t)
La India	4.04	1.28	2.76	4.30
Mestiza	1.93	0.90	1.03	3.88
America	2.35	1.07	1.28	3.57
Total	8.33	3.26	5.07	4.03

(1) The La India, America, and Mestiza underground mines are amenable to Mechanized Cut and Fill mining methods and the underground RoM inventory in each case is constrained within Deswik Stope Optimizer stope shapes, which SRK based on the following parameters: A gold price of USD1,400 per ounce of gold, metallurgical recovery assumptions of 91-96% for gold, based on testwork conducted to date and site costs including Mining, Milling and G&A of between USD65.74/t and USD72.74 depending on average vein true width and haulage distance to the processing plant.
(2) The Underground RoM inventory is reported at an insitu cut-off grade of between 1.9 g/t and 2.2 g/t Au (Diluted cut-off grade of 1.72 g/t to 1.83 g/t Au representing the break-even head grade required).
(3) The Open pit RoM inventory is not an Ore Reserve and is based in part on Inferred Mineral Resources. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. The Concession is wholly owned by and exploration is operated by Condor Gold plc
(5) Historical Underground mining occurred and has been depleted from the block models. Mine designs avoid interaction with historic workings were possible to minimize risks represented by unknown conditions in the historic workings.

1.10 Metallurgical Testwork

Metallurgical studies were originally conducted on master composites and variability composites in 2013, formulated from drill core from the La India and America, Mestiza and Central Breccia vein sets. During 2019, confirmatory metallurgical studies were conducted on test composites from La India, America and Mestiza vein sets.

The 2013 metallurgical program was conducted by Inspectorate Exploration and Mining Services (Inspectorate) now known as Bureau Veritas. The 2019 metallurgical program was conducted by SGS Canada ("SGS").

The scope of the 2013 metallurgical study consisted of sample characterization, comminution studies, whole-ore cyanidation, gravity pre-concentration followed by cyanidation and flotation of gravity scalped tails, testing of standard versus carbon-in-leach ("CIL") cyanidation processes, cyanide detoxification and solid-liquid separation studies. The 2019 metallurgical program included confirmatory comminution testwork and whole-ore cyanidation testwork using optimized process conditions.

The comminution test results reported during the 2013 test program were confirmed during the 2019 program and it is concluded that material from the La India project is very hard and highly abrasive. The average communition results from the 2013 and 2019 programs are summarized in Table 1-4.

Table 1-4: Average Communition Results

Deposit Area	SMC (Axb)	BWI (kWh/t)	Ai
La India	39.1	22.2	1.055
America	46.6	21.4	0.776
Mestiza	54.8	19.8	0.689

The Project test composites are highly amenable to gold and silver recovery by cyanidation processing. Gold and silver recoveries have been estimated based on the average results from the both the 2013 and 2019 test programs and include a 2% reduction in gold and a 4% reduction in silver reported laboratory extractions to account for inherent plant inefficiencies. Estimated gold and silver recoveries from each deposit area are shown in Table 1-5.

Table 1-5: Estimated gold and silver recoveries

Deposit Area	Au Recovery (%)	Ag Recovery (%)
La India	91	70
America	93	64
Mestiza	96	75
Central Breccia	87	51

1.11 Recovery Methods

An 805,000 tpa process plant was designed by Lycopodium as part of Condor's 2014 prefeasibility study for the Project. The process plant included conventional unit operations that are standard to the industry which include: primary crushing, semi-autogenous (SAG) mill grinding, carbon-in-leach (CIL) cyanidation, carbon elution, electrowinning, refining and final tailings detoxification. The process plant was designed on the basis of an ore that is clean, of high hardness, and extremely high abrasion.

This technical study update has considered two alternative process development scenarios. The process design criteria and flowsheets for each scenario are identical to those developed for the 2014 La India PFS. Scenario A assumes the construction of a 1.225 Mtpa (3,500 tpd) process plant that would be operated throughout the life of the project. Scenario B assumes the construction of a 1.4 Mtpa (4,000 tpd) process plant that would be operated throughout the life of the project.

Process operating costs have been developed according to industry standards applicable to a gold processing plant producing doré. The 2014 PFS Opex estimate was used as the Base-case for developing operating cost estimates for the two process development scenarios. SRK has estimated the process plant capital expenditure for Scenario A and Scenario B based on Lycopodium's 2014 capital estimate by first escalating to Q1 2020 by applying the Mine Cost Services ("MCA") average mill capital expenditure indices. The escalated plant capital was then adjusted for the plant capacities in each scenario using a 0.6 exponent in a capacity versus capital expenditure relationship and a 15% contingency.

1.12 Waste Geochemistry

Two phases of geochemical characterisation have been undertaken for the Project, which included the collection of 83 samples from the La India, Mestiza and America pit areas for static geochemical characterisation testing (SRK, 2014; CORES, 2019). The results of these tests demonstrate that the majority of waste rock has a low sulfide content (less than 0.1 wt%) and has a low to negligible potential to generate acidic leachates. The only exception is Porphyritic Andesite Lava (VIA) material from the south of the La India deposit proximal to the ore zone, which is characterised by higher sulfur contents (between 0.1% and 4%) and therefore is predicted to have an uncertain acid generating potential.

The majority of waste material types are characterised by concentrations of arsenic, antimony, chromium and sulfur that are elevated above average crustal concentrations. The potential for leaching of arsenic and chromium from waste rock lithologies was also identified, particularly from the Porphyritic Andesite Lava (VIA) and Andesitic Lapilli Tuffs (PPMi) lithologies.

The 2014 SRK Geochemical Characterisation study also included an assessment of tailings geochemistry based on testing undertaken by Inspectorate Laboratories in support of the PFS metallurgical testing program. Based on this information the following conclusions pertaining to ARDML were drawn:

- Tailings from the La India deposit were found to have a low potential for acid generation. This reflects the low sulfide content of the La India ore materials.
- The carbonate content within the ore and tailings were likewise low but in all cases the acid neutralising capacity of the materials was shown to be significant excess to the acid generating capacity. Based on this finding, the La India tailings materials can be classified as non-acid forming materials.
- Despite the low sulfur content, and following cyanide destruction by INCO process, the tailings decant waters do contain elevated concentrations of arsenic, molybdenum; mercury and antimony at concentrations exceeding WHO and local Nicaraguan drinking water guidelines. In the case of mercury, the IFC effluent water quality guidelines are also exceeded.

1.13 Tailings Waste Management

The proposed site of the TSF remains the same as the previous studies 2014 PFS, to the east of the main highway, and is consistent with the location included in the latest EIA documentation for the Project. The TSF includes dams at the western and eastern ends of the valley to form the impoundment void. The dams are constructed from waste rock derived from the mining operation, which are sequentially raised in a 'downstream' manner in-line with tailings production. The impoundment is proposed to be fully lined with HDPE to minimise seepage of contact water to the receiving environment.

The scenarios reflect total tailings storage capacity of 7.6 Mm^3 and 11.2 Mm^3 for Scenario A and B, respectively.

The main features of the PEA level TSF engineering design have been completed to be in line with current industry requirements (European Guidelines, Dam Safety Guidelines 2013, a guide to the management of tailings facilities, Version 3 2019), and with due consideration for local project requirements including the need to mitigate against the impact from regional seismicity. SRK understands that as part of the next phase of study, which Condor has awarded to the Tierra Group, that the design specifications for the TSF have established based on Canadian Dam Institute standards. It is the intention that Condor and Tierra Group will re-evaluate the design in light of the new standards prior to construction and will accommodate any technical modifications required for compliance with the Global Tailings standards.

1.14 Infrastructure

The proposed infrastructure assets and modifications to existing regional infrastructure required to support the operation of the Project are presented in Table 1-6.

Table 1-6: Summary of Infrastructure

Task	Subtask
Site Infrastructure	Plant Site and Associated Infrastructure
	Mine Maintenance Area
	Accommodation Camp
	Explosives Storage Facility
	RoM Pad and Haul Roads
Power Supply (off-Site)	Connection to National Grid Transmission Infrastructure
Regional Infrastructure	Power Line Relocation

1.15 Environmental and Social Management

In addition to holding the required permits for exploration, Condor has obtained three Environmental Permits for, firstly, the La India open pit, waste rock dump and processing plant (obtained in July 2018), and subsequently for the Mestiza and America open pits and waste rock dumps (obtained in April 2020). The La India Environmental Permit, received in July 2018 required certain conditions to be completed within 18 months, including land acquisition for the mine site infrastructure. An extension was granted in January 2020 to complete the conditions of the permit by 27 July 2021. Prior to July 2021, Condor notified MARENA that the project had formally commenced, which removes the deadline for completion of conditions, however, Condor continues to make progress with meeting the conditions. The Mestiza and America Environmental Permits require the project to commence within 18 months of obtaining the permit, although this can be extended for a further two 18-month periods. In October 2021, Condor requested an extension for the America permit and has formally notified MARENA of the start of the Mestiza project. The project design described in this technical study includes additional activities that extend beyond the currently permitted area. Depending on changes carried forward by Condor, further impact assessment studies may be required to obtain regulatory approval for the current design.

Condor intends to meet Nicaraguan regulatory requirements, as well as good international industry practice for environmental and social performance, as defined by the Equator Principles and IFC Performance Standards. Environmental impact assessments ("EIA") have been submitted in line with local standards as part of the permitting process for each of the areas, which have included the completion of numerous baseline and impact studies, some of which commenced in 2013. The EIA also contain a series of environmental and social management plans that will be implemented during construction, operation and closure, and a community development plan that is aligned with the 10 existing social investment programs implemented by Condor. (These programs were designed to meet the IFC Performance Standards).

Conceptual closure plans have been prepared for the La India, Mestiza and America project components as part of the permitting process. These plans have an associated life of mine closure cost of USD 11.3M. For the PEA including La India, Mestiza, America and Central Breccia deposits, SRK has provided a high-level combined closure cost estimate totalling USD 13.7m for PEA scenario A (1.225 Mtpa) and USD14.8M for PEA scenario B (1.4 Mtpa). The conceptual closure plans for the Project have been prepared on the information available but further work will be required to confirm key assumptions in future stages of the Project.

The salient environmental and social issues and risks identified for the Project are:

- Land acquisition: Condor has made significant progress with land acquisition and has, as of October 2021, reportedly obtained approximately 97% of the land required for the Project components. There remains a residual risk the remaining land may take longer than anticipated to acquire. Livelihood restoration is being carefully planned and managed by the Company to avoid future conflict with groups affected by the land acquisition process.

- Artisanal and small-scale mining: Condor has constructive relationships with artisanal and small-scale miners. The La India environmental permit requires evidence of agreements with small-scale miners for voluntary relocation and corresponding compensation prior to construction of the La India pit. Condor has committed to providing a fair agreement through a negotiation process, however, there is a risk that artisanal miners may disrupt and delay the negotiation process and the signing of agreements.
- Community health and safety: The extent of the permitted La India open pit has been developed to avoid physical resettlement of La Cruz de La India. The EIA has qualitatively assessed impacts from gaseous emissions, dust, noise, vibrations and heavy vehicle traffic for local communities (La India, Nance Dulce and El Bordo). Quantitative modelling, particularly for air quality and noise, is required to demonstrate that community health and safety will not be adversely affected by the Project. Appropriate stormwater and tailings management will also be key to protecting both project infrastructure and local communities in the event of an extreme event and/or failure of water containment/diversion facilities.
- Surface and groundwater quality impacts have been determined to be acceptable, however, successful management of these impacts is critical to the success of the Project and maintaining relationships with surrounding stakeholders. Further hydrogeological studies are planned to inform the application for a water permit from ANA and a community drinking water program.
- Historical liabilities exist within the La India Project area due to existing disturbance and potential environmental contamination from historical mining operations and existing ASM activities. Although Condor has conducted studies to characterise these liabilities prior to the La India Project-development, Condor could be at risk of having to remediate environmental or social damage generated by third parties.

1.16 Economic Evaluation

Capital expenditure and operating costs have been derived on a discipline basis and are detailed in the sections below. The overall accuracy of the cost estimates is deemed to be ±40-50%, in line with expectations from a PEA level of study.

The key technical, operational and financial parameters of the two scenarios are summarised in Table 1-7. Both scenarios return positive NPVs at the Company’s base discount rate of 5%, of USD236M and USD313M for Scenarios A and B respectively, assuming a USD 1,550/oz gold price. Undiscounted payback is accomplished during month 12 of year 1 for both Scenario A and Scenario B.

The NPV results for the project for both scenarios are presented in Table 1-8 at a range of discount rates.

Table 1-7: Key Technical, Operational and Financial Parameters

Parameter	Units	Scenario A	Scenario A
Production			
Ore Mined	(kt)	10,634	15,702
Au Grade	(g/t)	2.77	3.18
Ag Grade	(g/t)	4.39	4.75
Recovered Metal			
Au	(koz)	862	1,469
Ag	(koz)	1,031	1,662
Commodity Prices			
Gold	(USD/oz)	1,550	1,550
Silver	(USD/oz)	20	20
Revenue			
Gold	(USDM)	1,335.28	2,275.24
Silver	(USDM)	20.41	32.91
Gross Revenue	**(USDM)**	**1,355.69**	**2,308.15**
Transportation Charges	(USDM)	(1.46)	(2.10)
Smelter Charges	(USDM)	(1.42)	(2.35)
Net Revenue	**(USDM)**	**1,352.81**	**2,303.70**
Operating Costs			
Mining	(USDM)	(336.17)	(637.91)
Water Management	(USDM)	(4.25)	(17.56)
Processing Plant	(USDM)	(208.09)	(299.94)
Tailings	(USDM)	(2.13)	(3.14)
G&A	(USDM)	(45.00)	(60.00)
EMP	(USDM)	(8.56)	(11.41)
Sub-total	**(USDM)**	**(604.19)**	**(1,029.96)**
Royalty	(USDM)	(81.17)	(138.22)
Total Operating Costs	**(USDM)**	**(685.36)**	**(1,168.18)**
	(USD/t RoM)	64.45	74.40
EBITDA and Tax			
EBITDA	(USDM)	667.45	1,135.52
Corporate Income Tax	(USDM)	(144.87)	(226.79)
Cashflow from Operations	**(USDM)**	**522.57**	**908.73**
Capital Expenditure			
Mining	(USDM)	(40.52)	(252.65)
Water Management	(USDM)	(8.08)	(19.16)
Processing Plant	(USDM)	(66.05)	(72.14)
TSF	(USDM)	(24.85)	(31.17)
Infrastructure	(USDM)	(10.85)	(10.85)
Closure	(USDM)	(13.69)	(14.83)
Other	(USDM)	(7.70)	(7.80)
Contingency	(USDM)	(15.00)	(19.68)
Total Capital Expenditure	**(USDM)**	**(186.75)**	**(428.28)**
Results			
Net Free Cashflow	(USDM)	335.83	480.45
NPV (5%)	(USDM)	235.95	312.55
IRR	(%)	48.2%	43.2%
Payback month (undiscounted)	(Prod month)	12	12
All-in Sustaining Costs	(USD/oz)	813	958
All-in Costs	(USD/oz)	990	1,067

Table 1-8: NPV at range of Discount Rates

Discount Rate (%)	Units	Scenario A	Scenario B
0%	(USDm)	335.83	480.45
5%	(USDm)	235.95	312.55
8%	(USDm)	191.61	243.06
10%	(USDm)	166.91	205.86
15%	(USDm)	118.13	135.99

1.17 Conclusions

This technical report provides a summary of the results and findings from each of the major technical disciplines which have been summarised as a series of technical and economic inputs into a TEM.

The economic evaluation of the Project shows both scenarios to be positive:

- Scenario A returns a positive net present value ("NPV") of USD236M (at a 5% discount rate) and an internal rate of return ("IRR") of 48%; where the operation produces on average 125 koz of gold for the first 5 years with a 9-year Life of Mine and total gold production of 862 koz.
- Scenario B returns an NPV of USD313M (at a 5% discount rate) and an IRR of 43%, due to higher upfront capital required. Scenario B produces on average 155 koz of gold at full production over the first five years, with a 12-year Life of Mine and total gold production of 1,469 koz.

The project economics are most sensitive to the gold price, as shown in Table 1-9.

Table 1-9: Sensitivity of Economic Outputs to Gold Price

Gold Price (USD/oz)	Scenario A		Scenario B	
	NPV (USDM)	IRR (%)	NPV (USDM)	IRR (%)
1,200	80.85	21.7%	62.91	14.1%
1,300	125.31	29.9%	134.68	23.3%
1,400	169.60	37.5%	206.40	31.6%
1,500	213.84	44.7%	277.19	39.4%
1,600	258.05	51.7%	347.63	46.9%
1,700	301.99	58.4%	417.77	54.1%
1,800	345.78	65.0%	487.92	61.0%
1,900	389.57	71.4%	558.06	67.7%
2,000	433.35	77.6%	628.21	74.2%
2,100	477.14	83.7%	698.35	80.6%
2,200	520.92	89.7%	768.50	86.8%

The positive economic evaluation supports in SRK's opinion taking the project forward to the next stage of study.

SRK notes that the technical study is preliminary in nature and assumes the mining of Inferred Mineral Resources that are considered too speculative geologically to support the economic criteria applied to Mineral Reserves. There is no certainty that the results of the PEA level technical study will be realised.

1.18 Recommendations

SRK considers that the technical studies completed warrant progressing the La India Gold Project from the current PEA level of study to a PFS level for the scenarios presented herein.

During 2021 SRK have worked with Condor's geological team to develop individual drilling plans for the Mestiza open pits, and the initial stater pits proposed along the La India Vein. The drilling programs have been aimed at reducing the drill spacing and increasing the understanding and assessment of the geological and grade continuity. The La India infill program has been aimed at increasing the confidence in the potential first year of production via a denser drilling pattern and comprises a number of short holes ranging from 20 to 75m. The drilling reduces the current spacing from 50x50 m, to a 25x25m drilling grid, plus tests for extensions currently defined as Inferred within the current slopes of the valley.

At Mestiza SRK has proposed a phased program which reduces the drill spacing to a 50x50m grid (Phase 1), and thereafter a 25x50m grid (Phase 2), with potential to infill further to a 25x25m within the current pits, based on the results from the first two phases. Drillholes range in depth from 20 to 225m at Tatiana, with an average depth approximately 75m. At Buenos Aires the holes range from 30 to 170 m with an average depth of approximately 75m. The Mestiza program has been designed to infill drilling and replace historical holes (pre-Condor), where required, to cover the 2019 Mineral Resource limiting pit-shell. SRK has also included additional holes at the base of each pit to test for continuity. In each case the drilling is designed to intersect the vein at a suitable angle for representative sampling and modelling to be achieved.

The resource drilling programs for the La India deposit have been completed (totalling 3,370 metres for 58 holes) and the assay values have been received but not been included in the current study due to timing. Condor is currently working to update the geological interpretations which will be subject to a future resource update. The resource drilling program at Mestiza remains ongoing, scheduled for completion in November 2021.

It is recommended that following the completion of the drilling, data quality reviews and update to the geological interpretations that Condor update the geological model and the Mineral Resource based on the latest drilling.

Where deeper drilling is planned it should be coupled with expanding the underground geotechnical setting in order to improve the understanding of the rock conditions and inform the mining method and associated parameters.

In conjunction with the resource drilling, it is recommended that the necessary field investigations are progressed to support further PFS technical studies and the ESIA process, encapsulating the two scenarios outlined herein. It is envisaged that the program of works will include the following key components in addition to increased design and costing detail: completion of additional metallurgical testwork; infrastructure site investigations; development of the waste management studies (including geochemical testwork); and the development of the hydrogeological and hydrological designs.

In parallel to field investigations relating to the wider project, given the previous Pre-feasibility study conducted on the La India deposit, SRK supports Condor’s decision to proceed directly to a Feasibility Study based solely on a La India open pit operation. SRK notes that Condor has purchased a new Semi-Autogenous (SAG) mill from First Majestic Silver that could be operated at 2,300 tpd, potentially expandable to 2,800 tpd. Studies are currently underway for a FS level processing plant design which incorporates this mill. Efforts to complete an FS on La India are well underway with the delivery of the study expected by the end of the 1st quarter 2022.

2 INTRODUCTION

SRK Consulting (UK) Limited ("SRK") has been requested by Condor Gold Plc ("Condor", the "Client", or the "Company") to prepare a technical report on its' wholly owned La India Gold Project ("La India" or the "Project").This technical report (the "Technical Report") has been prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1 and presents the most up to date MRE, the results of two mining scenarios, both completed to Preliminary Economic Assessment ("PEA") standards, on the Project over a 12 month period up to July 2021..

The Technical Report covers two scenarios: Scenario A in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone (CBX) which targets a plant feed rate of 1.4 million tonnes per annum ("Mtpa"), and Scenario B where the mining is extended to cover three underground operations, at La India, America and Mestiza, in which the processing rate is increased to 1.5 Mtpa.

La India is located on the western flanks of the Central Highlands in the northwest of Nicaragua, approximately 70 km to the north of the capital city of Managua.

SRK first produced a Mineral Resource Estimate ("MRE") for the project in January 2011 and this has been subsequently updated several times following further drilling and geological interpretation. SRK's most recent publically reported MRE was in January 2014.

The reporting standards adopted for the reporting of the MRE is the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves (adopted May 2014) (the CIM Code). The CIM Code is an internationally recognised reporting code as defined by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO).

SRK notes that a PEA is preliminary in nature and can include Inferred Mineral Resources that are considered too speculative geologically to support the economic criteria applied to Mineral Reserves. There is no certainty that the results of a PEA will be realised.

The Qualified Persons ("QPs") responsible for the Technical Report are Dr Tim Lucks of SRK, 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 financial analysis performed considering the results of these studies demonstrates the robust economic viability of the proposed La India project using the base case assumptions considered. The two strategic mining scenarios presented highlight the flexibility, scalability and potential economic upside of La India Project.

SRK has completed numerous site visits in undertaking its work. Notably, Mr Parsons visited site between 28 April and 2 May 2013. Many of the other SRK team members involved in the work presented here also visited during 2013 and 2014, including representatives of the mining, hydrology and hydrogeology, infrastructure, tailings, and environmental and social teams.

SRK's opinion contained herein and effective 9 September 2021, is based on information collected by SRK throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Condor, and neither SRK nor any affiliate has acted as advisor to Condor, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

Except as specifically required by law, SRK does not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this Technical Report or statements contained herein, required by and given solely for the purpose of complying with the mandate as outlined in this Technical Report and compliance with NI 43-101. SRK has no reason to believe that any material facts have been withheld by the Company.

3 RELIANCE ON OTHER EXPERTS

SRK's opinion is based on information provided to SRK by Condor throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions at the time of writing. SRK has however, where possible, verified data provided independently, and completed several site visits to review physical evidence for the deposit.

SRK has not performed an independent verification of land title and tenure as summarised in Section 4.2 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but has relied on the Company and its legal advisor for land title issues.

In completing the underlying technical studies and this technical report SRK has drawn upon a team of consultants from its United Kingdom and North American offices, The SRK team members responsible for each technical discipline are listed below.

Discipline	Name	Designation
Project Manager	Tim Lucks	Principal Consultant
Project Director	Mike Armitage	Corporate Consultant
Geology and Mineral Resources	Ben Parsons	Principal Consultant
Geology and Mineral Resources	Rob Goddard	Senior Consultant
Geotechnics	Max Brown	Principal Consultant
Geotechnics	Trevor Silverton	Principal Consultant
Mining	Fernando Rodrigues	Principal Consultant
Mining	Anton Chan	Senior Consultant
Mining	Joanna Poeck	Principal Consultant
Mining	Stephen Taylor	Principal Consultant
Water Management/Hydrogeology	Mark Raynor	Principal Consultant
Mineral Processing	Eric Olin	Principal Consultant
Tailings Disposal/Management	Richard martindale	Principal Consultant
Infrastructure/Construction	Colin Chapman	Principal Consultant
Environmental and Social	Emily Harris	Principal Consultant
Financial Assessment	Bruno Serra	Senior Consultant

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Project Location

The package of concessions held by Condor covers 648.66 km^2, 587.66 km^2 of the India project, comprises some 98% of the historic La India Gold Mining District and is located in the municipalities of Achuapa, El Sauce, Santa Rosa del Peñon and El Jicaral in the León Department, San Isidro and Ciudad Dario in the Matagalpa Department, San Francisco Libre in the Managua Department, and San Nicolás in the Estelí Department of Nicaragua. The Project is centred on geographical coordinates 12° 44' 56" North, 86° 18' 9" West.

The Project is located on the western flanks of the Central Highlands of Nicaragua (Figure 4-1) between UTM WGS84, Zone 16 North coordinates 550,000m E and 588,000m E, and 1,393,000m N and 1,442,500m N.

Figure 4-1: Project Location (Source: Condor)

4.2 Mineral Tenure

In total, Condor holds 12 contiguous concessions, listed in Table 4-1 and shown in Figure 4-2. Eight of the concessions were awarded directly from the Government between 2006 and 2019 and the remaining four were acquired from other owners.

Notably, the La India Concession was added to Condor's portfolio in late 2010 through a concession swap agreement with Canadian miner B2Gold, while the Espinito Mendoza, La Mojarra and HEMCO-SRP-NS (now renamed La Cuchilla) concessions were acquired from private companies in 2011, 2012 and 2013, respectively.

Table 4-1: Concession Details for the La India Project

Concession Name	Concession Number	Expiry Date	Area (km²)
La India	61-DM-308-2011	February 2027	68.5
Espinito Mendoza	004-DM-2012	November 2026	2.0
Cacao	685-RN-MC-2006	January 2032	11.9
Santa Barbara	55-DM-169-2009	April 2034	16.2
Real de la Cruz	105-DM-197-2009	January 2035	7.7
El Rodeo	106-DM-198-2009	January 2035	60.4
La Mojarra	084-DM-386-2012	June 2029	27.0
La Cuchilla	031-DM-417-2013	August 2035	86.4
El Zacatoso	105-DM-570-2014	October 2039	1.0
Tierra Blanca	033-DM-619-2015	June 2040	32.2
Las Cruces	031-DM-007-2018	December 2043	142.3
Cerro Los Cerritos	048-DM-021-2019	June 2044	132.1
Total			**587.7**

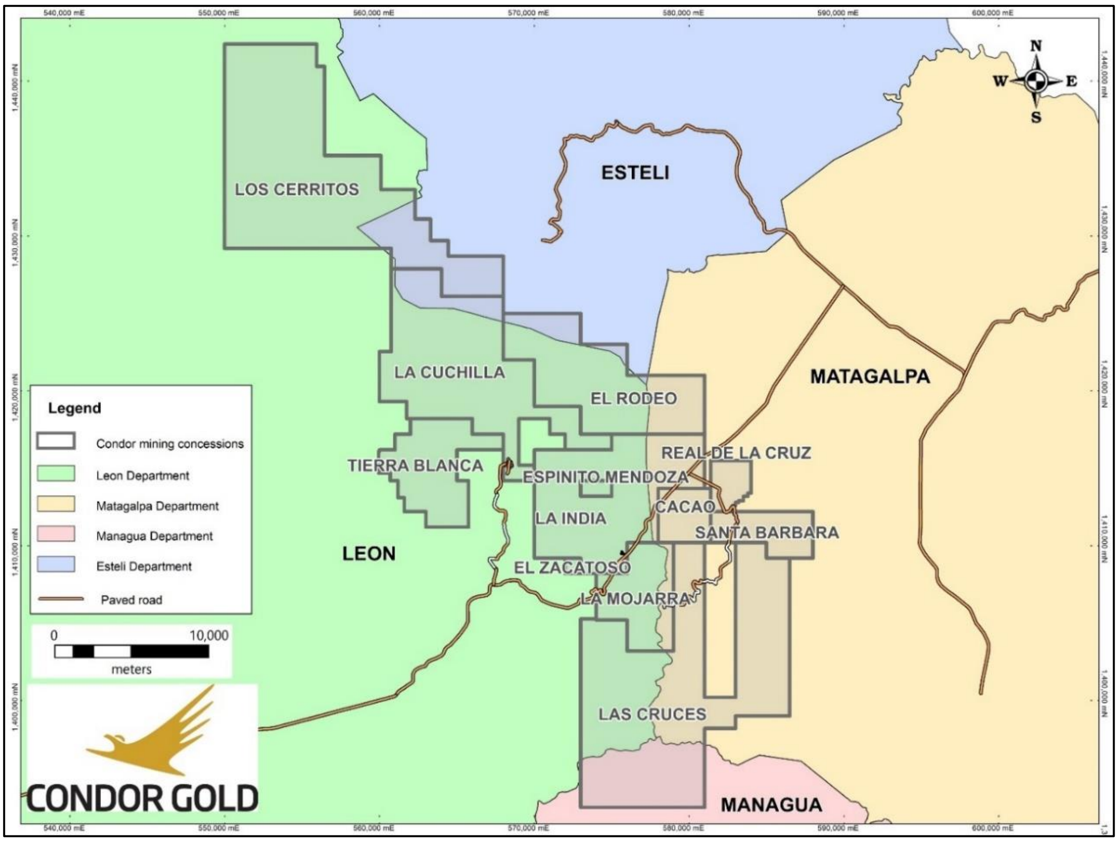


Figure 4-2: Location of La India Project, comprising 9 concessions

All concessions are renewable 25 year combined exploration and exploitation concessions. Under Nicaraguan law such concessions are subject to a "Surface Tax" based on the surface area and the age of the concession payable at six monthly intervals and a 3% government royalty on production. The La India, Espinito Mendoza and La Mojarra concessions were granted under an earlier mining law and as such are subject to a tax exemption, whilst work undertaken on the newer concessions is subject to Nicaraguan tax.

Of the 588 km^2 concession area, 139 km² of the La India Project is subject to a 3% royalty to Royal Gold Inc., under the Royal Gold NSR agreement. Approximately 90% of the Company's Indicated and Inferred Mineral Resources on the La India Project are subject to the 3% royalty under the Royal Gold NSR agreement, with the remaining 449 km² of the La India Project excluded.

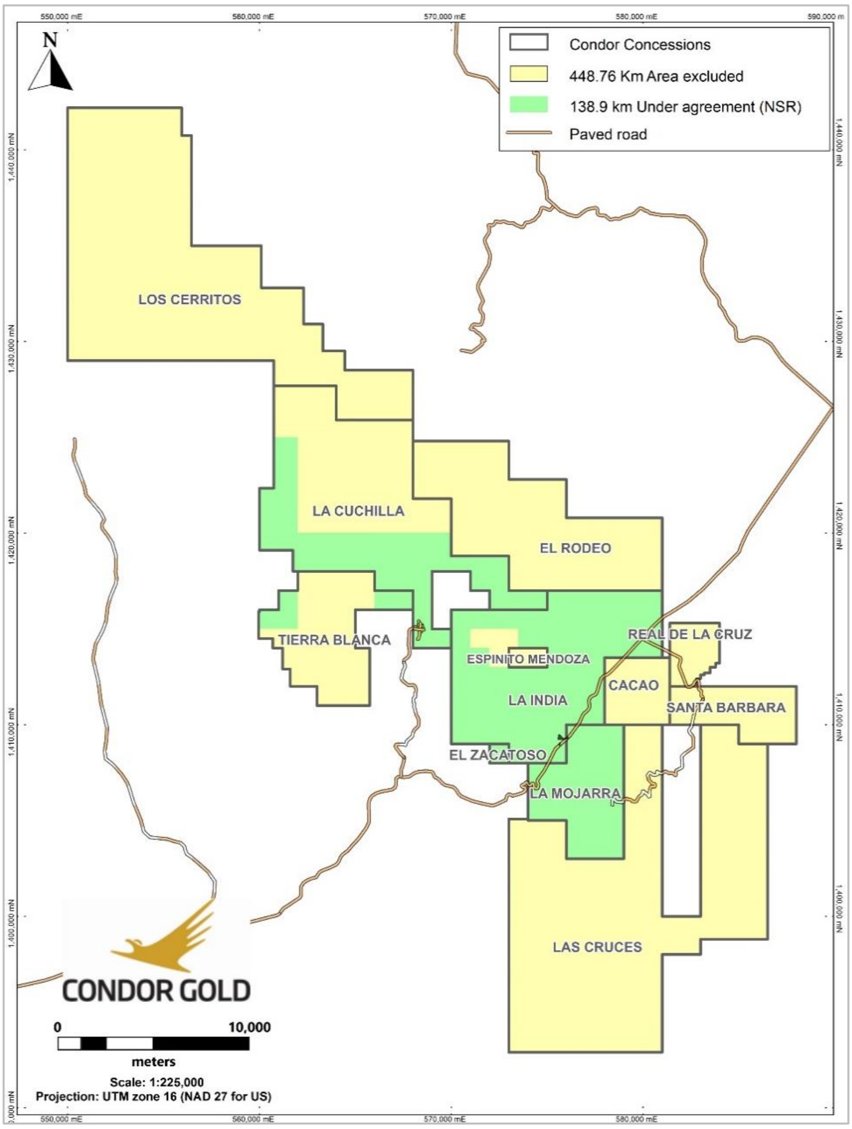


Figure 4-3: Royal Gold NSR agreement area of coverage

In August 2011, Condor announced that it had entered into a legally binding agreement to acquire the 2 km² Espinito-Mendoza Concession at the heart of the Project. The purchase consideration was USD 1,625,000 over a four-year period. Condor was also obligated to complete certain drilling on the Concession and pay the previous owner of the Concession a bonus payment on any future JORC compliant Mineral Resource. The Espinito-Mendoza Concession is subject to a 2.25% net smelter royalty in favour of the previous owner of the Concession. The current Mineral Resource on the Espinito-Mendoza Concession is 908 Kt at 6.66 g/t for 208,000 oz of gold in the Inferred Mineral Resource category.

Subsequent to the effective date of the Technical Report, in March 2016, Condor renegotiated terms and final payments to acquire the Espinito-Mendoza Concession. In total, USD 1,725,000 has been paid to date with a remainder of approximately USD 100,000 to be paid. The renegotiated terms mean that the bonus payment on future resources on the Espinito-Mendoza Concession no longer has to be paid and Condor has no drill obligations, but in return, Condor has to assume responsibility to acquire surface rights on the Concession area.

La Mojarra Concession was purchased from a third party for USD1,010,815 in cash and shares, the purchase process being completed in September 2014.

The La Cuchilla Concession was purchased in January 2013 for a consideration of USD 275,000 by way of issuing new ordinary shares in Condor Gold plc at a price of GBP 2.00 per ordinary share. Condor's further obligation under the purchase agreement is to pay HEMCO USD 7.00 per ounce of gold of Proven and Probable Mineral Reserves, as defined by the CIM Code, by an independent geological consultant appointed by Condor Gold plc. This payment may be made in shares of Condor Gold plc and is payable during the period that Condor holds the concession.

Condor also has a claim on the surface rights to a further 30.4 km² covering all the known Mineral Resource areas of the La India Concession. Under the original sale agreements, the original landowners were allowed to maintain possession at the Company’s discretion. Elsewhere on La India project, access to explore is negotiated with the landowners.

4.3 Permits and Authorization

4.3.1 Mining authorisations

Legislative requirements for mining are contained in the Special Law on Exploration and Exploitation of Mines (Law No. 387 of 2012) and supporting regulations (Decree No 119-2001). Law 387 establishes that the mineral resources and subsoil are under absolute ownership of the State, with rights to explore for and extract and process minerals, both metallic and non-metallic, granted to holders of Concessions awarded by the Ministerio De Energia y Minas (Ministry of Energy and Mines) (“MEM”).

A Concession is valid for 25 years and confers upon holders’ exclusive rights of exploitation, exploration and the establishment of facilities for collection and processing of minerals found in the area granted. A Concession can have a maximum area of 50,000 ha and exploration must commence within four years of a Concession being awarded.

The application for a mining concession to conduct exploration and exploitation activities requires the concession applicant to have an Environmental Permit issued by Ministry of Environment and Natural Resources (“MARENA”). The Environmental Permit will specify provisions for observing established norms and special regulations relating to environmental performance (Article 29 of Law 217 of 2001).

Under Nicaraguan law, 1% of any Concession area can be mined by artisanal miners, who cannot use a back-hoe or mechanised mining techniques.

4.3.2 Environmental Permits

Environmental permits to carry out exploration and exploitation activities are obtained from the MARENA. Two types of permit are required for exploration activities, an initial authorisation for prospecting obtained from the Regional Authority, which permits activities such as rock chip, soil sampling and trenching, and a permit to carry out exploration activity from the National Authority to allow drilling and other more extensive work.

In addition to holding the required permits for exploration, Condor has obtained three Environmental Permits for mineral extraction activities associated with the Project.

Table 4-2 details the current environmental permits that have been obtained.

Table 4-2: Environmental Permits

Concession Name	Permit Category	Permit Number	Date Granted
La India	Exploration	DGCA-250-2003-CS037-2011	23/12/2011
Espinito-Mendoza	Exploration	DGCA -POO48-1111-037-2012 (TMSA) Rights transfer to Condor: DGCA -POO48 -1111-037-2012-003CD-2013	06/12/2012 17/05/2013
Cacao	Exploration	23-2007	23/11/2007
Santa Barbara	Prospecting	DTM-030-09	03/06/2009
Real de la Cruz	Prospecting	DTM-007-10	12/03/2010
El Rodeo	Exploration	DGCA-P0018-0510-001-2011	12/03/2010
La Mojarra	Prospection + drilling	LE 01- 2007 Rights transfer R. A. No Le 01- 009/120214	17/05/2007 12/02/2014
La Cuchilla	Prospecting	LE-022/091012 Rights transfer R.A. No. LE -012/060515	09/10/2012 06/05/2015
El Zacatoso	Prospecting	No. LE - 011/230415	23/03/2015
Tierra Blanca	Prospecting	No. 037/301215	30/12/2015
Las Cruces	Prospecting	No. 031-DM-007-2018	03/12/2018
Cerro Los Cerritos	Prospecting	No. 048-DM-021-2019	02/07/2019
La India (open pit, waste rock dump (WRD) and processing plant	Mineral exctraction	DGCA/P0018/0315/014/2018/001R/2020	27 July 2018, (extended 27 January 2020)
Mestiza (open pits and WRDs for the Tatiana Project)	Mineral exctraction	DGCA/P23134/0219/011/2020	24 April 2020
America (open pits and WRDs)	Mineral exctraction	DGCA/P23135/0219/010/2020	29 April 2020

4.4 Environmental Considerations

SRK has completed a review of the Environmental studies currently being managed by Condor on the La India Project presented in Section 20 of this document.

4.5 Nicaraguan Mining Law

Three articles of legislation apply to exploration and mining activities in Nicaragua:

- Law No 387, Law for Exploitation and Exploration of Mines;
- Decree No. 119-2001, Regulation of Law No.387; and
- Decree No. 316, Law for Exploitation of Natural Resources.

The Nicaraguan Civil Code recognises the right of the owner of a property to enjoy and dispose of it within the limitations established by law. Notwithstanding this, natural resources are property of the State and only the State is authorised to grant mining exploitation concessions and rights.

A concession holder's main legal obligations are to:

- obtain permission from the owner of the land;
- obtain an environmental permit;
- pay royalties and surface rents; and
- file annual reports.

4.5.1 Types of Mining Titles

Since 2001 all Nicaraguan mining activities have been governed by a single type of mining concession known as an exploration and exploitation concession.

(a) Terms and Conditions governing grant

The Ministry of Development Industry and Commerce (Ministerio de Formento, Industria y Comercio, MIFIC) issues exploration and exploitation concessions to entities that file an application before the Natural Resources Directorate General (a division of MIFIC).

(b) Rights attached to Exploration Licence

Exploration and exploitation concession holders have the exclusive rights of exploitation, exploration and the establishment of facilities for collection and processing of minerals found in the area granted.

(c) Standard Conditions for Mining Concessions

Standard conditions apply to all exploration and exploitation concessions. In addition to those stated below in this item they include the obligation on the concession holder to:

- pay income taxes annually;
- provide an annual report on activities by the request of MIFIC;
- facilitate the inspections carried out by MIFIC representatives;
- comply with procedures issued for labour, security and environmental protection;
- within 30 days from the date the concession is issued, register it with the Public Registry and have it published in the official Gazette;
- obtain permission from the owners of the properties within the concession area prior to the commencement of activities; and
- facilitate artisanal mining activities which will not exceed 1% of the total area of the concession. The concession holder has the right choose which areas to assign to the artisanal miners and the normal practice is for the concession holder to allow them to work narrow high-grade veins that are not considered economic for commercial mining.

(d) Surface Tax

An exploration and exploitation concession holder is to pay a Surface Tax in advance every six months. Payments per hectare or part thereof are shown in Table 4-3.

Table 4-3: Surface tax payments due per hectare per year on exploration concessions in Nicaragua

Year	Amount per hectare per annum (USD)
1	0.25
2	0.75
3,4	1.50
5,6	3.00
7,8	4.00
9,10	8.00
11+	12.00

4.5.2 Reporting Requirements

Exploration and exploitation concession holders must provide to MIFIC an annual report which includes the following information:

- number of personnel employed;
- industrial safety measures;
- mining activities conducted and their results;
- mining production;
- status of incorporation of the company, its accounts and any changes during the year; and
- details of the investments and expenses incurred in relation to the mining concession during the year.

4.5.3 Royalties Payable

Exploration and exploitation concession holders pay a royalty on the value of the extracted substances. The value is determined by subtracting the transportation expenses from the sale value of the substance. The percentage that must be paid is 3% of the value of the mineral exploited. The royalty payment is considered an expense and can be deducted from Income Tax obligations. Royalties are to be paid monthly. If payment is three months overdue, the concession may be irrevocably cancelled.

4.5.4 Term

Exploration and exploitation concessions are granted for an initial 25 year period, renewable for a further term of 25 years. Application for renewal must be filed at least six months before the expiry date. Renewal may be refused if the concession holder does not comply with the Mining Law.

4.5.5 Transfer and assignment

The Mining Law states that concessions may be divided, assigned, totally or partially transferred or leased and also allows for concessions to be mortgaged.

4.5.6 Relations with landowners

An exploration and exploitation concession holder cannot commence its mining activities until it has authorisation from the owner of the property. The authorisation must set out the terms and compensation for the use of the private property and infrastructure. A concession holder who acts without authority commits a serious violation and will be fined an equivalent to USD10,000.00.

Conflict between surface property rights and mining rights must be taken into consideration at the time of considering a mining project, particularly in areas where other commercial projects may be developed on the surface of the land. The holder of the concession may need to acquire, lease or take easements over the surface property.

4.5.7 Environmental Issues

Any person who wishes to initiate mining-related activities (exploration and exploitation) must first obtain an environmental permit from MARENA. A failure to obtain a permit is a breach of a standard term of the mining title and the mining concession may be cancelled. A water extraction permit from the National Water Authority (“ANA”) is a requirement to extract groundwater and will be required for the mine dewatering work.

4.5.8 Applicable legislation

All rights and obligations derived from the mining concession must comply with Nicaraguan legislation and submit to the jurisdiction of Nicaraguan courts. Disputes arising over the title of a mining concession are heard by the Civil District Courts. The Natural Resources Directorate General may act as a mediator between the parties, if the parties agree.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The La India Gold Project lies approximately 70 km due north of the capital city of Managua, and north of Lake Managua on the western flanks of the Central Highlands (Figure 4-1).

The Project is accessed from Managua either by the paved León-Esteli Road (Highway 26) at approximately 210 km, or by the Panamerican highway via Sebaco (approximately 130 km). The nearest town with banking services is Sebaco at a distance of 32 km.

The majority of the mineralised areas are accessible to within a few hundred metres of the paved highway via dirt tracks which require maintenance during the wet season between May and November. The crossing of small rivers proves difficult during periods of high rainfall.

5.2 Climate

The La India Mining District is located in one of the drier areas in Nicaragua, with typical temperatures ranging between 20°C and 30°C. The wet season is characterised by intense afternoon rain storms between May and November. It is generally dry during the rest of the year. During the wet season, Hurricanes and flash flood events are commonplace and these have been accounted for the design of the storm water management system (Section 16.3).

5.3 Local Resources and Infrastructure

A major paved highway and power line runs northeast-southwest through the Project area providing excellent access to the Project. Transport within the concession consists mainly of un-surfaced roads of varying quality. A hydroelectric dam is located just beyond the eastern edge of the Project area, less than 10 km from the main deposits. Houses and communities located with a few kilometres of the highway are supplied with 220 V or 110 V mains electricity fed from a 24.9 kV, 3-phase power supply which runs along the highway.

Condor's office is located in the small town of La Cruz de La India which has a population of approximately 1,000 and is located between the highway and the main gold deposit of La India. The office has a dedicated internet connection setup via wireless relay. There is good mobile phone coverage in Cacao, Real de la Cruz and Santa Barbara. Further from the highway, mobile phone coverage is restricted to some hilltops and absent in the main mineralised localities.

Domestic water supply is via waterbores and wells. The historical underground workings at La India allow access to groundwater and a hydroelectric dam stores water all year round which may be used for commercial purposes such as drilling.

Nearby towns such as Santa Rosa del Peñon, San Isidro and Sebaco, all located less than a half hour drive away, can supply basic facilities. Most modern facilities can be found at the City of León, located approximately 100 km to the southwest or from the capital city of Managua 180 km to the south by road.

5.4 Physiography

The area is characterised by high relief, at altitudes typically varying between 350 m and 600 m amsl in the areas of surface mineralisation. Altitude generally increases to the north where some hill summits reach almost 900 m altitude. The land is a mixture of rocky terrain covered by thorny scrub bushes and areas cleared for low quality crops and grazing. Surface water is ephemeral with most watercourses dry for over six months of the year.

6 HISTORY

6.1 Historical Mining Activities

The first evidence of mining activity in the area was by an English company, the Corduroy Syndicate, who operated a small mine on the Dos Hermanos Vein on the western edge of La India Concession sometime prior to the middle of the 20th Century.

Industrial-scale gold mining was initiated at La India in 1936 by the Compania Minera La India. By 1938, Noranda Mines of Canada had acquired a 63.75% interest in the company and mining continued until 1956. Between 1938 and 1956, Noranda's La India Mill is estimated to have processed approximately 100,000 tonnes or ore per annum ("tpa"). Monthly production records exist for the 8 years and 4.5 months of operation, between January 1948 and mid-May 1956 (Table 6-1, from Malouf 1978) during which time a total of 267,674 oz gold and 294,209 oz silver is reported to have been produced from 796,476 t of ore. Production records have not been sighted for 1938-1947; however, extrapolation of production suggests an estimated total production of some 575,000 oz gold from 1.73 Mt of ore. This is in broad agreement with the estimate made by Roscoe, Chow & Lalonde (RPA, 2003) of 576,000 oz from 1.7 Mt of ore. Roscoe, Chow & Lalonde (RPA, 2003) also estimated a head grade of 13.4 g/t Au by assuming a 78% recovery from the mill. SRK considers that a recovery of between 85% and 90% is more likely which would give a head grade range of between 11.6-12.8 g/t Au.

Peak annual production was some 41,000 oz gold in 1953. The bulk of production was from shrinkage and sub-level stope mining in two areas, the La India - California Vein where some 2 km of strike length was exploited to a maximum depth of 200 m below surface, and the America-Constancia Vein and part of the intersecting Escondido Vein where again approximately 2 km of strike length was exploited to a maximum depth of 250 m below surface. Limited production was also obtained from the San Lucas vein and Cristalito-Tatascame which SRK considers to have been test stoped and to have limited impact on the overall production. There has been intermittent artisanal mining activity, concentrated on the old mine workings, in the district since that time.

Table 6-1: Summary of monthly production records and estimated production from the historical La India mill between 1938 and 1956*

	Recorded Production Data				
		Grade (Recovered oz/short ton)		Bullion Produced (oz)	
Year	**Short Tons**	**Au**	**Ag**	**Au (oz)**	**Ag (oz)**
1948	112,114	0.2503	0.2970	28,065.67	33,272.11
1949	111,745	0.2657	0.2850	29,694.70	31,892.12
1950	93,465	0.2889	0.3380	27,003.70	31,611.45
1951	94,600	0.3814	0.4330	36,078.21	40,932.24
1952	102,970	0.3439	0.3640	35,414.14	37,519.70
1953	121,625	0.3442	0.3230	41,860.95	39,281.85
1954	102,955	0.3338	0.3530	34,369.81	36,238.02
1955	99,300	0.2498	0.3190	24,802.76	31,655.16
1956 (4.5 months)	39,169	0.2651	0.3010	10,383.67	11,806.71
1948-1956	**877,943**	**0.3049**	**0.3350**	**267,673.61**	**294,209.36**
Annual Average (over 8 years 4.5 months)	*104,269*	*0.3049*	*0.3350*	*31,790.21*	*34,941.73*
	Estimated Production				
mid-1938 to end 1947 (9.6 years)	1,000,980	*0.3049*	*0.3350*	305,186	335,441
Total Estimated	**1,878,923**	***0.3049***	***0.3350***	**572,860**	**629,650**

* Metric equivalents calculated using the following conversion factors: 1 oz = 31.103477g; 1 tonne = 1.1023 short ton; 1 oz/short ton = 34.285g/t; 1g/t = 0.02917 oz/short ton.

	Recorded Production Data – metric equivalent				
		Grade (Recovered g/t)		Bullion Produced (g)	
Year	**Tonnes**	**Au**	**Ag**	**Au (g)**	**Ag (g)**
1948	101,709	8.58	10.18	872,939.9	1,034,878.3
1949	101,374	9.11	9.77	923,608.4	991,955.8
1950	84,791	9.91	11.59	839,909.0	983,226.0
1951	85,821	13.08	14.85	1,122,157.8	1,273,135.0
1952	93,414	11.79	12.48	1,101,502.9	1,166,993.1
1953	110,337	11.80	11.07	1,302,021.1	1,221,802.1
1954	93,400	11.44	12.10	1,069,020.6	1,127,128.4
1955	90,084	8.56	10.94	771,452.1	984,585.5
1956 (4.5 months)	35,534	9.09	10.32	322,968.2	367,229.7
1948-1956	**796,465**	**10.45**	**11.49**	**8,325,580.0**	**9,150,934.1**
Annual Average (over 8 years 4.5 months)	*94,592*	*10.45*	*11.49*	*988,786.2*	*1,086,809.3*
	Estimated Production – metric equivalent				
mid-1938 to end 1947 (9.6 years)	908,083	10.45	*11.49*	9,492,348	10,433,369
Total Estimated	**1,704,548**	**10.45**	***11.49***	**17,817,928**	**19,584,303**

* Metric equivalents calculated using the following conversion factors: 1 oz = 31.103477g; 1 tonne = 1.1023 short ton; 1 oz/short ton = 34.285g/t; 1g/t = 0.02917 oz/short ton.

SRKs' re-constituted geological model of the veins suggests the depletion of some 1,465,000 t of ore with a mean grade of 8.6 g/t Au (400,000 oz) from the voids identified. SRK attributes the difference between this and the previously reported tonnages to be due to a number of factors. Notably:

- Potential additional mining which post-dates the depletion long-sections currently available. SRK has been supplied with the current long-section indicating depleted areas, and cross referenced these between plots completed by various owners of the Project to ensure consistency. Further work will be required to confirm any additional depletion including research into the last dated long-sections.

- The fact that SRKs' model incorporates lower grade intersections to ensure geological continuity which may be conservative and may have caused drop in the grades within the high-grade core domain. If the assumed mean grades from the historical production records are correct it represents some potential upside. Further work will be required to test this potential,
- Incomplete records of the Project resulting in Inferred production for half of the mine life.

To test the risk of the potential underestimation of the amount of the Mineral Resource depleted, SRK has completed a high-level reconciliation based on the historical 2D long-sections, by calculating the areas, and using the associated underground channel samples to determine vein widths to estimate a complete volume for the depletion voids. This has been combined with the density and the mean head grade to estimate a depletion which is in the order of 1.25 Mt at 10.3 g/t Au for 420,000 oz of gold, which is in line with SRK estimates.

SRK considers the level of confidence in the La India depletions to be reasonable. The current level of drilling along strike and below the current depletion is to 50x50 m spacing. The Company and SRK have taken considerable effort to log all mining void intersections which have been validated against the expected model.

Given lower levels of drilling by the Company to date at America, SRK considers that estimates of depletions here will have a lower level of confidence but the current study has been supplemented with more detailed maps and level plans from the historical maps to ensure the position of the development levels is accurate.

There is no record that the Central Breccia, which is located just over 1 km from the America-Constancia underground workings, had been mined prior to 2011, and it is certain that it was not exploited by Noranda or by subsequent artisanal miners.

6.2 History of Exploration

The La India Mining District was explored extensively with Soviet government aid when mining in Nicaragua was state controlled (1986-1991). The organisation, INMINE, sampled the underground workings, excavated numerous surface trenches and drilled 90 holes on what is now the La India and Espinito Mendoza ("La India-ESP") concessions. INMINE also estimated that the entire District had the potential to host 2.4 Moz gold at a grade of 9.5 g/t Au (Soviet-GKZ classification C1+C2+P1) of which 1.8 Moz at 9.0 g/t Au fell within the La India-ESP Concession, including 2.3 Mt at 9.5 g/t Au for 709,000 oz gold at the within C1+C2 classification.

In 1994, the mining industry in Nicaragua was privatised and Canadian Company Minera de Occidente S.A.(Occidente) (subsequently renamed Triton Mining SA) obtained a large concession holding including the entire La India Project area excluding the Espinito San Pablo and Espinito Mendoza Concessions. The Espinito San Pablo Concession was subsequently sold to Minera de Occidente, and in 2011 was officially merged into the La India Concession. The Espinito Mendoza Concession was held by a private Nicaraguan company until 2006 when it was temporarily sold to Triton Mining S.A. ("Triton") until it was returned to the original owners and assigned to Condor in 2012.

Exploration during this period, 1994-2009, was undertaken by a combination of the concession holders Occidente/Triton and by joint venture or option partners. It is worth noting that the owners of Nicaraguan registered Triton have changed through time from a joint ownership by Triton Mining Corporation and Triton USA to Black Hawk Mining Inc (1998) to Glencairn Gold Corporation (Glencairn) (2003) to Central Sun (2007) and finally to B2Gold Corporation ("B2Gold") (2009).

The following outlines the principal periods of exploration undertaken by Triton and its joint venture partners on the La India Project during this period.

1996-1998

TVX Gold Inc ("TVX", a Canadian listed mining company) evaluated the La India Concession and outlined a resource of 540,000 oz gold and 641,000 oz silver on the La India and America-Constancia veins. TVX re-opened a number of adits and collected approximately 500 underground channel samples. It also mapped the principal veins at between 1:500 and 1:1000 scale using tape and compass mapping and trench sampled over 500 trenches for over 800 channel samples. The UTM coordinates presented on the map sheets at the start of each traverse appear to be NAD27 format, but field verification by the Company has demonstrated that the coordinates are inconsistent with field locations and that no consistency in the error is present. The reason for the difference in coordinates is not known, however Condor has undertaken and continues to undertake a program of relocating TVX maps and trenches on a systematic basis. Only verified trench locations have been included in the digital database provided to SRK. TVX also drilled 12 drill holes for 2,204 m into the La India Vein system, principally targeting the down dip extension of the India Vein below mine workings and a couple of shallow drillvholes testing the orthogonal Arizona Vein.

1996-2010

Triton completed 8 drill holes for 1,509 m on the India Vein testing mineralisation down dip and along strike of the main mine workings. The assay results were not reported and the core was re-sampled by Condor in 2010/11, with the results incorporated in the most up to date exploration database.

2000-2001

Under an option agreement, Newmont Mining Ltd ("Newmont Mining") undertook regional mapping and some trench sampling in the district in this period targeting low grade bulk mineable stockwork zones. Its main area of focus was the north and east of the La India Project area.

2004-2005

Between 2004 and 2005, Gold-Ore Resources Ltd ("Gold-Ore"), through a joint venture with Glencairn over the northeastern part of the La India Concession, conducted underground sampling and drilled 10 DD core holes for 1,063 m into the Cristalito-Tatascame Vein of La India Concession. Underground sampling of the 570 m level returned a weighted average of 1.6 m with a mean grade of 21.7 g/t Au. The drilling confirmed mineralisation over a 200 m strike length to a depth of 150 m with best intersections of 5.3 m at 9.43 g/t Au from 94.6 m in drillhole DDT-09. Three exploratory drill holes were also drilled by Triton beneath gold mineralised stockwork zones in the east of the Project area on what is now the Real de La Cruz Concession. They returned narrow zones of low to moderate grade in two of the drillholes.

2006

In 2006, Triton completed a number of twin trenches, including at least 9 on the Tatiana Vein, which confirmed the Soviet intersections. It also completed three drillholes on the part of the Tatiana Vein that falls within the Espinito-Mendoza Concession, the results of which were disappointing and included twinning of a Soviet drill hole PO74 which returned only 0.8 m at 6.94 g/t Au compared with the original Soviet intercept of 2.7 m at 11.25 g/t Au. It is noted that recovery through the mineralised zone was poor, typically less than 70%. This contrasts with the Soviet drilling which used short interval percussion drilling through the ore zone to avoid the recovery problem. It is speculated by the Company that the poor recovery in the DD drilling is the cause of the low grade, further verification work will be required to test this theory. In 2007, Triton published an NI43-101 Inferred Mineral Resource of 558 kt at 8.8 g/t Au for 158,600 oz gold for the part of the Tatiana Vein.

6.3 Previous Mineral Resource Estimates

SRK has previously produced six Mineral Resource Estimates on the La India Project prior to the latest Mineral Resource Estimate reported with an effective date of 25 January 2019. The first was an Inferred Mineral Resource of 4.58 Mt at 5.9 g/t Au for 868,000 oz which was reported in line with the guidelines of Joint Ore Reserves Committee (JORC) Code on 4 January 2011. An updated Mineral Resource of 4.82 Mt at 6.4 g/t Au for 988,000 oz for the Project was then released on 13 April 2011 based on further validation of historical data by the Company and this was followed by an Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0 g/t Au for 58,000 oz of gold reported on 5 October 2011, based on historical exploration by Condor, and applying the same modelling methodology as the La India deposit.

Between 2011 and August 2012 the Company drilled 140 drillholes for over 22,000 m, and completed 2,500 m of trenching. These data were combined with the historical exploration and mining data and used to produce an updated Mineral Resource estimate completed by SRK and announced in September 2012.

During 2012/2013, the exploration program focused on the potential for Open Pit mining at the La India Project, namely on the La India Vein, America Vein and Central Breccia deposit. During this period, the Company completed a total of 162 drillholes for 23,598 m. SRK produced an updated Mineral Resource Estimate on the 7 November 2013, including a maiden Mineral Resource for the Central Breccia deposit. The updated Mineral Resource on the La India Project was reported at 9.60 Mt at 3.5 g/t Au for 1,076,000 oz gold of Indicated Mineral Resources, and 8.80 Mt at 4.4 g/t Au for 1,250,000 oz gold in the Inferred category.

During September 2014, a further Mineral Resource update was issued, mainly based on changes to input parameters for Resource pit optimisation, which were updated as part of PFS study. The updated Mineral Resource also incorporated small adjustements (improvements) to hangingwall classification following detailed relogging of the hangingwall structures completed by the Company. The September 2014 Mineral Resource Estimation on the project comprised of an Indicated Mineral Resource of 9.6 Mt at 3.5 g/t Au for 1,083,000 oz gold, and a further 8.5 Mt at 4.5 g/t Au for 1,231,000 oz gold in the Inferred Category (Table 6-2).

Table 6-2: SRK CIM Compliant Mineral Resource Statement as at 30 September 2014 for the La India Project

SRK MINERAL RESOURCE STATEMENT SPLIT PER VEIN as of 30 September 2014 (4),(5),(6)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
Indicated	La India veinset	La India/ California(1)	0.5 g/t (OP)	8,267	3.1	832	5.5	1,462
		La India/ California(2)	2.0 g/t (UG)	706	4.9	111	10.6	240
	America veinset	America Mine	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine	2.0 g/t (UG)	470	7.3	110	4.7	71
Inferred	La India veinset	La India/ California(1)	0.5 g/t (OP)	895	2.4	70	4.3	122
		Teresa(3)	0.5 g/t (OP)	4	6.6	1		
		La India/ California(2)	2.0 g/t (UG)	1,107	5.1	182	11.3	401
		Teresa(2)	2.0 g/t (UG)	82	11.0	29		
		Arizona(3)	1.5 g/t	430	4.2	58		
		Agua Caliente(3)	1.5 g/t	40	9.0	13		
	America veinset	America Mine	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol(3)	1.5 g/t	751	4.8	116		
	Mestiza veinset	Tatiana(3)	1.5 g/t	1,080	6.7	230		
		Buenos Aires(3)	1.5 g/t	210	8.0	53		
		Espinito(3)	1.5 g/t	200	7.7	50		
	Central Breccia	Central Breccia(1)	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas(3)	1.5 g/t	330	5.6	59		
	Cristalito-Tatescame	Cristalito-Tatescame(3)	1.5 g/t	200	5.3	34		
	El Cacao	El Cacao(3)	1.5 g/t	590	3.0	58		

(1) The La India, America and Central Breccia pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company Marginal costs of USD19.2/t for processing, USD5.63/t G&A and USD2.47/t for mining, slope angles defined by the Company Geotechnical study which range from angle 46 - 48°.
(2) Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.0/t for processing, USD10.0/t G&A and USD50.0/t for mining, without considering revenues from other metals.
(3) Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au, and have not been updated as part of the current study due to no further detailed exploration.
(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc
(5) The reporting standard adopted for the reporting of the 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.

(6) SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

Table 6-3: Summary of La India Project (all veins), dated 30 September 2014

SRK MINERAL RESOURCE STATEMENT as of 30 September 2014 (4),(5),(6)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
Indicated	Grand total	All veins	0.5g/t (OP) (1)	8,382	3.2	862	5.5	1,480
			2.0 g/t (UG) (2)	1,176	5.9	221	8.2	312
		Subtotal Indicated		9,557	3.5	1,083	5.8	1,792
Inferred	Grand total	All veins	0.5g/t (OP) (1)	2,498	2.4	194	4.8(7)	242
			2.0 g/t (UG) (2)	2,197	5.2	366	8.8	622
			1.5 g/t (3)	3,831	5.4	671		
		Subtotal Inferred		8,526	4.5	1,231	7.1(8)	865

(1) The La India, America and Central Breccia pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company Marginal costs of USD19.2/t for processing, USD5.63/t G&A and USD2.47/t for mining, slope angles defined by the Company Geotechnical study which range from angle 46 - 48°.
(2) Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1500 per ounce of gold and gold recoveries of 93 percent for resources, costs of USD19.0/t for processing, USD10.0/t G&A and USD50.0/t for mining, without considering revenues from other metals.
(3) Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au, and have not been updated as part of the current study due to no further detailed exploration.
(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc
(5) The reporting standard adopted for the reporting of the 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 (December 2005) as required by NI 43-101.
(6) SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.
(7) Back calculated silver grade based on a total tonnage of 1,576 Kt as no silver estimates for Central Breccia (922 Kt).
(8) Back Calculated silver grade based on total tonnage of material estimated for silver of 3,7731 Kt, for veins where silver assays have been recorded in the database

6.4 Previous Mineral Reserve Estimates

A Mineral Reserve was previously declared for the Project as part of a 2014 PFS. This Mineral Reserve has not been revisited or updated and is superceded by this Technical Report, readers are directed to the report: Technical Report on the La India Gold Project, Nicaragua, December 2014 for further detail on this scenario. The Mineral Reserve Estimate derived for the Project in 2014 was restricted to that portion of the La India deposit which could be realised through open pit mining methods as presented in Table 6-4. The scenario which supports the Mineral Reserve reflects the relocation of the La India village, and thus the pit limits extended further to the south than those envisioned within this strategic study.

Table 6-4: 2014 Historical Mineral Reserve Estimate

Mineral Reserve Class	Diluted Tonnes	Diluted Grade		Contained Metal	
	(Mt dry)	(g/t Au)	(g/t Ag)	(koz Au)	(koz Ag)
Proven	-	-	-	-	-
Probable	6.9	3.0	5.3	675	1,185
Total	**6.9**	**3.0**	**5.3**	**675**	**1,185**

1. Open pit mineral reserves are reported at a cut-off grade of 0.75 g/t Au and gold price of US$1,250, processing cost of USD 20.42 per tonne milled, G&A cost of 5.63 USD per tonne milled,10 USD/oz Au selling cost, 3% royalty on sales.

2. Average ore loss and dilution are estimated at 5% and 12%, respectively.

3. 91% Au and 69% Ag metallurgical recovery was used.

4. The reporting standard adopted for the reporting of the Mineral Reserve uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (2014) as required by NI 43-101.

5. SRK completed a site inspection to the deposit by Mr Gabor Bacsfalusi, BEng (MAusIMM(CP), Membership Number 308303, an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

6. The Reserve Estimate relates specifically to the Pre-Feasibility study conducted and described in the Technical Report: Technical Report on the La India Gold Project, Nicaragua, December 2014, and represents a different scenario to the mine design and schedule presented as part of the strategic study, and should therefore be considered separately.

6.5 Previous Mining Studies

6.5.1 Mining Studies Prior to 2013

SRK does not have access to any technical studies previously undertaken on the La India concession prior to the work it has undertaken itself, although it is clear that there have been some previous technical studies undertaken on the deposit.

Whilst the Soviet involvement in the deposit in the late 1980s was mostly exploration based, there are references in the geological reporting to a technical economic model (“TEM”) produced by the Soviet entity, Severovostokzoloto (“Северовостокзолота”). This was a State-controlled holding company that controlled gold mining activities in Far East Russia and at the time was the largest gold mining company in the Russian Far East. In SRK’s experience of Soviet exploration projects, the production of a TEM suggests that relatively detailed technical work would have been undertaken on the La India veinset. Since the breakup of the Soviet Union, Severovostokzoloto has been split into numerous entities and SRK considers it unlikely that this report would become available in the future.

The geological reports observed by SRK were co-authored by Mingeo (“Мингео”), the Soviet Ministry of Geology, and Zarubezhgeologia (“Зарубежгеология”) a State-controlled company responsible for geological activities outside the Soviet Union. Mingeo has since been superseded by the Ministry of Natural Resources and Environment of the Russian Federation (“Министерство Природных Ресурсов и Экологии Росийской Федерации”). Zarubezhgeologia is still an operating enterprise, 100% owned by the Russian government.

A report by mining consultants, Micon (1998), commissioned by Diadem Resources, provides a brief overview of the planned mining proposed for this project. Key features of the business plan include:

- Production Rate - 145 ktpa (Years 1 to 4) and 250 ktpa (Years 5 to 12);
- Head Grade - 8.3 g/t Au;
- Mine Life - 12 years;
- Construction Capital - USD5 million; and

- Construction Period - 15 months.

The quoted production, however, was lower than the head grade at 8.3 g/t Au, suggesting that the business plan proposed for La Mestiza was not based upon the geological data available. Micon's recommendation was for a significantly smaller production rate with a minimum mining width of 1.25 m. Dilution has been assumed to be 10%.

Black Hawk Mining completed an internal Scoping Study on the La India, Tatiana and America veins of La India in 1999, although this report was not made public. The study resulted in a project incorporating the following elements:

- Applied Cut-Off Grade - 8.0 g/t Au;
- Production Rate - 800 tpd (57 koz per annum);
- Mill Recovery - 84%;
- Operating Cost - USD36.30/t; and
- Construction Capital - USD6.5 million.

The 1999 study assumed a shrinkage stoping operation with production hauled to the processing facility at El Limon. Available data suggest that the results indicated the proposed mine was most sensitive to grade and gold price at a time when gold prices were beneath USD300/oz. The project did not proceed any further due to a lack of funds. Overall, it suggested that some veins had the potential for economic extraction (RPA 2003).

6.5.2 SRK 2013 PEA

In 2013, SRK produced a PEA which was based on SRK's September 2012 MRE and assumed the open pit and underground mining of the La India Project and underground mining at America and Mestiza.

The production assumed is summarised in Table 6-5.

Table 6-5: Key Production Statistics for 2013 PEA

Vein			Total
Project			
Open Pit	Production	kt	7,306
	Grade	g/t	3.2
	Metal	koz	760
Underground	Production	kt	5,461
	Grade	g/t	4.6
	Metal	koz	813
Total	**Production***	**kt**	**12,767**
	Grade	**g/t**	**3.8**
	Metal	**koz**	**1,573**
***** LoMP does not include production from San Lucas, Cristalito-Tatescame or Cacao veins			

A life of mine ("LoM") plan was developed for the PEA with a 10-year mine life for open pit production (maximum 1,000 ktpa) and a 15 year mine life for underground production (maximum 470 ktpa). In undertaking the TEM for the mine plan, the following assumptions were applied:

- Mill Recovery - Au 93%;
- Discount Factor 5%;
- Royalty 3% of gold price;
- Selling Costs 5% of gold price;
- Corporate Tax Rate 30%;
- VAT not considered; and
- Amortisation 10% straight line.

Operating costs were benchmarked from Thomas Reuters' GFMS database and Capital Costs from InfoMine's Cost Mine database. A summary of the key results of the financial model for the 2013 PEA is shown in Table 6-6. The study was completed at a relatively high-level and no effort was made to optimise the mining schedule between open pit and underground material.

Table 6-6: Summary of Key Results from Financial Model 2013 PEA

Recovered Metal (koz)	Revenue (MUSD)	Capital Expenditure (MUSD)	Operating Expenditure (MUSD)	NPV (MUSD)	IRR	Payback Period (years)
1,463	2,049	287	842	324.9	33%	3

6.5.3 SRK 2014 Technical Studies

In 2014, SRK produced a technical report that included three production scenarios:

- 0.8 Mtpa PFS Case for the La India open pit only;
- 1.2 Mtpa Expansion Case considering open pit mining from the La India, America and Central breccia deposits (Scenario A); and
- 1.6 Mtpa Expansion Case considering open pit mining from the La India, America and Central breccia deposits, and Underground mining from the La India and America deposits (Sceanrio B).

2014 PFS 0.8 Mtpa Case

A PFS level open pit mining study was completed on the La India deposit by SRK. Specifically, SRK took responsibility for the following: Geology and Mineral Resources, Open Pit Geotechnics, Hydrology and Hydrogeology, Mining and Ore Reserves, Metallurgical Testing, Geochemistry and Acid Rock Drainage Metal Leaching, Waste Management, Infrastructure, Financial Modelling, Environment and Social management. In addition to the SRK studies Lycopodium Minerals Canada Ltd ("Lycopodium") completed the plant processing design for 0.8 Mtpa single stage SAG comminution and conventional Carbon in Leach ("CIL") circuit.

The LoM plan was developed for the PFS with a 9-year mine life for open pit production at a maximum mill feed of 800 ktpa.

Table 6-7: Summary of Key Results from Schedule of 2014 PFS

Processing Schedule	Units	Total
Total Mill Feed	**(kt)**	**6,942**
	(g/t Au)	**3.02**
	(g/t Ag)	**5.31**
High Grade	**(kt)**	**4,248**
	(g/t Au)	**4.2**
	(g/t Ag)	**5.9**
Low Grade	**(kt)**	**2,694**
	(g/t Au)	**1.2**
	(g/t Ag)	**6.4**

In undertaking the technical-economic model for the mine plan, the following assumptions were applied:

- Au Price USD 1,250/oz
- Mill Recovery Au 91%;
- Discount Factor 5%;
- Royalty 3% of gold price;
- Selling Costs 10 USD/oz;
- Corporate Tax Rate 30%; and
- VAT not considered.

The overall accuracy of the capital and operating expenditure estimates in the PFS were deemed to ±25% accuracy, which is in line with the expectations for a PFS level of study. A summary of the PFS Base case TEM is presented in Table 6-8. Undiscounted payback was estimated to occur during the fourth year of production. The NPV and IRR results reported for the PFS (both pre-tax and post-tax) are presented in Table 6-9 for a range of discount rates.

Table 6-8: 2014 PFS Base Case TEM Outputs

Category	Units	LoM Average
Total Revenue	(USDm)	782.9
Gold	(USDm)	766.7
Silver	(USDm)	16.2
Total Operating Costs	(USDm)	447.9
EBITDA[2)]	(USDm)	335.0
Profit Tax	(USDm)	62.5
Net Profit	(USDm)	272.5
Capital Expenditure[3)]	(USDm)	118.6
Project[3)]	(USDm)	91.2
Deferred/Sustaining	(USDm)	27.5
Net Free Cash	(USDm)	153.9

1) This includes USD18.7m pre-production stripping costs which have been captured under pre-production project capital in Table 19-4.
2) EBITDA – Earnings Before Income Tax, Depreciation and Amortisation.
3) Excludes the pre-production stripping costs of USD18.7m.

Table 6-9: 2014 PFS Base Case NPV and IRR Results at range of Discount Rates

	Units	Pre-Tax	Post-Tax
NPV			
0% discount rate	(USDm)	216	154
5% discount rate	**(USDm)**	**135**	**92**
8% discount rate	(USDm)	100	65
10% discount rate	(USDm)	81	51
IRR	(%)	26.8%	22.0%

2014 Expansion case Scenario A 1.2 Mtpa

The 2014 Scenario A assessed the upside potential of the Project by extending the open pit mine at La India to exploit the Inferred Mineral Resource and introducing open pit mining at the America and CBZ deposits neither of which were included in the PFS. The scenario was developed to refect a PEA level of technical study, but did not include an assessment of the economic viability.

The tonnages and grades associated with the open pit expansion based on Indicated and Inferred Mineral Resources for the three deposits: La India, America and CBZ at a cut-off grade of 0.7 g/t Au (which reflects the economies of scale of a higher production rate) are shown in Table 6-10 where the La India tonnage and grade excludes the mill feed contributions outlined in Table 6-4, comprising the Mineral Reserve.

The 2014 Expansion Scenario A represented a potential tonnage of mineralised material of 9.5 Mt at a grade of 2.8 g/t Au and 4.5 g/t Ag, mined at a stripping ratio of 12.5. Based on a production rate of 1.2 Mtpa RoM material, this equated to a potential life of mine of 8 years.

Table 6-10: 2014 Expansion Case Scenario A – Tonnage and Grade by Deposit

Deposit	Total	Waste	Mill Feed		
	(Mt)	(Mt)	(Mt)	(g/t Au)	(g/t Ag)
La India*	10.9	9.7	1.1	1.7	2.6
America	11.2	10.5	0.6	3.1	4.6
CBZ	4.2	3.4	0.8	2.0	0.0
Total	**26.2**	**23.6**	**2.5**	**2.1**	**2.3**

* La India tonnage and grade excludes the mill feed contributions outlined comprising the historical Mineral Reserve reported in the same study.

2014 Expansion Case Scenario B 1.6 Mtpa

The 2014 Scenario B comprised 2014 Scenario A with the addition of greater milling capacity to accommodate feed from the envisaged underground mining operations at La India and America. The scenario was developed to refect a PEA level of technical study, but did not include an assessment of the economic viability.

The combined open pit and underground mining physicals are shown in Table 6-11, excluding material comprising the Mineral Reserve. The scenario assumed a maximum production rate of 1.6 Mtpa of mineralised material fed to the processing plant and a potential life of mine of 12 years.

Table 6-11: 2014 Expansion Scenario B – Tonnage and Grade by Deposit

Deposit	Total	Waste	Mill Feed		
	(Mt)	(Mt)	(Mt)	(g/t Au)	(g/t Ag)
La India* OP	10.9	9.7	1.1	1.7	2.6
America OP	11.2	10.5	0.6	3.1	4.6
CBZ OP	4.2	3.4	0.8	2.0	0.0
La India Underground	1.8	-	1.8	4.6	7.5
America Underground	1.8	-	1.8	4.0	2.9
Total	**29.9**	**23.6**	**6.1**	**3.4**	**4.0**

* La India tonnage and grade excludes the mill feed contributions outlined comprising the historical Mineral Reserve reported in the same study.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The La India Mining District is located within a Tertiary-aged island arc volcanic setting formed on the edge of the Caribbean Tectonic Plate where it over-rides the subducting Cocos Plate, off-shore beneath the Pacific Ocean in what is colloquially known as the Pacific Rim of Fire. The La India epithermal gold system is near the southwestern margin of a broad belt of Tertiary volcanic rocks that forms the Central Highlands of Nicaragua. The Central Highland Volcanic Belt is bounded to the east by a major arc-parallel normal fault that marks the edge of the NW-SE orientated Nicaraguan Graben. The western boundary of the Central Highland volcanic belt is less well defined. The topography gradually drops to the East to a lower coastal plain where the surficial geology is a mix of Eocene-aged volcanic cover (Ehrenborg 1996) and older basement rocks. The basement rocks are pre-Jurassic low metamorphic grade phyllites and schists, granites, ultramafics and carbonate sediments (Venable 1994).

Two volcanic sequences are generally recognised in the Central Highlands:

- The Matagalpa Group. A widespread thick lower sequence of intermediate to felsic pyroclastic deposits and ignimbrites interpreted as having been deposited as a result of shield volcanism during the Oligocene.
- The Coyol Group. Basaltic, intermediate and felsic volcanic flow and pyroclastic rocks originating from numerous volcanic centres forming felsic domes, basaltic to andesitic strato-shield volcanoes or caldera complexes and interpreted to be Miocene to Early Pliocene age (Ehrenborg 1996).

The Central Highland Volcanic Belt was originally formed from magma derived from the northeast-directed subduction of the Cocos Plate beneath the Caribbean Plate. Subsequent roll-back of the subduction zone has shifted the volcanic activity further southwest. Two principal structural fabrics are recognised in Nicaragua:

- Deep-seated arc-normal NE-SW orientated fabrics comprising both ductile shear zones in the Mesozoic basement rocks and more brittle fault s in the overlying Tertiary rocks.
- Brittle deformation fabric of arc-parallel NW-SE orientated faults and associated linking structures. This structural fabric hosts the majority of the gold mineralised veins at La India.

In interpreting the structural setting of the Central Highlands and adjacent areas, Weinberg (1992) recognised three post-Oligocene phases of deformation in Nicaragua as follows:

- Late Miocene to Early Pliocene: NE-SW–directed compression and uplift in close temporal association with opening of NE-oriented fractures;
- Pliocene to Early Pleistocene: rollback of the subduction zone resulting in extension along NW-trending normal faults of the Nicaragua Graben; and
- Late Pleistocene to Recent: dextral transcurrent deformation along arc-normal NE-SW trending faults under subduction-related stresses and associated with the active volcanism in the Nicaragua Depression.

7.2 District Scale Geology

7.2.1 Geological Setting

The La India Mining District is located towards the southwestern edge of the Central Highland Volcanic Arc within Middle Miocene to Early Pliocene strato-shield and caldera volcanic complexes of the Coyol Group (Ehrenborg 1996). At La India, the volcanic complexes have been disrupted by a series of NW-SE and NE-SW orientated faults making it difficult to define the boundaries between adjacent volcanic complexes (Figure 7-1). Topographic and geophysical data suggests that the main La India gold mineralised area lies between two large volcanic calderas. The best defined, and interpreted as the younger, caldera is located approximately 6 km to the southeast of the concession area, while a less well defined, interpreted as older, caldera lies approximately 6 km to the northwest.

Hydrothermal fluids generated by volcanic activity prior to and after the formation of one or both calderas probably migrated through pathways generated by extensional faulting associated to the formation of the Nicaraguan Depression. Multiple fault displacements allowed for repetitive mineralisation as evidenced by the presence of multiple stage veins and breccias.

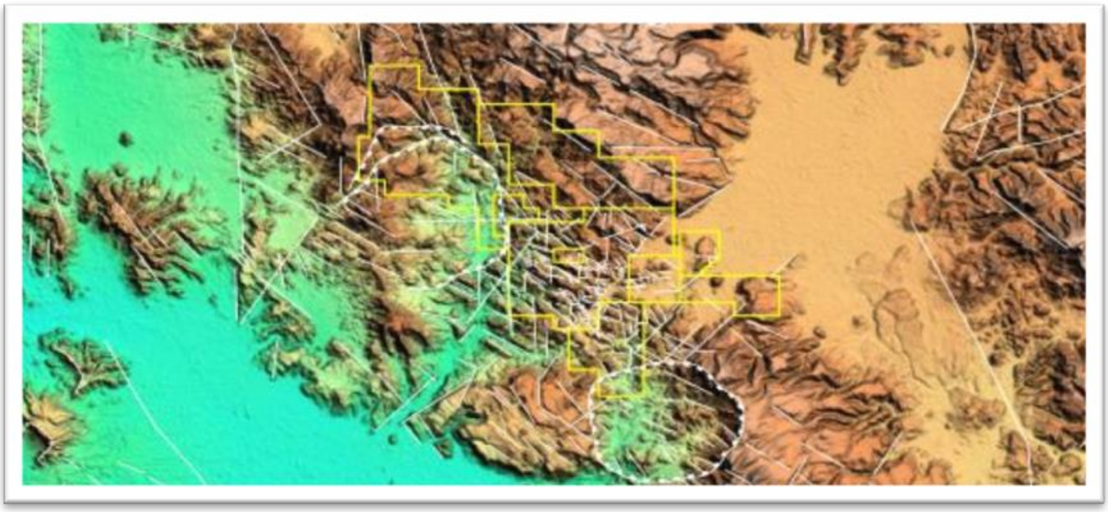


Figure 7-1: Interpretation of landforms and tectonic lineaments (white lines) in La India District.

Note: Map shows La India Project concession boundary (yellow) and major geological structures (white) (Source: Condor).

7.2.2 Rock Types

Only the central mineralised area of La India Mining District has been mapped to date; however, reconnaissance exploration suggests that the same rock types are present throughout the district. Mapping and drill core re-logging exercises carried out across the three principal vein sets at the core of the mining district; La India, America and La Mestiza vein sets, have identified the following 7 basic-felsic lava flows and pyroclastic deposits, assigned to the Coyol Group. The surface mapping and drill hole logging data was used to produce 3D interpretations of the main prospects. Although surface mapping has not been extended to the outlying mineral resources of Cacao, Cristalito-Tatascame and San Lucas, the same units are recognised on all three prospects.

A summary of the rocks from youngest to oldest is shown in Table 7-1 while Figure 7-2 is a local geological map.

Table 7-1: Summary of Major Rocktypes at La India

Unit	Long Name	Description
QA	Quaternary Alluvium	limited to the channels of semi-permanent rivers and creeks. It is comprised of unconsolidated fluvial sands, gravels and boulders transported by flash floods or during permanent flow in the months of June-November.
VIA	Porphyritic andesite	These appear as lava flows, found filling the La India and America valleys, as well hosting the Central Breccia resource. To the south and east of these valleys, laminar and massive porphyritic lavas form the ridges across the main road that runs through the district. Thickness varies depending on the prospect: at the La India valley, maximum thickness is approximately 130 m; in the Central Breccia closer to 150 m, and in the America Vein Set less than 100 m. Weathering is extreme close to surface but fresh at depths over 50 m. Andesite lava is greenish dark grey, feldspar-phyric with a fine grained groundmass. Joint surfaces are filled either with calcite or clay.
VF	Felsic Lava	Flow banded and massive rhyolite and rhyodacite lavas, possibly associated to the extrusion of lava domes. Forms the footwall to the La India vein. In the central part of La India vein massive felsic lavas slowly grade into flow banded lavas (Figure 7-3), maximum thickness known to extend beyond 200 m in drilling. The felsic lava domain comprises predominantly dacite to rhyolite lavas varying from pink grey to dark red to grey. Felsic lavas are very fine grained with joints filled predominantly with red-brown clay, iron staining in the weathered zone, or calcite filling in the unweathered rock. The weathered rock mass is of very poor to predominantly fair quality, whilst the unweathered to slightly weathered rock mass is a fair to good quality rock mass with some significant intervals of poor and very poor quality rock mass.
PPBf	Felsic pyroclastic Breccia	Both felsic pyroclastic breccias (Figure 7-3) and epiclastic deposits are part of an apron like stratigraphic sequence associated to the extrusion of a felsic lava dome. These consist mainly of angular clasts of flow banded rhyolites. Clast size and angularity increase towards the highest elevations, indicating that they are more proximal to the source. Thickness varies away from the La India valley where they are the thickest (approximately 100 m). Felsic pyroclastic breccia is typically a brown to yellow grey colour,and exhibits often a weak silicate alteration. Red-brown clay infill exists in association with sulfide mineralisation within a very-low grade carbonate breccia halo.
PPMf	Felsic Lapilli Tuff	Identified in some of the southern drill holes in the La India Vein Set consists of stratified, pumiceous tuffs to lapilli tuffs interbedded with felsic lavas
PPMi	Andesitic Lapilli tuff	Thick sequence (200 – 250 m) of grey to brown colored (when weathered or oxidized) andesitic lapilli tuffs and welded lapilli tuffs (ignimbrites), underlie the pyroclastic breccias.. This rock unit consists predominantly of andesitic lapilli tuff, although abundant rhyolite lapilli tuff and small lenses of rhyolite lava are intercalated. The grouping of this lithological domain thus contains numerous small intercalations of other rock type. Lapilli clasts are typically well cemented in a fine-grained matrix of similar composition than the lapilli clasts. Average andesite lapilli tuff is often vuggy, with hematite and silicic alteration. Joints are filled with red-brown clay, which is frequently sheared or clean.
VMB	Basaltic andesite lava	basaltic andesite lavas outcrop on the westernmost areas of all three vein sets predominantly plagioclase and pyroxene phenocrysts in a fine grained, aphyric matrix
PKS	Vocanicalsitc Sandstone	A sequence of fine sandstones and siltstones is found interbedded with andesitic lapilli tuffs and rhyolite agglomerates (Figure 7-3) at the bottom of a stream bed just north of La Mestiza Mine adit. These sandstones are stratified and cross-bedded indicating a fluvial origin

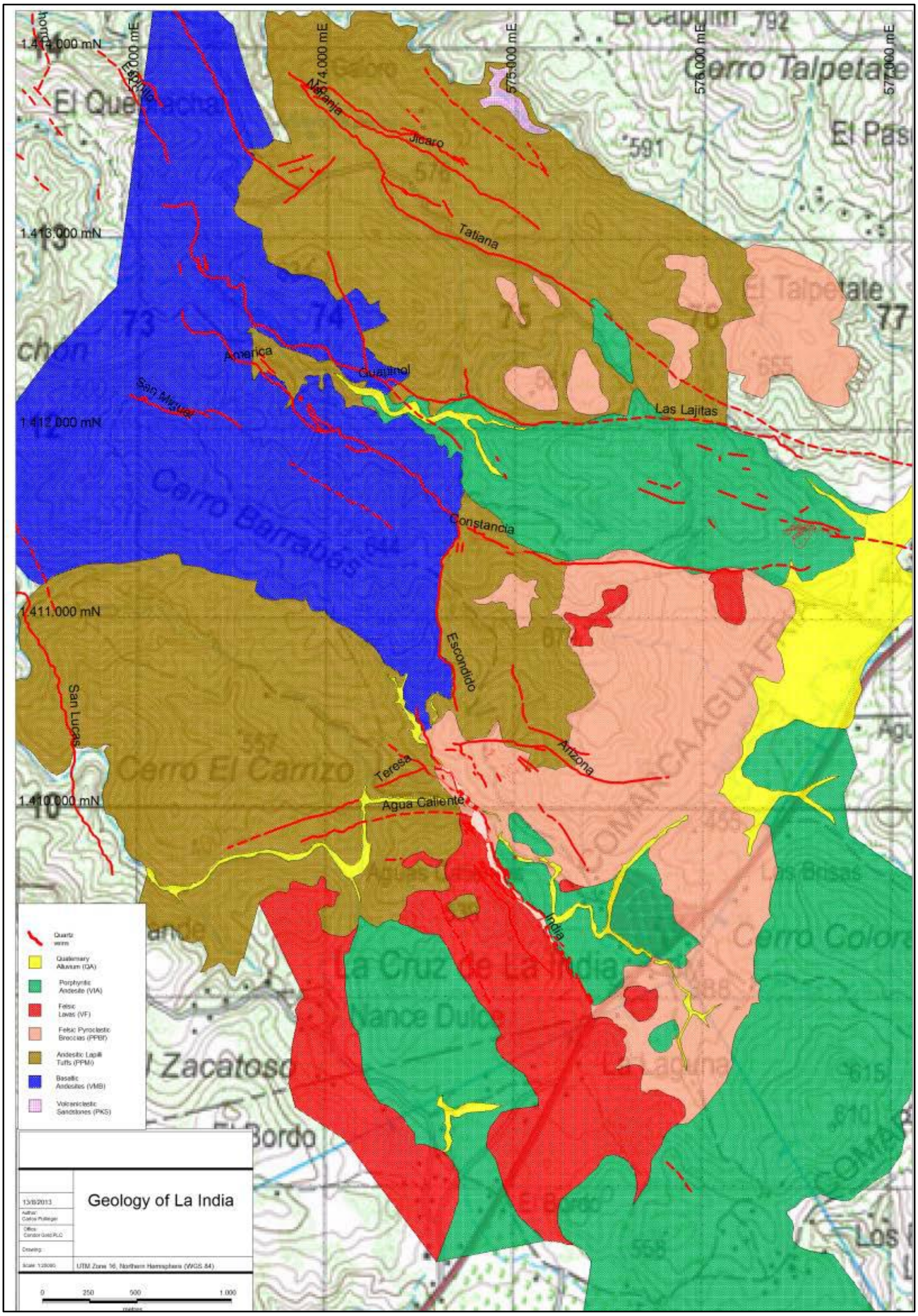


Figure 7-2: Geological map of the La India deposit (source: Carlos Pullinger, Condor) September 2012

Figure 7-3: Field Outcrop Photographs of Major Rocktypes at La India

Note: from top left to bottom right of figure: flow banded rhyolite lava (VF) spines; close-up of (VF) flow banding; rhyolite breccia (PPBf) in outcrop scale; and bedded rhyolite agglomerates and sandstones (PKS)

7.2.3 Structural Geology

The La India Mining District is located near the intersection of two major regional structures: the NW-SE orientated arc-parallel normal fault of the Nicaraguan Graben located 10-30 km to the southwest of the District, and a perpendicular NE-SW orientated arc-normal structure that forms a major topographic feature that cuts through the Project area (Figure 7-4).

Faulting attributed to the extensional regime that forms the Nicaraguan Graben is particularly well developed near the graben-bounding fault where La India is situated. Structures developed at La India under this SW-directed extension are thought to have taken place at a very high crustal level as would be expected during rollback of the subduction zone. The La India Mining District is characterised by a system of multiple linked faults with differing dimensions and displacements which relate each other kinematically and spatially and have the overall geometry of a graben-like structure centred along a NW-SE orientated axis that runs through the America Vein Set at the centre of the La India District. The graben-like geometry is recognised by a dominantly north- to east-dip in structures located to the south and west of the axis, and a dominant south- and west-dip in structures located to the north and east of the axis.

The linkage structures between the faults are envisaged to have occurred at a relatively early stage in the development of the fault system; that is, after little displacement had occurred. Any displacements on a fault had to be accommodated away from the fault by the creation of new fractures, consistent with high-level brittle fault systems in massive volcanic rocks.

The major NE-SW striking structure that cuts through the southern part of La India Vein and forms a major downthrown Sebaco Graben block to the southeast is interpreted as a later, possibly post-mineralisation cross-cutting fault. The amount of movement along this fault where it cuts the La India vein is thought to be minimal as this location is interpreted to be close to the hinge of the fault and it is interpreted to be a scissor fault with increased downthrow along strike to the northwest where the Sebaco Plains are formed. Regional mapping suggests that it is a long-lived structure as it can be traced for hundreds of kilometres into older basement material to the northeast.

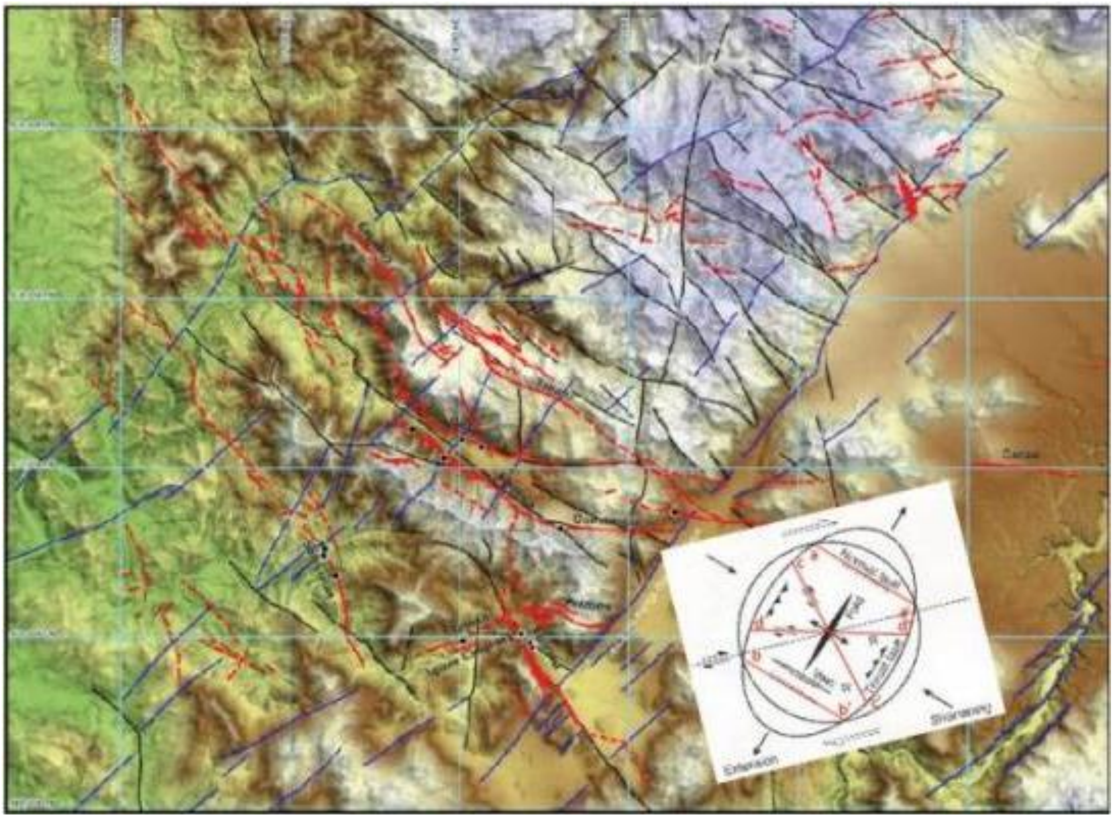


Figure 7-4: Interpretation of brittle structures and lineaments in the core mineralised area at La India over topography image.

Note: Map shows known vein traces (red), syn-mineralisation structures formed under southwest-directed extensional regime with associated Mohr Diagram (black) and post?- mineralisation NE-striking structures (blue) (Source: SRK).

7.2.4 Gold Mineralisation

The bulk of the gold mineralisation at La India District occurs as shallow, low sulphidation epithermal veins and breccia-fill within structures interpreted to have formed under the Pliocene to Early Pleistocene SW-directed extensional tectonic regime.

Faulting was active at the time of vein emplacement, with some areas displaying tectonic brecciation of early vein phases sealed by later vein phases. The following principal structural orientations developed syn- and post-gold mineralisation and therefore host gold mineralised epithermal veins as follows:

- Epithermal veins hosted by WNW-ESE trending structures, such as the America Vein, have the longest traces and are interpreted to have formed as a response to a NE-SW oriented extensional regime which formed the Nicaraguan Graben during the Late Miocene to Early Pliocene. The epithermal veins hosted by these structures are interpreted as tensional veins or as fault-hosted shear veins.
- Epithermal veins hosted by NNW-SSE to N-S oriented linking structures which formed between the WNW-ESE vein systems, relaying displacement through the system as whole. These veins filled spaces formed under a trans-tensional regime with the oblique stress direction forming overlapping arcuate veins linked by wide quartz breccia zones in the flagship NNW-SSE La India-California Vein.
- E-W to ENE-WSW trending epithermal veins interpreted by Condor as the final stage of development possibly associated with the late stage reactivation of deep-seated NE-trending structures.

Figure 7-5: Close-up of part of La India Vein showing fault brecciated and re-sealed early emplaced vein (bottom) in contact with later banded quartz vein (top) (Source: Condor)

Mineralisation Types

The fault infill of the La India vein comprises three principal types of vein core and breccia infill composition and textures. The components and their internal organization have been described in sequence to define the deformation regime and para-genesis of the mineralisation events (Figure 7-6).

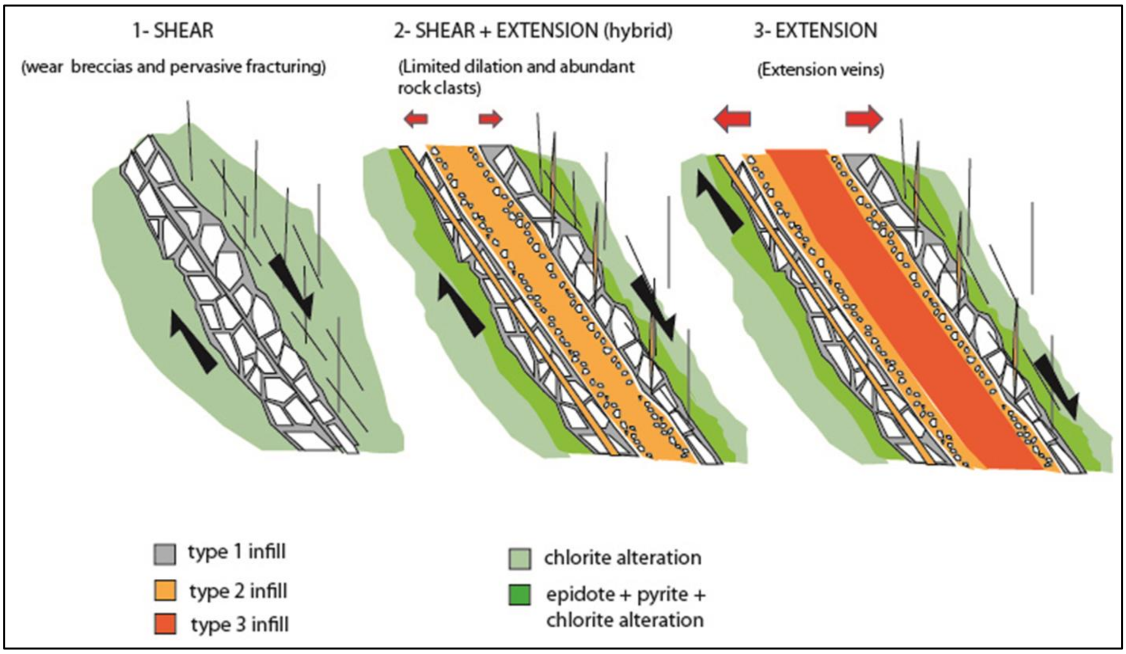


Figure 7-6: Mineralisation Types

Type 1

Early massive/banded grey-quartz cement occurring principally as stockwork, jig saw fit and hydraulic chaotic breccia facies. The Au mineralisation occurs at the lowest grade in this first stage (<1 ppm Au). The breccia facies occur principally in the foot-wall with strong to pervasive silica alteration, the thickness is variable but can be up to 4 m wide.

Type 2

Fine white quartz occurs as banded and massive veins, commonly replacing platy calcite textures and tectonic breccia infills (Figure 7-7). This stage contains sulfide-rich bands of sphalerite ± pyrite with intermediate grades of up to approximately 10 ppm Au.

Type 3

This stage is characterized by coarse-grained white quartz + haematitic silica and interlayered fine grained sulfides. Crustiform, coloform and banded textures are dominant in this stage. Grades are highest in this stage with values commonly greater than 10 ppm Au.

Some bands are composed of microcrystalline quartz + adularia. Fine-grained ore minerals consist of chalcopyrite with secondary malachite. SEM analyses identify acanthite -rich (Ag_2S). Ore-mineral bands are composed of chalcopyrite + sphalerite + jalpaite (Ag_3CuS_2) + pyrargyrite (Ag_3SbS_3) / proustite (Ag_3AsS_3) ± galena. This stage is exclusively observed in extensional regime veins and commonly cross-cuts early breccia facies.

The surrounding fault-wall damage has been observed over more than 10 m width at La India vein where it is composed by sheeted veins, stockwork zones with stage 1 and 2 infill cements.

7.2.5 Vein Morphology

The morphology of the veins reflects the orientation of the structures that the veins fill. Condor has recognised the following styles of gold mineralised veins within La India Mining District.

- Stacked arcuate anastomosing veins and quartz breccias dipping between 45° and 75° along a 1.5 km strike length on the principal La India-California structure. This system is interpreted as forming under a trans-tensional stress regime with tectonic movement along a line of arcuate fault planes with stress transferred between fault planes through development of breccia zones (Figure 7-7).
- Single discrete planar veins and multiple parallel planar veins (America and La Mestiza vein sets) with strike continuity of 1-3 km and widths ranging from 0.5 m to 4 m.

Figure 7-7: Type 2 Gold Mineralised Breccia of the La India-California vein (Source: Condor, June 2012)

7.2.6 Mineralisation

The gold in the low sulphidation epithermal quartz vein and quartz breccia gold mineralisation that constitutes the bulk of the mineral resource outlined to date occurs as fine grained electrum and native gold ranging in size from 11 to 315 µm in length and from 6 to 300 µm in width. Metallurgical tests carried out by Inspectorate at Lakefield, Ontario, Canada show that 70% of the gold is in the 75 to +50 µm size fraction. A minor proportion of the gold was reported to be present as blebs within iron oxy-hydroxides. Quantitative Evaluation of Minerals by Scanning Electron ("QEMSCAN") carried out by Process Mineralogical Consulting Ltd as part of a metallurgical testwork by Inspectorate at Lakefield, Ontario, Canada, on mineralised material from La India and America Vein samples are mainly quartz and K-feldspar with minor amounts of plagioclase, micas (biotite + muscovite), clay minerals and Fe-oxide minerals (hematite, magnetite, ilmenite), as well as trace amounts of pyrite and mafic minerals (amphibole, chlorite, epidote) associated with propylitic alteration proximal to the La India veins.

Galvan (2012) indicates that propylitic alteration can be subdivided into early and late episodes. The early episode is associated with the central La India vein system and consist of chlorite and pyrite alteration haloes extending to less than 15 m wide around the central La India vein and associated with early (Type 1 and 2) grey quartz breccia infill. A second episode of propylitic alteration occurs towards the south of the La India deposit and consist of epidote + pyrite + chlorite ± calcite associated with Type 3 white quartz mineralisation extending around 16 m from the ore zone.

QEMSCAN analysis on mineralised material from the Central Breccia showed this to have a significantly different mineralogy to the other veins at La India being composed of mainly quartz, mica and carbonates (mainly calcite) with moderate amounts of K-feldspar plus minor amounts of plagioclase, pyrite and Fe-oxides and trace amounts of arsenopyrite, clays and mafic minerals.

7.3 Deposit Scale Geology

7.3.1 La India

The La India Vein Set comprises two cross-cutting structures. The bulk of the mineral resource is hosted by the India-California structure, a normal fault striking 330° and dipping ENE at approximately 70° in the southern zone, 50-60° in the central zone and 45° in the northern zone. The India-California structure displays evidence of trans-tensional movement with a sinistral transverse component inferred.

In the hangingwall zone, a series of steep-dipping veins have formed in contact with the main structure that are interpreted as tension gash fill. The result is a thick mineralised sequence of anastomosing quartz veins and breccias. At the southern strike extent of the structure the mineralised veins do not reach surface, but drilling has demonstrated that the mineralised fault system remains open along strike at depth.

A smaller mineral resource is contained within the approximately EW striking Teresa-Agua Caliente-Arizona veins. These veins form a set of discrete, parallel, and vertical to steeply north-dipping veins.

The Company has produced a series of detailed geological sections which show the various volcanic lithologies, which have been used as a basis for the geological and mineralisation models. Figure 7-8 provides an example cross section through the central zone at La India, confirming the typical thicknesses and ENE dip of the high-grade core (pink) and lower grade wall rock mineralisation (light blue) in context of the background volcanic host rock.

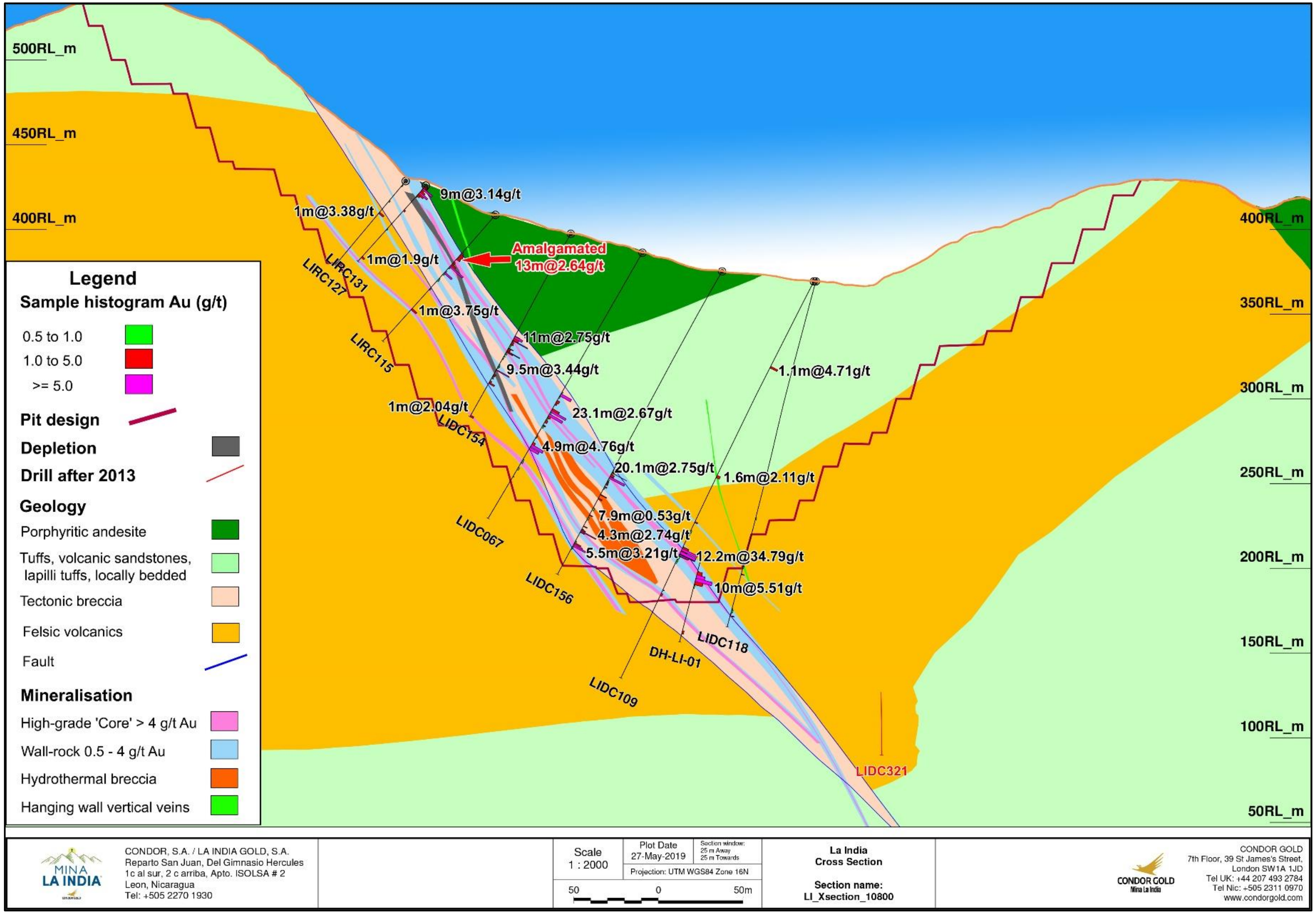


Figure 7-8: Cross-section through La India - 10800 section line

7.3.2 America Mine

The gold mineralisation at America occurs along the faulted contacts which separate three structural blocks. The America-Escondido structure forms two of the three recognised block boundaries. The structure is characterized by a 60° bend between the America fault which strikes 300° and dips approximately 55° to the northeast and the Escondido fault which strikes north and dips at approximately 45° to the east. Both the America and Escondido fault limbs are planar normal faults, typically 1-3 m wide and characterized by the development of sand to gravel-grade cataclastic textures on the principal fault plane and small, metre-scale tension gashes in the hangingwall. A wider quartz breccia has developed at the flexure zone. The Constancia veins are hosted by a steeper dipping structure striking at 270-290° and dipping at approximately 70° to the north.

Figure 7-9 provides an example cross section of the intersection of the Constancia Vein with the America-Escondido flexure, confirming the typical thicknesses and dip directions of the mineralisation (light blue) in context of the drilling and topographic survey.

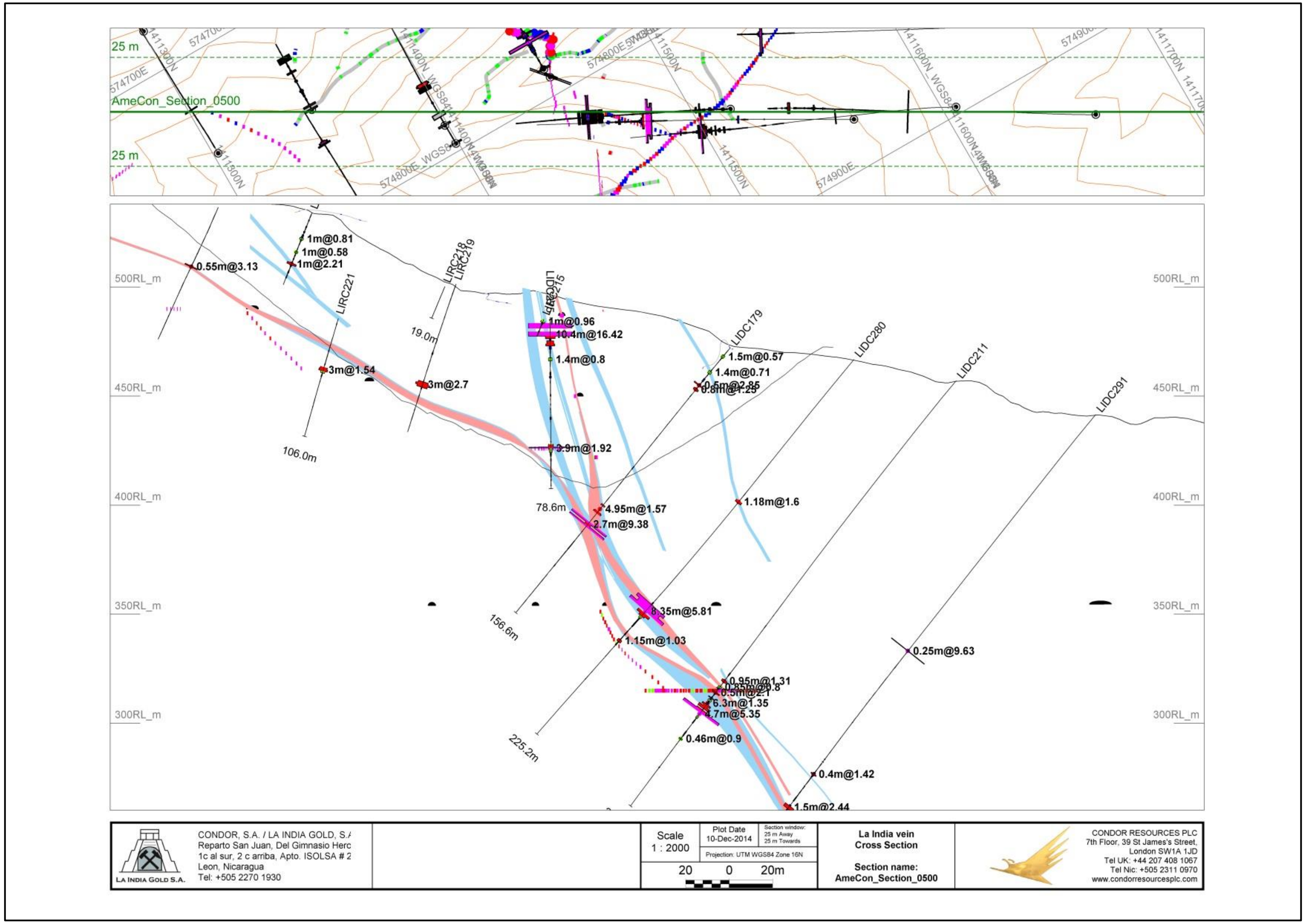


Figure 7-9: Cross-section through the intersection of the Constancia Vein with the America-Escondido flexure with the Constancia Vein(s) on the 500 Section (Source: Condor 2014)

7.3.3 Central Breccia

The Central Breccia is a multi-stage hydrothermal breccia deposit hosted by a massive porphyritic andesite located at the centre of the graben-like structure that runs down the axis of the America Vein Set near the intersection with the regional cross-cutting NE-Fault. Drilling has shown that the andesite overlies a felsic pyroclastic breccia. Two stages of hydrothermal breccia development are recognised, an early hydraulic breccia with evidence of clast movement and rotation and a silica-cemented microbreccia matrix, and a later crack and fill brecciation with calcite-cement containing anomalous gold values formed under a more passive dilational regime.

The Central Breccia deposit is interpreted as a breccia pipe and is characterised by wide zones of jigsaw-fit chlorite-altered andesite, cemented by silicified microbreccia and crystalline calcite.

Gold mineralisation is associated with a later calcite and quartz calcite crack and seal breccia. The breccia typically has grades of 0.1 to 0.2 g/t Au, within which high-grade zones (interpreted as shoots within the wider breccia pipe) typically over 10 m thick and grading between 2 g/t and 7 g/t Au occur. The high-grade zones are often associated with sulphide minerals and intense argillic alteration and quartz veins.

7.4 Weathering

In most cases, including the La India and America veins, gold mineralised quartz veins and breccia zones form resistant ridges. In contrast, in some cases, such as the La Mestiza and Cristalito-Tatascame areas, the gold mineralised structures occur within intensely weathered saprolitic bedrock (reported to extend to a depth of approximately 20 m). Within the saprolitic zone, gold values obtained from near surface vein material are only weakly anomalous, whereas samples from the base of the saprolitic zone are higher, suggesting either that the surface zone is above the higher-grade gold mineralisation of the boiling-zone of that near surface leaching and basal enrichment within the zone. Silver is also present, but there are no detailed reports describing its occurrence and character.

Near the topographical surface the rock types present signs of extensive weathering, being transformed into saprolite. This can extend up to 20 m depth and is defined as Moderate Weathered Rock (“MW”) and Highly Weathered Rock (“CW”) and can be generally described by:

- Overburden Soils and Highly Weathered Rock (CW)

  Overburden consists of less than 1-10 m of colluvium showing little evidence of transportation and usually consisting of subangular to angular gravel to block sized rock fragments in a sandy to silty matrix. The overburden overlies highly weathered rock which often contains completely weathered intervals resembling a residual soil. The highly weathered rock contains frequent core stones of moderately to slightly weathered rock. The depth of the base of this unit varies but it is usually less than 20 m thick. The weathered rock is of weak strength and of very poor to occasionally moderate rock mass quality. Very close to close joint spacing prevails. Joints are filled with red brown clay and limonitic silt.

- Moderately Weathered Rock mass (MW)

  Below the highly and completely weathered rock zone follows a 20-30 m thick undulating blanket of moderately weathered rock. The thickness of this weathered zone increases to 30-50 m in the southern hangingwall (SE pit area).

- Fresh Rock Mass (FR)

  Fresh rock mass is the unaltered rock that lies below the highly and moderately weathered rock mass zone.

8 DEPOSIT TYPE

The gold mineralisation at La India is interpreted as to have been deposited in a high level, low sulphidation epithermal system. The mineralisation itself occurs associated both with quartz vein systems and within well-confined hydrothermal breccias.

The veins and stockwork zones are hosted within massive andesites, andesitic and felsic tuffs or felsic lava flow deposits. Veins are typically less than 3 m in width, but stockwork zones and stacked stockwork-vein zones can be up to 25 m wide.

Quartz veins, often including a brecciated component, vary in thickness and are most typically between 0.7 m and 2 m in thickness. In many areas, the wallrock hosts a breccia or stockwork zone with vuggy quartz veinlets up to 5 cm thick and accounting for up to 70% of the rock mass. The breccia/stockwork zone is typically up to 10 m thick and is associated with silica-haematite alteration. The quartz in the breccia zone may be gold mineralised, although the country rock component means that gold grades are diluted compared to the veins.

The grade of gold and silver can vary from a few grams per tonne to significant intersections with grades in excess of 30 g/t Au (>1 oz/t). Gold mineralisation occurs as fine gold-silver amalgam with a gold to silver ratio of 1 to 1.5.

The “Central Breccia” Deposit is interpreted as a gold-mineralised hydrothermal breccia with, low grade gold mineralisation is associated with carbonate breccia cement and high-grade gold mineralisation is associated with argillic alteration and sulphide mineralisation.

9 EXPLORATION

9.1 Mapping

9.1.1 Historical Mapping

A significant database was collated during the Soviet period between 1986 and 1991. Work completed during this period included geological mapping at 1:10.000 and 1:25.000 scales, geochemical prospecting at 1:10.000 scale, geophysical exploration (magnetic prospecting and electric exploration at 1:10.000 scale) and hydrogeological investigations, as well as land surveying work.

Between 2000 and 2001, Newmont Mining produced an interpretative geological map of the area, the aim of which was to define the extent of hydrothermal alteration, to locate and sample vein stockworks, and to identify bulk-mineable targets. Five areas with widespread hydrothermal alteration and encouraging surface gold values were identified, and a digital 1:50,000 scale geologic map and alteration overlay was produced. TVX also mapped the principal veins at between 1:500 and 1:1000 scale using tape and compass mapping and trench sampled over 500 trenches for over 800 channel samples.

9.1.2 Condor Gold Mapping

Condor has completed a 1:5000 scale update of the geological map focused on the La India, America and Mestiza vein sets with on-going refinement of the historical maps. The results of the 2012 geological mapping completed by Condor is shown earlier in the report in Figure 7-2.

9.2 Geophysical Study

During 2013, the Company completed a geophysical survey of the Project. In total, a 3,351 km line helicopter borne geophysics program was completed comprising radiometric and magnetic surveys which resulted in a high-quality dataset suited for interpretation on both regional and project scales. The main survey was flown on 100 m spaced lines with an azimuth of 030/210º with tie-lines flown at right angles to the main survey lines on 1,000 m line-spacing. The heliborne geophysics data has been processed by Lubbe Geophysics Inc (“Lubbe”).

The radiometric data sets correlates well with known mineralisation and can be used as a direct tool to map vein presence. The recognition of the geophysical properties associated with the known veins and extrapolation of those characteristics into other less well-mapped areas demonstrates that only a small part of La India Project has been tested by drilling, which results in potential to find additional Mineral Resources within the area. The Company has identified two prospective regions in the north and northeast of La India Project which have similar geophysical signatures to the main Vein Sets.

The radiometric responses are robust and well-defined in the survey area. The potassium response, as well as the thorium to potassium ratio, has a strong correlation with areas of known veining in the core of the La India Project. Maps of these data sets show other areas within the Project area with a similar high potassium and low thorium:potassium ratio that may host undiscovered vein zones, which warrant further follow-up exploration.

The reduced-to-pole magnetic data shows a general WNW to NW-striking fabric over much of the survey area. The known veins are mostly parallel to these trends and are often associated with zones of disrupted magnetic signature that reflects the localised destruction of magnetite. Similar structures can be traced through less well explored parts of the Project area. The identification of disrupted signatures on these structures provides a targeting tool for future exploration.

The study identified a series of alternating NW-striking magnetic highs and lows evident when the 100 m upward continued directional filter is applied suggests that the basement is made up from a series of parallel and sub-parallel horst/graben features, which supports the original geological model. It is hypothesised that sigmoidal patterns are possibly the result of the slight angles between the grabens, or alternatively, an indication of the presence of extensional faults, which will require further exploration to confirm.

In Lubbe's report to the Company, it has been concluded that radiometric and magnetic data can be correlated to the known gold mineralized veins. The mineralised veins are associated with elevated potassium, especially where elevated relative to thorium, and with destruction of the magnetic signature, effects attributable to potassic alteration and magnetite destruction respectively by the epithermal fluids that deposited the gold mineralised veins. The identification of a similar geophysical signature elsewhere in the Project area can be used to target exploration for both the discovery of new gold mineralization and the prioritization of the many existing gold anomalies recognized in the existing rock chip sampling database.

9.2.1 District-Scale Interpretation by Condor

Condor geologists have used the results from the airborne magnetic and radiometric surveys, in conjuction with satellite derived topographic data, to develop a district-scale geological model of the La India Project's epithermal gold mineralisation system. Topographic and magnetic data were used to identify the structural system that provides the conduits for gold-bearing fluids, with radiometric potassium concentration indicative of the amount of hydrothermal fluid flow.

Following geological interpretation, the most significant geophysical anomalies identified (referred to by Condor as 'backbones') relate to the structure that hosts the La India and America deposits, two structures in the south west of the Project area (San Lucas and Dos Hermanos) and a further structure towards the north east (Andrea). Eight priority targets were identified as under-explored areas within prospective geological settings, with initial follow-up rock chip sampling enabling a ranking of the targets and the development of regional exploration plans. Figure 9-1 shows the rock chip sampling results and exploration targets overlain on top of the regional radiometric (potassium: thorium) survey.

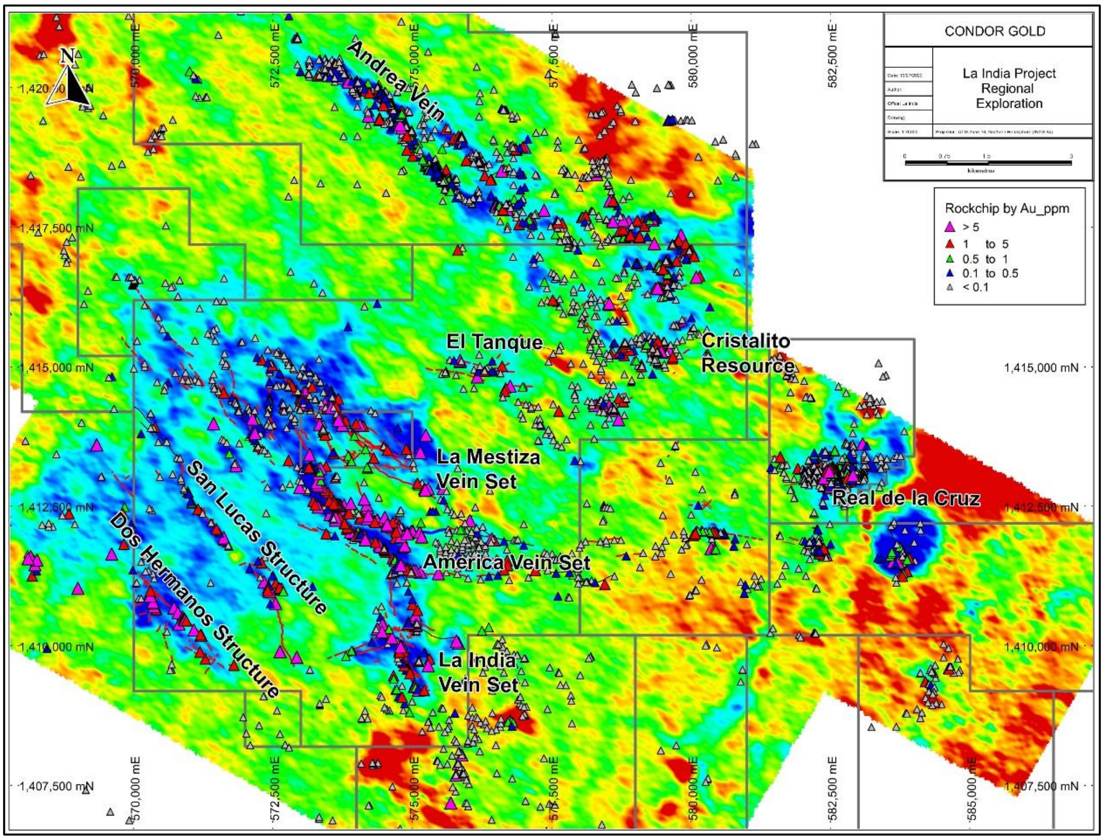


Figure 9-1: Exploration targets shown overlying radiometric potassium: thorium background (high potassium ratio coloured in blue)

9.3 Surface Trenching

Surface trenches have been excavated to access and sample in situ rock beneath overburden, which is typically less than 2.5 m in depth. Previous trenches and those produced by Condor prior to 2012 were excavated using manual methods, and there are therefore some areas with thicker cover where trenching failed to reach bedrock (resulting in areas where no samples were taken). In total, almost 1,086 trenches for approximately 19,136 m have been completed historically during exploration by the different companies. The following trenching programs have been completed by Condor:

- During 2011, Condor excavated a number of trenches to assist in the geological definition of certain veins by confirming the location of surface projections. An additional trench program was completed over the central portion of the La India vein-system in an area which was mapped as having breccia material. The resultant trenches located a relatively wide breccias zone at surface (40 – 50 m wide) in two trenches 25 m apart, providing the Company with an area for further follow-up investigation. A 235 m manual trenching program was completed to follow-up a gold mineralised rock chip sample collected on the Central Breccia Prospect. A significant surface mineralisation zone was defined which was subsequently confirmed by drilling.

- In 2012, Condor excavated a number of trenches using a mechanical excavator to sample bedrock beneath colluvial material that was between 2 m and 4 m deep on the hangingwall of the central portion of the La India Vein. The resulting mineralised intercepts which included some wide gold mineralised breccia zones were correlated with underlying drillhole samples to help guide the geological model to surface. Further infill and extension trenching using a combination of manual and mechanical trenching was completed on the Central Breccia to try and better constrain the surface gold mineralisation. A total of 1,403 m of trenching has been completed on the Central Breccia to date defining a 150 m x 300 m alteration zone and a 70 m x 150 m core containing zones of high-grade gold mineralisation.
- In 2013, Condor completed a number of trenching programs, the focus of which was the America-Constancia-Escondido veins where a total of 37 trenches for 2,694.8 m were completed testing for potential additional mineralisation in the wall rock in proximity to the veins, and for additional parallel features. At La India, four trenches (732 m) were excavated at the north west of the deposit. The final phase of trenching (five trenches for 799 m) was completed within the Mestiza veinset between Tatiana and the Buenos Aires veins to test for potentially additional veins within this region of the deposit.
- In 2014, Condor completed another trenching campaign (Table 9-1) which focused on testing a number of regional targets (including Dos Hermanos, San Lucas and Real de la Cruz) that were identified as having potential near surface gold mineralisation based on geophysics and rock chip sampling. The most encouraging results were related to the Real de La Cruz Concession where 51 trenches for 3,995 m were completed and identified a low-grade surface gold anomaly along a 1,100 m strike length. Data from the 2014 trenching campaign have not been included in the September 2014 or January 2019 Mineral Resource estimate given that the associated deposits have not been included in the MRE update and trench data has been excluded based on validation work discussed in Section 12.1.8.

Trenches were marked out with spray paint to every metre. Samples were taken metre by metre in areas of interest, alteration or veining, and occasionally two-metre-long samples in areas of unaltered ground, at the discretion of the supervising geologist. Trench samples were collected from a 5 to 10 cm wide channel on a clean wall of the trench approximately 5 to 10 cm above the trench floor. Wherever possible, samples were always taken from the same side of the trench. The samples were continuous channel samples taken using a geological hammer, a hammer and chisel or a hand-held motorised rock saw in areas of hard rock. Material was collected onto a cleaned sheet of plastic to avoid contamination. The sample was then poured into a labelled sample bag with an average weight of 3 to 4 kg.

Table 9-1: Summary of trenching completed by Condor during 2014 exploration campaign

Vein	Number of Trench	Minimum Length (m)	Maximum Length (m)	Sum Length (m)
Dos Hermanos	5	33	304	640
San Lucas	12	34	51	330
La India	6	7	163	321
El Chaparro	5	29	65	226
Real de La Cruz	13	12	542	2,646
Grand Total	41	7	542	4,163

9.4 Underground Sampling

Historically, some 10,000 original underground mine grade control channel samples were taken on 11 veins within the La India Project. This sample data has been digitised from original hand-drawn vertical long sections ("VLP") at a 1 inch to 50 feet scale (c.1:600). The VLP show the sample width measured in feet to one decimal place and the grade measured in Troy ounces per Short Ton to two decimal places (equivalent to 0.34 g/t Au). Samples were collected at 6 foot (about 2 m) intervals along development drives and raises. It is assumed that the standard mining practice of collecting a horizontal channel sample across the development face using a lump hammer and chisel was followed. The data have been digitised and re-projected into the original 3D position for use in the mineral resource estimate. Figure 9-2 shows an example of underground grade control data showing width in feet (for example, 2.2 feet) and gold grade in Troy oz per short ton (0.40). This example taken from a 1":50' (c.1:600) scale vertical long section of the Agua Caliente workings (La India Vein Set) drawn in 1939.

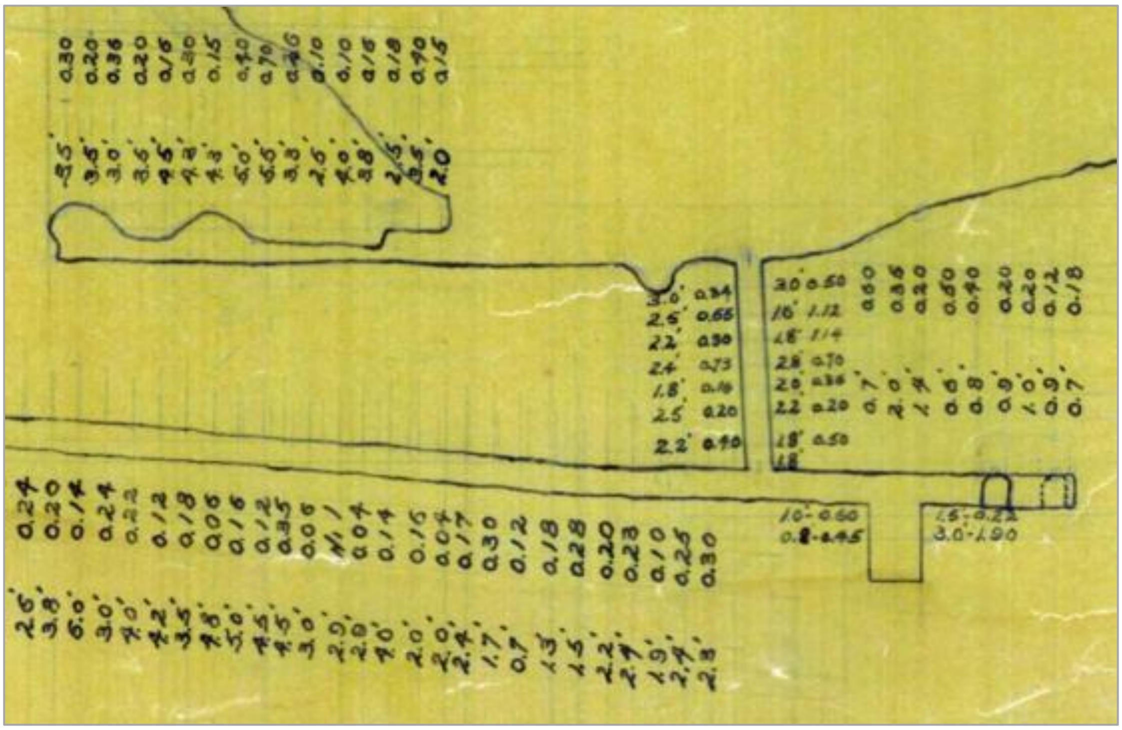


Figure 9-2: Example long section showing underground grade control data (Agua Caliente workings) (Supplied by Condor)

The historically reported underground widths and grade have been validated using more recent underground sampling (Section 12). Notably, between 1996 and 1997, TVX collected over 350 underground samples from accessible underground workings including La India, America and San Lucas. Geologically controlled roof and wall continuous chip channel sampling using a lump hammer and chisel was undertaken. Samples were taken perpendicular to the mineralised geological structure where possible. Gold-Ore also collected 32 underground samples from the upper level of the Cristalito-Tatascame underground workings in 2005 using a similar technique.

Condor has recently collected a limited number of underground mine sampling. In this case, separate samples have been taken horizontally from the hanging wall, vein and footwall in the side wall of the adits.

The protocol for mine sampling is summarised as follows:

- Samples were taken horizontally across the wall due to the high angle dip of the veins.
- The sample lengths were measured horizontally and are not true widths measured perpendicular to the vein.
- Samples were taken by Condor samplers under the instructions of a Condor geologist.
- The samples were taken in a continuous channel by hand using a lump hammer and chisel.
- The sample was collected directly into the sample bag which was held open immediately below the sample channel.
- Some of the larger pieces of rock were broken by hammer during the quartering process.
- The sample was collected in a small bag of thin plastic which was sealed by tying a knot in the top. The sample weight was 3.0 to 4.0 kg.
- The sample location and sample type were written in a book of consecutively numbered assay tags and a tear-off numbered tag was placed in the sample bag. A geological description was made and recorded on the drilling logs.
- The mine samplers recorded the sample location by sample number on a 1:50 scale hand-drawn cross-sectional log and filled out a Microsoft Excel spreadsheet recording collar, survey, sample and geology in a format that is compatible with Micromine 3D mining software.

9.5 SRK Comments

SRK has reviewed the sampling methods and sample quality for the La India Project and is satisfied that the results are representative of the geological units seen and that no underlying sample biases have been introduced. SRK does however comment that in some areas due to topographic constraints that it has been difficult to ensure/verify that full sample have been taken. SRK recommends efforts be made to ensure consistent sample volumes are taken during all trench programs which can be monitored by clearly marking the face of the trench prior to sampling to ensure a consistent width and where possible depth of sample is taken. The aim of the program should be for a trench sample to have equal volume/weighting as a diamond drill hole. SRK would recommend a before and after sampling photo be taken of all trench sampling as part of an internal quality control program. The analytical QAQC results for the 2013 trench sampling campaign are presented in Section 12.1.5.

The use of long trench sampling using a mechanical excavator to sample bedrock beneath colluvial material that was between 2 m and 4 m deep has proved a useful exploration tool since 2012 and has been successfully used to identify surface exposures of the La India – California veins, the more recently discovered Central Breccia deposit and the additional features parallel to the America and Constancia veins.

It is SRK's view that the density and quality of samples is sufficient to support the Mineral Resource Estimate as reported.

10 DRILLING

10.1 Summary

This section briefly describes the exploration drilling data currently available, summarising the work completed by Soviet-INMINE, TVX and Gold-Ore and Triton.

A summary of the total metres drilled per program and per vein is shown in Table 10-1. Note that in addition to the drilling shown in Table 10-1, Triton completed an additional three preliminary exploration holes on the Real de la Cruz vein. At present, no Mineral Resources have been declared for this target.

Table 10-1: Summary of Drilling Statistics per Company and Deposit (January 2019)*

		Data			
Company	**Prospect**	**Count**	**Sum Depth**	**Min Depth**	**Max Depth**
Soviet-INMINE (1987 - 1990)	America	18	2,539.70	69.4	432.4
	America-Guapinol	2	510.3	231	279.3
	Buenos Aires	12	1,126.60	60	143.4
	Espinito	6	1,043.60	146	201.2
	Guapinol	34	3,008.60	27.8	253.2
	La India	6	1,805.80	233.6	396.1
	Jicaro**	1	108.6	108.6	108.6
	Tatiana	20	2,107.40	56.8	182.1
Soviet-INMINE Total		99	12,250.50	27.8	432.4
Triton Minera (2004 - 2007)	La India	8	1,509.00	131	215
	Real de la Cruz	3	457	110	208
	Tatiana	3	619.1	180	253.5
Triton Minera Total		14	2,585.10	110	253.5
TVX (1996 - 1997)	Arizona	3	310.9	78.4	142.6
	La India***	9	1,892.90	124.1	300.6
TVX Total		12	2,203.80	78.4	300.6
Gold Ore (2005)	Tatescame	10	1,063.50	37	180
Gold Ore Total		10	1,063.50	37	180
Condor (2007 - 2017)	America	42	5,267.80	41	307
	Arizona	6	1,135.80	102.1	239.3
	Buenos Aires	7	987.80	118	173.8
	Cacao	26	2,890.10	47	224
	Central Breccia	21	3,185.50	80.7	231
	Constancia***	10	1,522.30	46.8	265.6
	Escondido	14	1,090.90	19	167.3
	Guapinol	9	1,648.60	40.5	413.2
	La India***	185	30,225.65	32	398.5
	San Lucas	7	1,215.00	97.5	303
	San Lucas-Capulin	5	570.8	47.3	195
	Tatiana	46	6,699.90	38.2	264.3
	Teresa	2	367.3	135.6	231.6
	Teresa Agua Caliente	1	190.5	190.5	190.5
Condor Total		381	56,997.95	19	413.2
Grand Total		**516**	**75,100.85**	**19**	**432.4**

** Summary of drilling used as the basis for the January 2019 Mineral Resource Estimate*

*** Not included in current Mineral Resource.*

**** Includes wedged holes with depth counted from deviation from parent drill hole*

10.2 Approach

10.2.1 Soviet-INMINE

Soviet-INMINE drilling targeted six veins: La India, America, Guapinol, Espinito, Buenos Aires, and Tatiana, with the objective of evaluating the mineralized zones in the deep levels.

The drilling work in general was conducted in two stages; the initial, generally unsuccessful drilling phase was aimed at testing the depth potential of the principal veins. The more extensive second phase was aimed at testing veins with little or no historical mining such as the Guapinol, Espinito, Tatiana and Buenos Aires veins with a 160-480 m grid spacing, with infill drilling on an 80-160 m grid.

The drilling direction was perpendicular to the strike of the structure or at a high angle to the vein. The holes were drilled with an angle of 67-81º with an interception angle of the mineralized body of not less than 30º, the depth of the drilled holes ranged between 40-80 m in shallow holes and up to 140-180 m for deeper intersections. The drilling was continued a satisfactory distance beyond the vein into the footwall of the silicified zone and into fresh rock.

During the initial exploration (1987-1988), 8 deep holes of 230-340 m were drilled using traditional DD drilling techniques, but reported poor sample recovery as no specialist drilling fluids/muds were used. During the 1988–1989 exploration drilling campaign, predominantly shallower targets were tested by drilling with a modified method using SSK-59 and KSSK-76 rigs, and specialist drilling fluids/muds (bentonite and caustic soda), and core recovery improved significantly. The core diameter in the intersections of the mineralised intervals ranges from 35 mm (SSK-59) up to 57 mm (76 mm crown ejector). The length of the run in the mineralized zone, with the SSK-59 and KSSK-76 drilling equipment was limited to 0.6 m, and as a rule, it did not exceed 1.0-1.3 m.

10.2.2 TVX

Between 1996 and 1998 TVX completed a data verification program focused on the La India vein and veins in close proximity. A total of 12 holes (DH-LI-01 to DH-LI-10) were drilled using conventional DD drilling techniques, which included two re-drills of holes with difficult ground conditions. Limited information exists on the downhole surveys of the drill holes, with only the initial planned collar dip and azimuths recorded in the database. All data have been captured digitally in a series of graphical logs which have been reviewed by SRK.

10.2.3 Triton

Triton completed a series of 8 drillholes at La India vein in 2004 (LIT-11 to LIT-18). No assay results are available for these drillholes and therefore the Company undertook a core re-sampling program during 2011, submitting half core samples to certified laboratory BSI-Inspectorate for assaying and the results have been used to help produce the MRE presented here.

10.2.4 Gold-Ore

Gold-Ore completed 10 holes in 2004 at Cristalito-Tatascame using conventional DD drilling techniques. SRK has been supplied with downhole survey information for the start and the end of each hole, with hole lengths varying from 37 to 180 m. The digital database provided included geology logs of major units and a total of 238 gold assays were completed during the program.

10.2.5 Condor

Condor has completed several drilling campaigns, summarised below.

Cacao Concession (2007/2008 Campaign)

Of the 22 holes drilled at Cacao, 21 were drilled using a UDR650 multi-purpose drilling rig mounted on a six-wheel drive truck. The drilling rig was owned and operated by Honduras based R&R Drilling. All these drillholes were collared using the RC techniques, at which stage the drill rig's compressor was supported by a 650/350 compressor mounted on a twin axle commercial truck. The water table was generally intercepted between 40-70 m depth. Wet sample return always occurred at the water table and drilling was then converted to NQ DD core drilling.

The collared RC drilling used 3½ inch diameter rod string composed of 3 m rods coupled to a 4½ inch bit face sampling hammer. DD core (BQ) drilling proved very slow, with poor recovery, often less than 60% in the mineralised zone. Poor recoveries led to trials of alternative drilling methods.

La India Concession (2011 Campaign)

Condor commenced this period of drilling on the 28 January 2011 as part of a 5,000 m drilling campaign with the aim of increasing the current levels of Inferred Mineral Resources along strike of known mineralisation. An initial program of 5,000 m was planned, but based on positive results this was increased to approximately 12,000 m.

Condor drilled the 10 known La India, America, Constancia, Guapinol, Arizona, Teresa, Agua Caliente, San Lucas and Tatiana veins and started drilling at the Central Breccia with the objective of evaluating the orientation of the orebody and to test the mineralized zones at depth, based on the results of the trench program.

The initial drilling phase aimed at confirming vein potential with a 100 m spacing along strike and 50-80 m down-dip grid spacing.

During the program, Condor used a number of drilling contractors:

- Nicaraguan company United Worker Drilling who used a Longyear 38 drilling rig powered by a diesel motor and capable of drilling HQ and NQ core. This drilling rig proved capable of drilling to a maximum depth of approximately 200 m and was mostly used for drilling holes less than 150 m depth.
- E Global Drilling Corporation of Canada through local subsidiary Energold Drilling who employed a portable, diesel-powered all-hydraulic drilling rig fitted to install casing to 50 m and to drill HQ, NTW, and, if required, BTW core using 5-foot long (1.52 m) thin-wall drilling rods.
- R&R Drilling of Honduras who used two conventional DD core rigs (a Longyear 38 and Boyles 56). Both rigs were capable of installing NW casing and drilling HQ and NQ core. The Boyles 56 was fitted with heavier drilling head and was utilised as the first choice rig for drill holes of over 250 m depth.

- Rodio-Swissboring of Guatemala who used a track-mounted Christensen CS-1000 dual purpose RC and DD core drilling rig to allow drilling using an RC pre-collar and DD core tail. The RC drilling employed a 4” face sampling hammer equipped with 5” to 4 ¾” button type bits and 4 ¾” to 4 ½” tricone roller bits and fed by a trailer-mounted diesel powered Ingersoll Rand XHP 1070 CFM 350 psi air compressor. Core drilling used NW casing and conventional HQ and NQ tools.

Conventional DD drilling techniques were used to complete the program, with the exception of the R&R DD drill rigs which also utilised a pressure regulator to limit the amount of water at the drill bit. The method was employed in an attempt to limit the potential washing away of high-grade fine material and resulted in improved core recovery. The majority of the holes were drilled using HQ down to a maximum of approximately 200 m before stepping down to NQ.

A total of 78 drill holes were completed between January and December 2011, which included four re-drills. The minimum hole length within the program was recorded at 92.1 m (Guapinol), with the longest recorded as reaching 327.0 m (La India). A total of 68 holes were completed and assayed and were used to produce SRK’s 2011 Mineral Resource update. The total metres drilled during the program was 12,013 m.

La India Concession (2012 Campaign)

Condor completed 59 drill holes for 7,101 m (including 2,675 m RC drilling and 4,426 m of DD drilling) between mid-April and the end of July 2012, on the La India-California vein trend with the aim of increasing the portion of the overall Mineral Resource within the Indicated category, namely in areas considered to have open pit and underground mining potential.

Drill results were received for the Guapinol and America veins, which totalled 7 holes on Guapinol (1,474 m) and one hole on America (307 m). SRK notes that these holes were drilled at the end of the 2011 drilling program, and not included in the December 2011 Mineral Resource estimate.

In addition, Condor completed five drill holes for 866 m on the Central Breccia Prospect which was discovered in 2011 along the America Vein Set trend. These holes were completed at the end of 2011 and early in 2012, but were not included in the 2012 mineral resource estimate due to the limited amount of drilling.

The predominant drilling direction at the La India-California veins has been to the southwest which is perpendicular to the main orientation of the veins. The drilling was completed from surface using DD and RC drilling techniques using the drilling contractors listed below:

- E Global Drilling Corporation of Canada through local subsidiary Energold Drilling with a portable, diesel-powered all-hydraulic drilling rig fitted to install NW casing to 50 m and to drill HQ, NTW, and if required BTW core using 5 foot long (1.52 m) thin-wall drilling rods.
- R&R Drilling of Hondurus using two conventional Boyles 56 DD core drilling rigs. capable of installing NW casing and drilling HQ and NQ core.
- Rodio-Swissboring of Guatemala using a track-mounted Casagrande C-8 reverse circulation (RC) drilling rig cabable of drilling up to 120 m depth. The RC drilling employed a 4” face sampling hammer equipped with 5” to 4 ¾” button type bits fed by a trailer-mounted diesel powered Ingersoll Rand 900CFM 350 psi air compressor.

- Canchi Perforaciones de Nicaragua S.A. from Panama employing a track mounted CANCHI JS 1500 drilling rig using a hydraulic system capable of drilling PQ, HQ and NQ core and powered by a 6 cylinder turbo diesel motor. This company was engaged at the end of the program to drill two trial holes using PQ starter in an attempt to improve recovery and penetration for deeper drillholes.

La India Concession (2013 Campaign)

Three rigs owned by Canchi Perforaciones de Nicaragua S.A., one rig operated by Rodio-Swissboring and one Energold (E Global Drilling) rig were retained to complete a drilling campaign of 162 drill holes for this 23,598 m program (Figure 10-1) completed between November 2012 and August 2013.

The RC and DD drilling on La India and America was undertaken by Perforaciones de Nicaragua S.A using track-mounted CANCHI JS 1500 drilling rigs and Rodio-Swissboring using a track-mounted Christensen CS1000 drilling rig set-up to also drill PQ core.

A combination of bit sizes were used throughout the program, with holes initially collared using PQ to maximise the sample volume and recovery for as deep as possible before stepping down to HQ. In holes where PQ was not available, these holes were drilled using HQ down to 200 m before stepping down to NQ. The portable Energold drilling rig which can drill HQ or smaller diameter core was used for the Central Breccia drilling campaign where ground conditions are better and HQ drilling provides good penetration and core recovery.

The majority of the drilling was infill drilling on the La India Open Pit area designed to convert potentially open pittable Inferred resource ounces to the more confident Indicated category. Smaller exploration drilling programs were also completed on the America Vein Set and Central Breccia Prospect designed to test for open pit potential. A summary of the drilling completed on La India Project between November 2012 and August 2013 includes:

- 13,956 m drilling program completed on La India Open Pit resource aimed at proving over 1 Moz gold in the Indicated Category ahead of a PFS.
- 1,836 m geotechnical drilling program designed to enable pit slope angles to be defined more confidently.
- 5,486 m drilling program on America Vein Set aimed at testing for open pit potential Mineral Resources.
- 2,680 m drilling on Central Breccia Prospect to define the maiden Mineral Resource for this prospect.

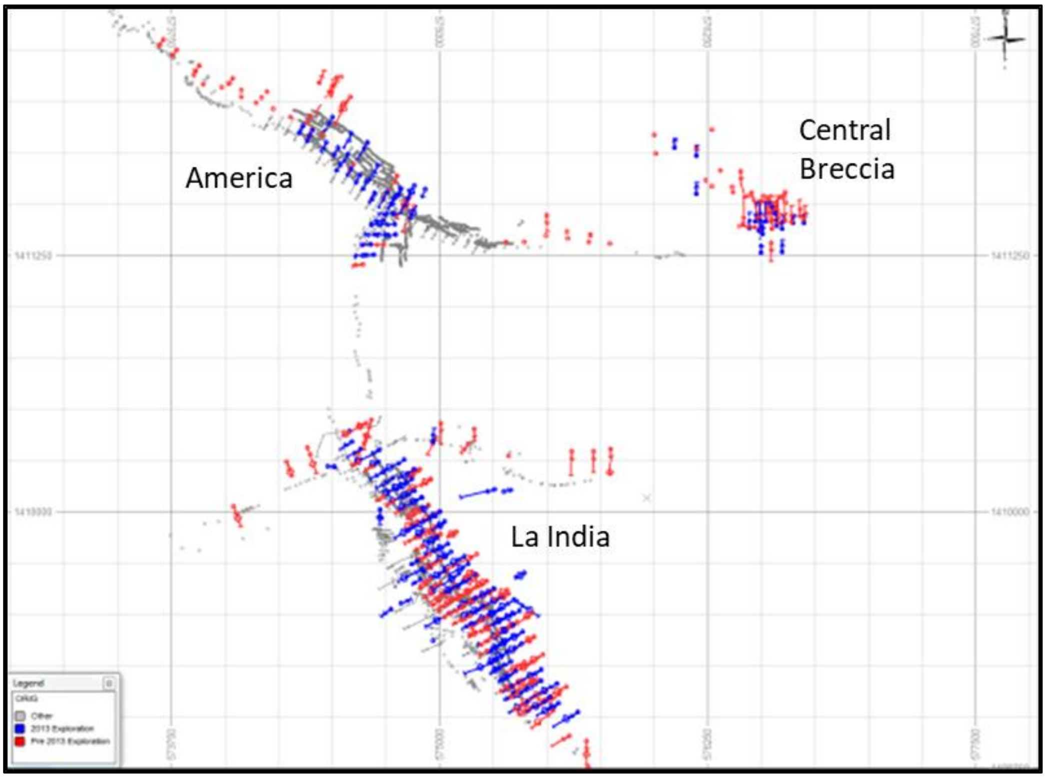


Figure 10-1: Location of the 2013 exploration campaign drilling shown in blue

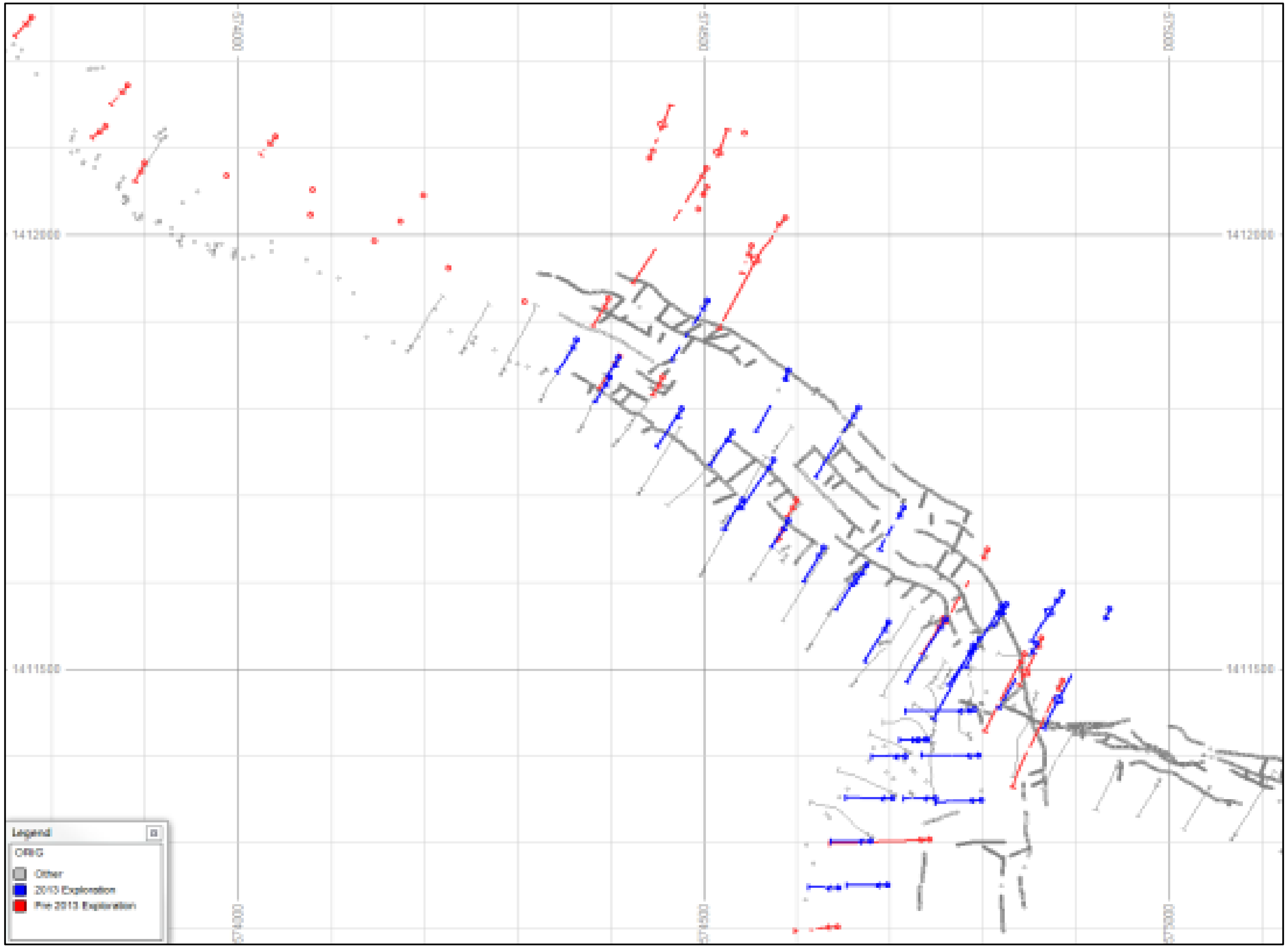


Figure 10-2: Plan showing drilling directions at America-Constancia-Escondido veins showing holes drilled SW along the America and to the west on Escondido; blue = 2013 campaign drilling (Source: SRK)

The selective infill drilling on the La India-California veins were drilled from surface at a drill spacing of 50x50 m, within the area defined as a potential open pittable target as part of the September 2012 Mineral Resource update. The drillholes were predominantly orientated between -50 and -75º to the south west.

At America, the Company focused this phase of exploration drilling towards confirmation of the presence of wall-rock mineralisation (that borders a higher-grade mineralised “core”) on the America-Escondido vein and mineralised structures in the hanging-wall at Constancia, in an attempt to test the potential for an open-pit mining project.

The drilling on the America prospect comprised drilling from surface at a grid spacing of 50–100 m. Drillholes were typically angled at -50º (below horizontal) and orientated either towards the south west on the America and Constancia veins or to the west on the Escondido Vein.

The drilling at the Central Breccia prospect comprised drilling from surface at a grid spacing of 25–50 m. Drillholes were typically angled at -50º (below horizontal), predominantly orientated towards the north, with some scissor holes orientated to the south and two orientation holes orientated to the north west. Drilling was completed using DD methods.

La India Concession (2015-2017 Campaign)

A small targeted drilling program was completed by the Company between 2015 – 2017, which was focused on the Mestiza (Figure 10-3), La India and Cacao deposits. A summary of the drilling completed is given below:

- 5,895 m drilling for 42 drillholes on the Mestiza Prospect (Figure 10-3) with the primary focus of confirming historical grades from the Soviet drilling program and on increasing confidence in areas referred to by the Company geologists as the "Big-Bend" on the Tatiana vein, which was thought to host the best potential for higher grades. Minor depth extension drilling has also been completed at the base of the previous Mineral Resource;
- 1,607 m drilling on the La India deposit. Five drillholes were completed at depth (Figure 10-4), beneath the 2014 PFS pit, focusing on testing the geological interpretation in less well drilled areas.
- 720 m drilling for four drillholes on the Cacao Prospect, mainly to test the geological continuity at depth.

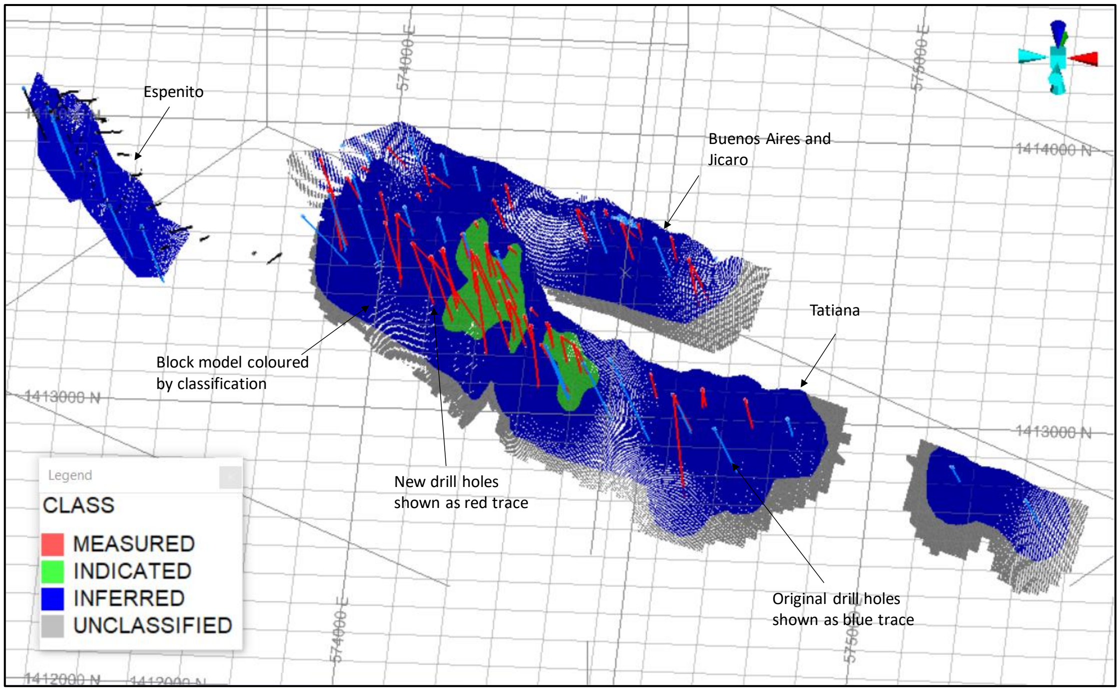


Figure 10-3: Location of the 2017 exploration campaign drilling at Mestiza shown in red

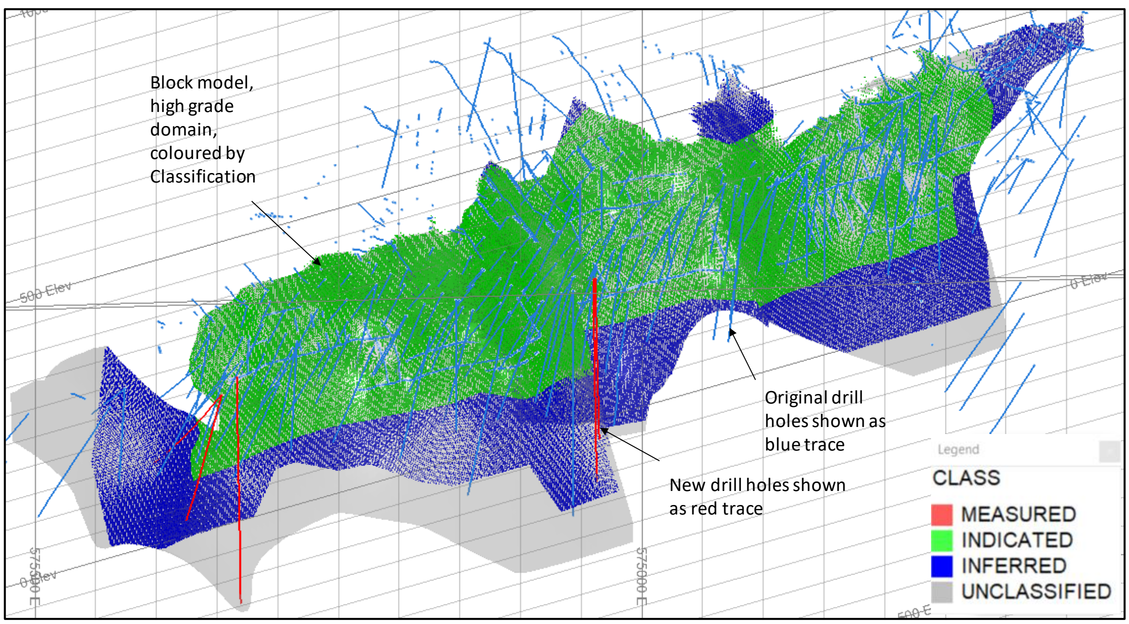


Figure 10-4: Location of the 2015 exploration campaign drilling at La India shown in red

Sample Integrity

During the Condor drilling campaigns:

- DD core was geotechnically logged at the rig to determine core recovery and rock quality designation (RQD). This was completed by the assigned geologist. Once completed, the drill core was transported back to the core shed for further processing.
- The core was photographed (both wet and dry) and logged by a geologist at the core shed, marked for metre intervals and orientation marked where possible.

- Drill core was sampled based on geological boundaries, such as quartz vein contacts, with sampling completed into the hangingwall and footwall for 2-3 m above and below the vein, no sampling was carried out for intervening rock. In such places the sample limits were adjusted to coincide with the geological contacts within a sample range of 0.2-1.5 m.
- Where drill core orientation surveying had been successful the core was cut along the vertical axis and the right hand side of the drill core was submitted for assay. If no orientation was possible, as was the case for the majority of the core, the core was orientated with the dominant foliation approximately perpendicular to the core axis, the core was cut vertically and the right hand side submitted for assay. Half core samples were submitted for assay throughout the length of core recovered. In zones of poor recovery or broken core the Company attempted to select half the material.

Collar Surveying

Surveys were completed by a qualified civil engineer to a high degree of confidence using Condor-owned Thales Differential Global Positioning System (“DGPS”). The data were processed using GNSS solutions software version 2.00.03 by Thales Navigation. Data have been provided to SRK in digital format using UTM grid coordinates.

The base station for the DGPS was set up using Government Survey Benchmark BM15 (also referred to as E26), with all drill collar surveys adjusted to the official BM15 coordinates of Latitude (WGS84) 12 44’ 49.80’’ N, Longitude (WGS84) 86 18’ 05.69’’ W and Orthometric Elevation 387.8 m. The BM15 coordinates were subsequently transposed using the GNSS to UTM WGS84 Zone 16N coordinates 575815.197E, 1409278.068N, Orthometric Elevation 387.8 m.

Drill hole collar elevations were validated for errors using a Satellite derived digital elevation model (”DEM”) with 1 m resolution. It is SRK’s view that the collar locations are located with a high degree of confidence. Collar locations are marked on completion with a cemented block detailing key hole information including, borehole name, dip and azimuth.

Hole Orientation

Since 2012, drilling has been on multiple veins and therefore drilling orientations have been adjusted accordingly with the aim of achieving the best intersection angle based on the current geological understanding. The La India and California veins from surface to a spacing of 50x50 m. Drillholes, where regularly spaced, are orientated between -60 and -75º predominantly orientated to the SW (Figure 10-5).

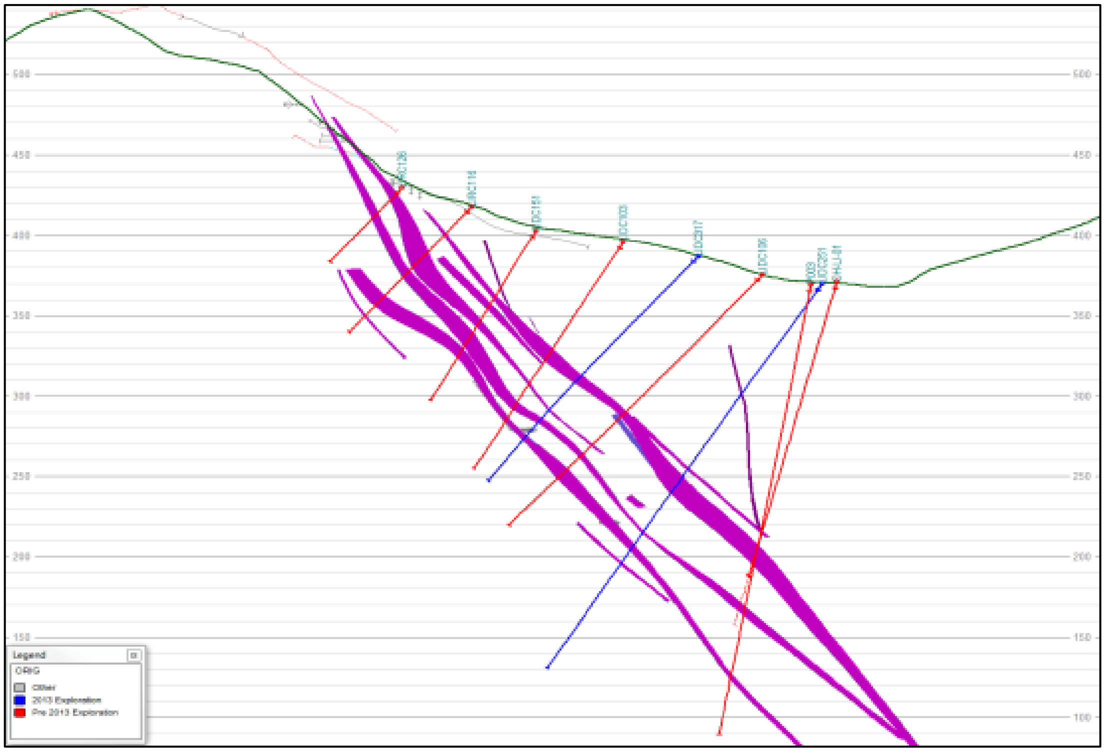


Figure 10-5: Cross section (Section Line - 850) through the La India-California veins showing holes drilled to the SW, confirming the width of ore zones (Source: SRK)

Downhole Surveying

SRK has been supplied with downhole survey information for the start and the end of each hole, with readings at approximately every 30 m using a clockwork Tropari, a Reflex EZ-shot digital single shot or a Camteq Proshot digital single shot downhole survey measurement.

SRK noted during the site inspection in 2011 that the Company had difficulty in completing downhole surveys on the RC drill holes, with only the upper portion of the holes recorded. RC holes drilled during the 2012-2013 campaign were surveyed post-drilling at 5 m intervals using a Camteq Proshot single shot downhole survey instrument within 2 inch PVC pipe inserted down the open hole.

Core Storage

All of Condor's drillcore from the La India and Cacao concessions is stored at the Company's core storage facility at in the village of Mina La India. The core sheds are purpose-built covered and ventilated structures with individual core box racks for ease of access and improved ventilation to reduce the dangers of rotting of the core boxes (Figure 10-6 and Figure 10-7).

Condor states the following in terms of its storage of historical drillcore:

- The historical core drilled by the Soviets between 1986 and 1991 has not been preserved.
- The historical DD drillcore has previously been stored at core storage facilities at El Limon Mine owned by B2Gold in October 2010.
- The historical core drilled by TVX (1996-97) and Triton (19), including all historical core drilled on the Espinito Mendoza Concession (three drillholes) and Real de la Cruz Concession (three drillholes) was moved to core racks to La India.

Figure 10-6: Core Storage Facility at the La India Project Site (June 2012)

Figure 10-7: Core Laydown Facility at the La India Project Site (June 2012)

Core Recovery

Difficult drilling conditions have been reported during the various campaigns at the La India Project. The Company has implemented a number of tests in an attempt to reduce any potential core loss, which included an investigation into triple tube DD drilling techniques (which revealed no significant improvement); in 2012, R&R drilling utilised a pressure regulator which limits the amount of water at the drill bit (where water pressure is maintained at 350 psi); and, most recently (2013 campaign), drilling using wide PQ bits and rods has improved the drilling recovery.

During 2013, SRK completed a study on the core recovery from the various drilling campaigns completed at La India. Whilst it was noted that core recovery has not been recorded for all samples, the analysis shows that for the majority (greater than 50%) of samples the core recovery has been in excess of 90% (82.5%), which largely relates to the country rock at the project (Figure 10-8).

To review the core recovery within the different veins and associated alteration zones, SRK copied out of the database all samples with gold grades greater than 0.5 g/t Au. The results indicated a mean recovery of 87.1%, with an increase in the proportion of the population reporting greater than 90% recovery as 74% during the 2013 campaign, which is an increase from 68% in the 2012 campaign, confirming the improvements made by switching to the use of PQ rods.

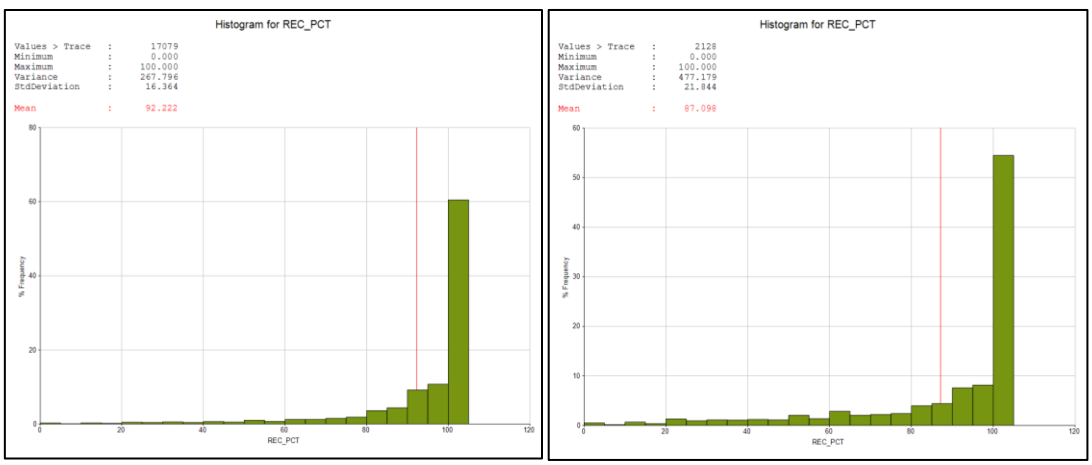


Figure 10-8: Histogram of Core Recovery for all samples (left) and in samples with gold grades in excess of 0.5 g/t Au (right); September 2013

To test for any possible bias in the resultant gold grades, SRK plotted a scatter plot showing percent recovered versus gold grade (Figure 10-9). The resultant chart highlights 7 samples in which gold values of greater than 5 g/t Au were recorded, but with core recovery of less than 20%. Further investigation indicated at least one of these holes had been redrilled, and two of the holes relate to instances where mining voids (on the historical La India Mine) have been intersected on the La India vein, which are subsequently depleted from the geological model.

All samples were verified on a case by case basis for inclusion in the Mineral Resource estimate. Details of SRK's data verification procedures and the samples excluded are documented in Section 12.1.8.

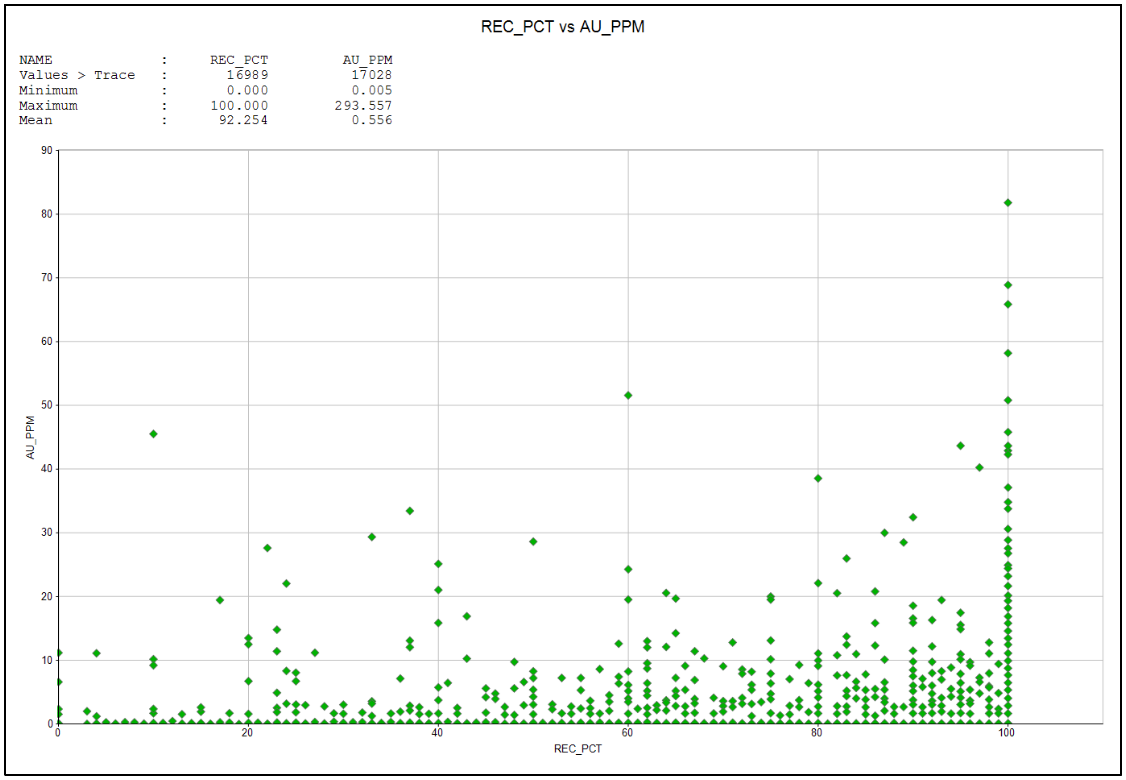


Figure 10-9: Analysis of gold grades versus sample recovery at La India - California

The analysis also highlighted that the best grades are typically recorded in samples with 100% recovery. SRK has concluded that while a number of high-grade intersections have been recorded for samples with low recovery, there is also potential for low recoveries to report lower grades. It is possible this could be related to the loss of fines during the drilling process, and therefore all efforts should be made to maximise the core recovery. In summary, SRK has noted the difficult ground conditions in previous reports for DD drilling and sampling at La India, but is satisfied that the Company is taking appropriate measures where possible to ensure core recovery is maximised.

SRK has reviewed the drill core recovery results pertaining to the 2015-2017 drilling and found that in general the recovery for the mineralised zones was good with an average recovery of 98% for La IndIa, 92% for Mestiza and 97% for Cacao.

Sampling Procedures

RC Sample Sampling Collection and Procedure

RC samples were collected in plastic buckets directly from a cyclone receiver and manually passed through a riffle splitter on site. The splitter was set to divide the samples into an approximate 20:80 ratio; the smaller sample was collected directly into 40x25 cm cotton sample bags, whilst the larger bulk sample was collected in 80x40 cm plastic bags. Both sample bags were labelled by drillhole ID and depth interval using a marker pen on the outside of the bag and with an aluminium tag placed inside the bag. Usually, a composite sample of 4 m (or less where it coincided with the end of a hole) was collected from the larger bulk sample bags.

The composite sample was collected using the 'spear-sampling' method with a section of 5 cm diameter plastic pipe cut at a low angle to its long-axis at the sampling end. Composite samplers aimed to collect approximately 0.6 kg of sample from each metre interval to provide a composite sample weighing between 2-3 kg. Where mineralisation was suspected or composite samples had returned assay results exceeding 0.1 g/t Au, then the single metre original riffle split sample was submitted for assay. The bags were re-labelled with a unique sample number with both a marker pen on the outside of the bag and a new aluminium tag inside the bag and protected within a clear plastic bag to prevent damage and contamination during transport. Note that only single metre riffle split samples are considered valid for use in the resource calculation, composite samples are only used to provide evidence of the presence of gold.

To compare the results of RC with DD drilling, the Company completed an initial verification study for three selected twin holes during 2012. Due to the presence of historical mining being intersected in at least one of the holes, a direct comparison was not easy; however, in general, the DD holes appropriately supported the distribution of mineralisation shown in the RC holes. Furthermore, SRK completed a QQ plot analysis for RC versus DD data for the November 2013 Mineral Resource update, which confirmed a reasonably good correlation between the two data types, with differences (in data >10 g/t Au) explained by differences in spatial sample distribution, and the results presented in Section 12.1.8.

Drill Core Sampling Procedure

The DD core was marked for metre intervals and orientation marks where possible, photographed and logged by a geologist at the drill site. Drill core was sampled at 1 m intervals except where geological boundaries, such as quartz vein contacts occurred. In such places, the sample limits were adjusted to coincide with the geological contacts within a sample range of 0.2-1.5 m. Where drill core orientation surveying had been successful, the core was cut along the vertical axis and the right hand side of the drill core was submitted for assay. If no orientation was possible, as was the case for the majority of the core, the core was orientated with the dominant foliation approximately perpendicular to the core axis, the core cut vertically and the right hand side submitted for assay. Half core samples were submitted for assay throughout the length of core recovered. Bulk density measurements were made only on samples exceeding 10 cm in length, with measurements typically taken at a frequency of one sample per core box (2-4m), with additional samples selected at the geologist's discretion.

SRK Comments

SRK has reviewed the drilling, sampling and core-logging methodologies used by Condor on an ongoing basis and has worked closely with the Condor geological team during the re-logging and interpretation of the hangingwall vein interpretations. SRK is satisfied that all the available information has been gathered in a correct and detailed manner and that the interpretations are consistent with the geological model.

SRK has reviewed the sampling methods and sample quality for drilling database for the La India project and is satisfied that the results are representative of the geological units seen. Furthermore, no underlying sample biases have been identified. SRK has reviewed the core handling and logging and sampling procedures employed by the Company during the site visit which showed clearly marked sampling intervals. It is SRK's view that the sampling intervals and density of samples are adequate for the definition of the Mineral Resource Estimate presented herein.

11 SAMPLE PREPARATION, ANALYSIS AND SECURITY

11.1 Historical Preparation and Analysis

No reports describing the sample preparation and analysis of the underground grade control samples collected during the previous mining operations are available. In line with common practice at the time, it is assumed that samples were prepared and analysed at an on-site laboratory using standard techniques of the time; fire assay with gravimetric finish. The gold grade is recorded in troy ounces per short ton to two decimal places which equates to a reported precision and minimum reported grade of 0.34285 g/t Au. No silver assay results are available.

During its exploration program, the Soviet-aided INMINE completed laboratory investigations using fire assay for gold and silver with atomic absorption analysis. Gold results arereported with 0.1 g/t Au and silver with a 5 g/t Ag detection limit. In some cases, semi-quantitative spectral analysis has been conducted for 23 elements. Other tests completed include ore mineralogical analysis, silica rock analysis, petrography and mineralogical analysis.

For the fire assay, all the channel and core samples were sent off-site. The preparation and analysis for gold and silver was conducted at the INMINE Laboratory in Managua, as per the Swedish methodology used by all the geological and mining companies in Nicaragua:

- the sample material was crushed down to 3-5 mm with a weight of 150-200 g and passed through a 200 mesh;
- the +3-5 mm fraction was returned to the customer;
- the split for analysis was pulverized;
- 25 g was assayed for Au and Ag using Fire Assay with AA finish; and
- the remainder of the material remains at the laboratory as a duplicate.

TVX drilling, trenching and underground channel samples were analysed for gold and silver using fire assay with atomic absorption analysis at Skyline Assayers & Laboratories of Tucson, Arizona. Results are given to 0.01 g/t Au and 0.1 g/t Ag.

Gold-Ore states that a qualified technician sawed all drill core samples submitted for analysis on the Cristalito-Tatascame Prospect. Blind blank samples were inserted into the sample stream to monitor laboratory sample preparation. All samples were fire assayed for gold with a gravimetric finish at CAS Laboratories in Tegucigalpa, Honduras.

11.2 Condor Approach

11.2.1 Sample Security and Custody

The Chain of Custody procedures used for sample security by Condor during its drilling programs were as follows:

- At the drill rig, the drilling contractors were responsible for removing the core from the bore barrel (using manual methods), and placing the core in prepared core trays (3 m length). RC samples were split using a riffle splitter at the rig, and the material retained for sample analysis was packed into sample bags. The drill core was transported to the core shed for selection of sampling intervals and initial sample preparation. Once completed and the half core photographed, the core boxes were stored in the core storage facility on site.

- Sample shipments were accompanied with the laboratory submittal forms and were transported to Managua. The samples were transported by Condor employees to the preparation facilities. Upon reception at the sample preparation facility, the laboratory checked that the samples received matched the work order and signed that it had accepted the samples.
- Once the sample preparation was complete, the laboratory dispatched the sample pulps by courier to selected overseas laboratories.

The coarse sample rejects and sample pulps from the preparation facilities in Managua were picked up by Condor technicians during routine sample shipments to the preparation facilities. The coarse rejects and pulps were returned to the Condor core shed at La India for long-term storage.

11.2.2 Sample Preparation and Analysis

Drilling and trench samples collected from the end of October 2007 onwards until 2011 were prepared and analysed by CAS Laboratories of Honduras in their laboratory in Tegulcigalpa. Samples were oven dried in stainless steel trays at less than 60°C and crushed such that 90% of material passed a 6.3 mm mesh screen. The material was split down to a 250 g sub-sample which was pulverised in a ring and puck mill such that 95% passes a 106 µm (150) mesh screen. Then 30 g samples were fused at 1,100°C with a 100 g pre-mixed flux of 62% PbO, soda ash, borax and silica, with flour added to achieve a 30 g button. Cupellation was achieved at 900°C with a 2 mg Ag liquid inquart. The gold was analysed with AAS with a 3 ppb detection limit. Samples returning over 1 ppm gold are re-run by fire assay with a gravimetric finish. For each 20 samples undergoing fire assay, two repeats, a standard and a blank are analysed as a quality control.

It should be noted that CAS Laboratories were not accredited at the time, although they had initiated proceedings to gain accreditation.

Drilling and underground sampling completed during the 2011 to 2017 Condor programs have been sent to BSI-Inspectorate (rebranded as “Bureau Veritas” in 2018) in Managua (“BSI Managua”) for sample preparation, and then dispatched to Reno Nevada (USA) or Vancouver (Canada) for analysis.

Samples were oven dried where required and crushed such that >80% passed a 2 mm (-10) mesh screen. The sample was then split to a 250-300 g sample which was pulverised in a ring and puck mill such that 95% passed a 106 µm (150) mesh screen.

Samples were then analysed for gold by fire assay with AAS finish with a 5 ppb detection limit. Samples returning over 3 ppm gold were re-analysed by fire assay with a gravimetric finish for a 0.34 ppm gold detection limit. Silver was analysed by aqua regia digest and AA finish with a 0.1 ppm reported detection limit.

11.2.3 Density Analysis

In total, 519 bulk density measurements have been taken on the La India prospect. The Company completes a quality control check on the density by measuring the sample before and after the immersion in water. A total of 19 samples have reported values with greater than 10% difference and have been excluded from the analysis. The average density is in the order of 2.43 g/cm^3, but can vary between 1.57 g/cm^3 and 4.01 g/cm^3, based on the degree of weathering, with the current database skewed toward highly to moderately weathered zones. In comparison historical reports had indicated a density of between 2.55 – 2.70 g/cm^3. While SRK noted improvements could be made to the current protocols to increase the confidence in the bulk density measurements, based on the recent analysis and the differences to the historical reports, SRK considered a reduction of the density from 2.6 g/cm^3 to 2.5 g/cm^3 to be acceptable and used this for the first time in preparing its 2012 Mineral Resource Estimate.

Additional density information collected from a series of geotechnical boreholes in 2013 has improved knowledge of the weathering profile at the La India deposit. SRK was provided with these data which had been coded against the weathering profiles and broken down the deposit into highly, moderately and unweathered domains. Based its analysis of these data, and for the purpose of its November 2013 and January 2019 MRE, SRK therefore adjusted the density values from the default of 2.5 g/cm^3 for all material to a variable density based on the level of oxidation (more common best practice). This was done using weathering surfaces created for the geotechnical models and by then coding the density data accordingly. Density values were then assigned as follows:

- Oxide (Highly weathered) = 2.2 g/cm^3;
- Transition (moderately weathered) = 2.37 g/cm^3; and
- Fresh (unweathered) = 2.5 g/cm^3

SRK recommends the improvements made to the size of the density database available for the La India deposit be continued on the remaining veins where currently a single value has been used for all material, due to insufficient geological information to define suitable weathering profiles.

During 2017, Condor undertook additional density testwork which was focused on the new drill core from the Mestiza prospect. Density values ranged from 1.53 g/cm^3 to 2.69 g/cm^3 with average values varying between 2.2 to 2.4 g/cm^3. During discussions with the Condor geological team and management, which highlighted a degree of uncertainty over the accuracy of the additional density results, the decision has been taken to use the previously defined 2.5 g/cm^3 value for the current estimates for Mestiza, and that external testwork at a commercial laboratory should be completed to verify the potentially erroneous lower density values recorded in the database. SRK highlights that verified changes in the density could result in a drop in the contained ounces on the order of 10% at Mestiza.

11.3 SRK Comments

In terms of the historical sampling and analytical methods, SRK has relied on the work documented within historical (INMINE) reports provided by the Company. The Company has, however, (during the course of the 2011/2012 drilling programs) completed check sampling on selected historical drillholes and SRK has only used the historical data where it has comfort in the quality of this.

It is also worth noting that the proportion of drilling completed by the Company at the La India-California and the America-Constancia veins is now significantly larger that completed previously by INMINE, and therefore reduces the influence of drilling from this period.

With regards the Companys' approach, it is SRK's view that the sample preparation, security and analytical procedures used are consistent with generally accepted industry best practice and should not have introduced any bias into the assay database used to derive the MRE presented here.

12 DATA VERIFICATION

12.1.1 Routine Verification

Condor has completed routine data verification as part of its on-going exploration programs. This data verification can be sub-divided into two main types, verification of historical database and internal verification of Condor's on-going exploration program respectively. Verification completed by the Company on the historical database included the following:

- Validation of historical trench locations in the field using DGPS measurements.
- Verification of the position of the La India underground sampling shown on georeferenced historical maps against the 3D sample database.
- Re-projection of the America-Escondido and Constancia mine level centrelines. The Company initially "ground-truthed" known reference points to more accurately geo-reference the historic mine plans. SRK subsequently digitised the updated positions of the levels and adjusted the position of the underground channel samples accordingly.
- Provision of high resolution VLP images of depletion outlines of the America-Escondido and Constancia veins, which SRK has (using the "ground-truthed" GPS data) geo-referenced to deplete the mined portions of the block model. SRK noted significant improvement during the 2013 MRE for the America-Escondido mine depletion (when compared to the previous models) given the use of three VLP depletion sub-areas which more accurately accounts for the significant change in strike at the southern extent of the vein.

Checks completed on Condor's on-going exploration program activities include:

- validation for all tabulated data inclusive of re-logging of the geology and mining voids (from boreholes) for the principal veins; and
- validation of assays from the Company's sampling programs using Standards and Blanks inserted routinely into each batch submitted to the laboratory.

Following SRK recommendations from the 2013 MRE, the Company completed a detailed relogging exercise of the hangingwall and vertical structures. The aim of the study was to determine the different phases of quartz veins and possible dip angles relative to the core orientation. Using the information generated the Company has been able to correlate intersections between holes along strike and down dip with a higher degree of confidence than has previously been the case.

12.1.2 Hangingwall Vein Reinterpretations

One of the conclusions from the November 2013 Mineral Resource estimate was that a review of the key geological features of these zones may result in an increase of confidence. Subsequent to the November 2013 MRE, Condor's geological team have focused work on the reinterpretation of a series of hangingwall features previously described as vertical features that have been classified as Inferred in the 2013 Mineral Resource. The aim of the study was through increased confidence in the orientation and continuity of the structures to re-examine the classification and potentially upgrade this material to Indicated so that it could be considered in the Mineral Resource Estimate forming part of the PFS.

To focus the study of the hangingwall vein structures SRK completed a review of the location of "Inferred" ("INF") material within the proposed mineable material of the November 2013 (USD1200) pitshell, and broke the Inferred Mineral Resource down into four key areas:

- hangingwall zones (vertical and parallel features);
- material in the valley sides deemed inaccessible for drilling and therefore unlikely for future conversion;
- breccia domain, and
- southern zone;

The Company has focused its review work on confirming the interpretation within the "Vertical" hangingwall domains, where the work completed by the Company includes:

- relogging of diamond drillcore;
- identification of mineralization styles, Vein Type 1, 2 & 3;
- definition of angle to core for major structures (the core is not orientated); and
- geological interpretation (wireframe modelling).

The Company's geological team visited SRK to review the processes employed by the Company and initial results. SRK agrees that it is the most appropriate method, without further studies, to maximize the understanding and hence interpretation from the core available. Due to the core not being orientated, SRK notes that the level of confidence of core angles to intercept are considered lower in terms of levels of geological confidence/reliance as true angles cannot be defined. The initial investigation was completed during the technical meeting using core photographs, with subsequent verification / validation exercises completed by the Condor geological team on site.

The wireframes presented by Condor confirmed the majority of the previous interpretations developed during the November 2013 MRE, while presenting a number of adjustments to some of the hangingwall structures. Using the data coded by Condor's initial geological information (vein names, angle of intersection of vein to core, vein styles) SRK reviewed each wireframe on a case by case basis with the following ranking system in terms of confidence:

- number of sections showing strike continuity;
- number of sections with multiple holes (requirement to display dip continuity on a minimum of two sections);

- number of boreholes per structure;
- number of samples per structure;
- number of structural measurements; and
- presence of underground or surface mapping/measurements.

12.1.3 Historical Depletion

To quote the Mineral Resource Estimate, SRK has depleted the current block model based the historical information available for mined out volumes. Key verification and validation work completed by SRK included:

- Validation of all tabulated data including re-logging of the geology and mining voids (from boreholes) for the principal veins, and re-interpretation (based on mapping and trench sampling) of the previously separate Escondido and America veins as a continuous America-Escondido Vein.
- Re-projection of the America-Escondido and Constancia mine level centrelines. The Company initially "ground-truthed" known reference points to more accurately geo-reference the historical mine plans. SRK subsequently digitised the updated positions of the levels and adjusted the position of the underground channel samples accordingly.

In addition, the Company provided SRK with high resolution VLP images of depletion outlines of the America-Escondido and Constancia veins, which SRK has (using the "ground-truthed" GPS data) geo-referenced to deplete the mined portions of the block model. In addition, interpreted mined voids were validated against post mined drilling.

SRK notes significant visual improvement in spatial positioning and volume of depleted areas for the America-Escondido mine depletion (when comparing the 2D historical long sections against the previous model) given the use of 3 VLP depletion sub-areas which more accurately accounts for the significant change in strike at the southern extent of the vein.

The La India Mine was in operation between 1938 and 1956. Detailed production records only exist for 1948 to 1956 during which period the La India mill processed 796,465 tonnes for 267,673 oz gold at a recovered grade of 10.45 g/t Au (with an estimated head grade of 13.5 g/t Au). Historical reports have suggested the production profile between 1938 and 1948 for the La India mill processed approximately 100,000 tonnes per annum at the same grade for an estimated total production of some 575,000 oz gold from 1.73 Mt at 10.45 g/t Au. The mining has been completed from two main areas which included the La India – California veins, and the America-Constancia-Escondido veins to the northwest. It is SRK current view that the estimated historical production rate (that accounts for a period of missing production information) overestimates the production for the historical mine, but without the historical production records it remains difficult to verify.

SRK currently estimates the historical depletion of the La India / California, America (and limited production from) San Lucas vein and Cristalito-Tatascame veins at approximately 1,465 kt at 8.6 g/t Au for 400 koz gold. In addition, test stoping is reported to have occurred at the Buenos Aires and Espenito veins. SRK attributes the differences between these two values to a number of factors:

- Potential additional mining which post-dates the depletion long-sections currently available. SRK has been supplied with the current long-section indicating depleted areas, and cross referenced these between plots completed by various owners of the Project to ensure consistency. Further work will be required to confirm any additional depletion including research into the last dated long-sections, or via additional drilling or via underground access).
- SRK has combined intersections from the latest drilling campaigns including lower grade material to ensure geological continuity; this new data could result in a drop in the grades within the high-grade core domain. If the assumed mean grades from the historical production records can be achieved, it represents some potential upside. Further work will be required to test this potential,
- The 575 koz production estimate assumes full production for half of the mine life, at a constant head grade, which cannot be confirmed based on the current information.

To test the risk of the potential under depletion of Mineral Resource SRK has completed a high-level reconciliation based on the historical 2D long-sections, by calculating the areas, and using the associated underground channel samples to determine vein widths to estimate a complete volume for the depletion voids. This has been combined with the density and the mean head grade to estimate a depletion which is in the order of 1.25 Mt at 10.3 g/t Au for 420,000 oz of gold, which is in line with SRK estimates. The differences in the grade could be a result of the inclusion of new lower grade drilling intercepts which result in a dilution of the grade within the high-grade core.

SRK consider the level of confidence in the La India depletions to be reasonable enough to define the Mineral Resources as Indicated. The current level of drilling along strike and below the current depletion is to 50x50 m spacing. Figure 12-1 shows a plot of high-grade core intersections versus the depletion, SRK notes that the post mining drilling campaigns have provided extensive data on void locations, and that the interpreted void wireframe honour that drilling. The Company and SRK have taken considerable effort to log all mining void intersections which have been validated against the expected model. Intersections of high-grade core located within depletion on the long sections relate to parallel, yet undepleted features.

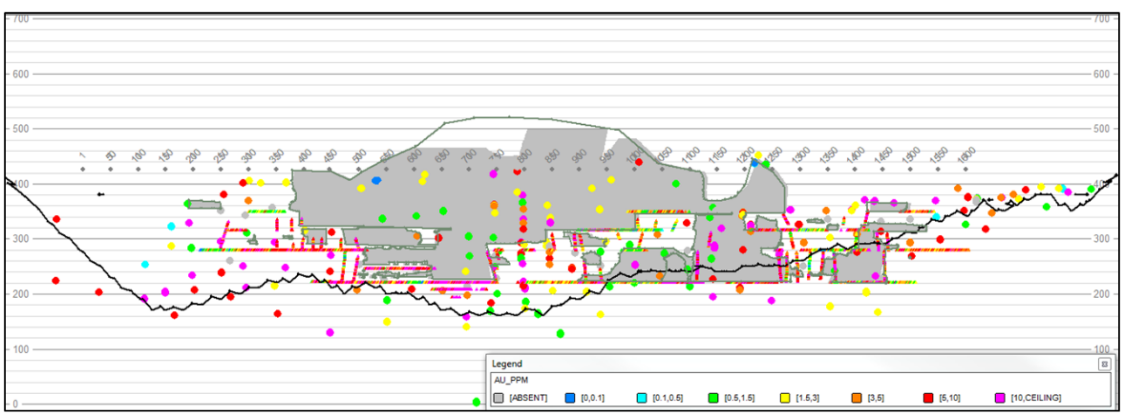


Figure 12-1: Long section at La India showing intersection of high-grade core versus depletion

As an additional check on the reliability of the void wireframes, the Company 'ground-truthed' the voids by relogging of all Condor drilled core relating to the open pit resources and plotting the drilling intercepts (all post-mining) with the void zones from the historical maps and surrounding area. The Company report no instances of logged voids outside of the wireframe, nor were there instances of drilled rock inside the wireframes, and as such consider that this exercise effectively demonstrates that interpretation errors must be less than the drill spacing, and should on average be no worse than half the drill spacing.

Given lower levels of drilling by the Company to date at America, SRK consider the depletions in this area to have a lower level of confidence (of additional mining), but the current study has been supplemented with more detailed maps and level plans from the historical maps to ensure the position of the development levels is consistent with the regard accuracy for Indicated and Inferred Mineral Resources.

SRK recommends the Company investigates the possible access into the upper levels of the historical La India Mine. If access can be achieved safely, a program of detailed mine survey should be completed to compare to the current model depletions for validation purposes. Furthermore, additional infill drilling at Amercia will provide a greater level of confidence in the position and volume of the current modelled mine depletions.

12.1.4 Historical Quality Assurance and Quality Control Procedures

Qualtiy Assurance and Quality Control ("QAQC") results for the historical drilling data are limited to a series of internal control (duplicate) analysis completed by INMINE exploration. Results of the analytical duplicates completed between 1988 - 1989 suggested at times a level of error (can this be defined "slight" or "high/low bias") at higher grades, which was considered potentially due in part to the nugget effect and limitations with the sample preparation and assay methodologies used at the time.

In relation to the historical underground channel sampling, whilst no routine QAQC procedures were carried out, SRK has reviewed the underground widths and grades against more recent underground sampling by TVX between 1996-1997 and concluded that the comparisons are with reasonable levels of error. In addition, SRK has reviewed differences between the INMINE sample grades and historical mine production data.

SRK highlights that whilst there is a limitation in terms of QAQC for the historical data, within these areas of sampling, where these samples have greatest influence, the block model has been depleted to account for the historical workings, and therefore the impact of these samples is significantly reduced.

12.1.5 QAQC for Condor 2013 Submissions to BSI Laboratories

The following control measures have been implemented by the Company to monitor both the precision and accuracy of sampling, preparation and assaying. Results shown in this Section present the QAQC samples inserted during routine 2013 sample submissions.

Certified Reference Materials ("CRM"), blanks and duplicates were submitted into the sample stream, equating to a QAQC sample insertion rate of approximately 7%, as illustrated in Table 12-1 and Table 12-2. In every 30 samples sent to the laboratory, a CRM and blank have been inserted as QAQC materials. In addition, field duplicates from RC drilling are inserted at a frequency of approximately 5% with a minimum of one per drillhole.

Table 12-1: Summary of Analytical Quality Control Data (for Drilling Samples) Produced by the Company for the Project

Condor Gold Analytical Quality Control Data – 2012/ 2013 Exploration Program			
Sampling Program	Count	Total (%)	Comment
	Gold	Gold	
Sample Count	11,116		
Fine Blanks	358	3.2%	
CRM Samples	357	3.2%	Sourced from Geostats PTY LTD
Field duplicates	99	0.9%	
Total QC Samples	814	7.3%	

Table 12-2: Summary of Analytical Quality Control Data (for Trench Samples) Produced by the Company for the Project

Condor Gold Analytical Quality Control Data – 2012/ 2013 Exploration Program			
Sampling Program	Count	Total (%)	Comment
	Gold	Gold	
Sample Count	6,426		
Fine Blanks	201	3.1%	
CRM Samples	197	3.1%	Sourced from Geostats PTY LTD
Field duplicates	73	1.1%	
Total QC Samples	471	7.3%	

Insertion of CRM

The Company has introduced three different CRM into the analysis sample stream, inserted at regular intervals. The CRM for gold have been supplied by Geostats, Australia (Table 12-3). Summary statistics for each CRM sample are shown per sample type in Table 12-4.

CRM results are monitored by the Company on a routine basis as each batch is reported from the laboratory. The internal guidelines used by the Company are that standards reporting within the range of two times the standard deviation from the mean value are acceptable, whilst those reporting outside of this range are rejected and (where significant) requested for reanalysis.

SRK has reviewed the CRM results and is satisfied that they demonstrate in general a high degree of accuracy at the assaying laboratory (with the exception of a limited number of anomalies) and hence give sufficient confidence in the assays for these to be used to derive a Mineral Resource estimate. CRM charts are presented in Appendix A.

Table 12-3: Summary of Certified Reference Material Produced by Geostats and submitted by the Company in sample submissions

Standard Material	Gold; Au (ppm)		
	Certified Value	SD	Company
G910-3	4.02	0.17	Geostats PTY LTD
G909-5	2.63	0.10	Geostats PTY LTD
G310-8	7.97	0.29	Geostats PTY LTD

Table 12-4: Analysis of gold assays versus assigned CRM values for 2013 Submissions

Sample Type	Standard Code	Lab	Count	Assigned	Mean	Variance	Maximum	Minimum
Drill	**Standard G910-3**	**Au FA - BSI_NEVADA**	**109**	**4.02**	**3.90**	**-2.98%**	**4.30**	**3.31**
Drill	Standard G909-5	Au FA - BSI_NEVADA	146	2.63	2.60	-1.07%	2.94	2.37
Drill	Standard G310-8	Au FA - BSI_NEVADA	102	7.97	7.88	-1.17%	8.75	6.24
Trench	Standard G910-3	Au FA - BSI_NEVADA	31	4.02	3.98	-0.96%	4.26	3.61
Trench	Standard G909-5	Au FA - BSI_NEVADA	118	2.63	2.58	-2.03%	2.97	2.11
Trench	Standard G310-8	Au FA - BSI_NEVADA	48	7.97	7.99	0.28%	8.70	7.51

Blanks

A fine-grained blank of building sand purchased in Managua is included in the sample stream. In total, 358 blanks have been inserted at regular intervals within the sample stream for drilling, which represents some 3.2% of total sample submissions from the 2013 drilling program. For the 2013 trench sampling program, a total of 201 blanks were inserted which represents some 3.1% of total trench sample submissions.

SRK has reviewed the results from the blank sample analysis, and has determined that there is little evidence for sample contamination at BSI Nevada. Blank sample analysis charts are presented in Appendix A.

Duplicates

The field duplicates for drilling were selected from samples expected to contain gold mineralization and collected as a second riffle split from the bulk sample on site upon completion of drilling a hole. Duplicate channel samples were taken adjacent to the original sample by enlarging the channel.

In total, 99 duplicates for drilling were submitted for analysis which represents some 0.9% of total sample submissions from the 2013 drilling program. For the trench sampling program, a total of 73 blanks were inserted which represents some 1.1% of total trench sample submissions.

The duplicates for drilling show a relatively good correlation to the original samples, with a correlation coefficient of 0.95. Duplicates for trench sampling show a poorer correlation, with a coefficient in the order of 0.8. The difference in the mean grades for the trench duplicates indicates a high geological variability (and potential of a significant nugget effect) in the trench sampling at the Project that is not resolved by sample preparation. Duplicate charts are presented in Appendix A.

In context of a deposit with noted high geological variability, SRK is reasonably confident in the repeatability of the sample preparation process.

12.1.6 QAQC for Condor 2015-2017 Submissions to BSI Laboratories

Control measures implemented by the Company for the 2015-2017 phase of work are summarised below.

CRM and blanks were submitted into the sample stream, equating to a QAQC sample insertion rate of approximately 6%, as illustrated in Table 12-5.

The Company inserted two different CRM into the analysis sample stream, inserted at regular intervals. The CRM limits for Au have been determined by Geostats Pty Ltd, Australia (Table 12-6). Summary statistics for each CRM sample are shown in Table 12-7.

Table 12-5: Summary of Analytical Quality Control Data Produced by the Company for the Project (2015-2017)

Company Analytical Quality Control Data – 2015 - 2017 Exploration Program			
Sampling Program	Count	Total %	Comment
	Au	Au	
Sample Count	3,098		
Field Blanks	89	3%	
CRM Samples	89	3%	Sourced from GEOSTATS PTY LTD
Total QC Samples	178	6%	

Table 12-6: Summary of Certified Reference Material for Au submitted by the Company in sample submissions

Standard Code	Gold; Au (ppm)		Company
	Certified Value	SD	
G909-5	2.63	0.10	GEOSTATS PTY LTD
G910-3	4.02	0.17	GEOSTATS PTY LTD

Table 12-7: Analysis of Au assays versus assigned CRM values for 2015-2017 Submissions

Element	Standard Code	Count:	Certified Value:	Mean:	Variance:	Max:	Min:	SD:
Au	G909-5	43	2.63	2.59	-1.6%	2.80	2.43	0.10
Au	G910-3	46	4.02	4.04	0.5%	4.45	3.83	0.17

SRK has reviewed the CRM results and is satisfied that they demonstrate an acceptable level of accuracy at the assaying laboratory and hence give sufficient confidence in the assays for these to be used to derive a Mineral Resource estimate. CRM charts are presented in Figure 12-2.

A blank sample is included regularly in the sample stream. In total, 89 blanks were inserted at regular intervals within the sample stream for drilling, which represents some 3% of total sample submissions from the sampling programs completed with routine QAQC samples.

SRK has reviewed the results from the blank sample analysis and has determined that there is little evidence for significant sample contamination at the assay laboratory. A blank sample analysis charts is presented in Figure 12-3.

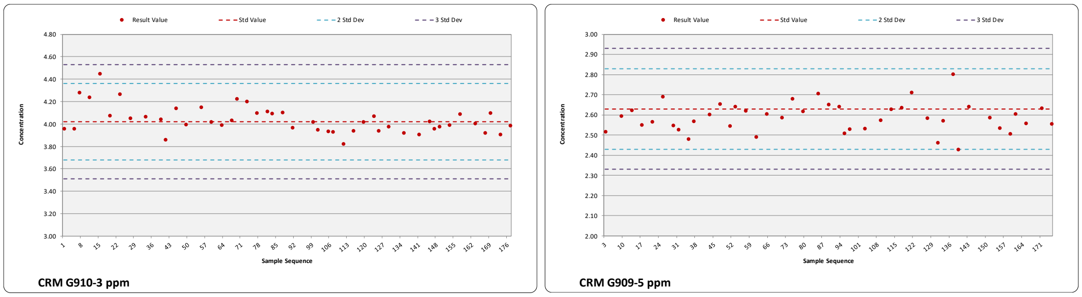


Figure 12-2: QAQC CRM Charts for 2015-2017 Drilling Campaign

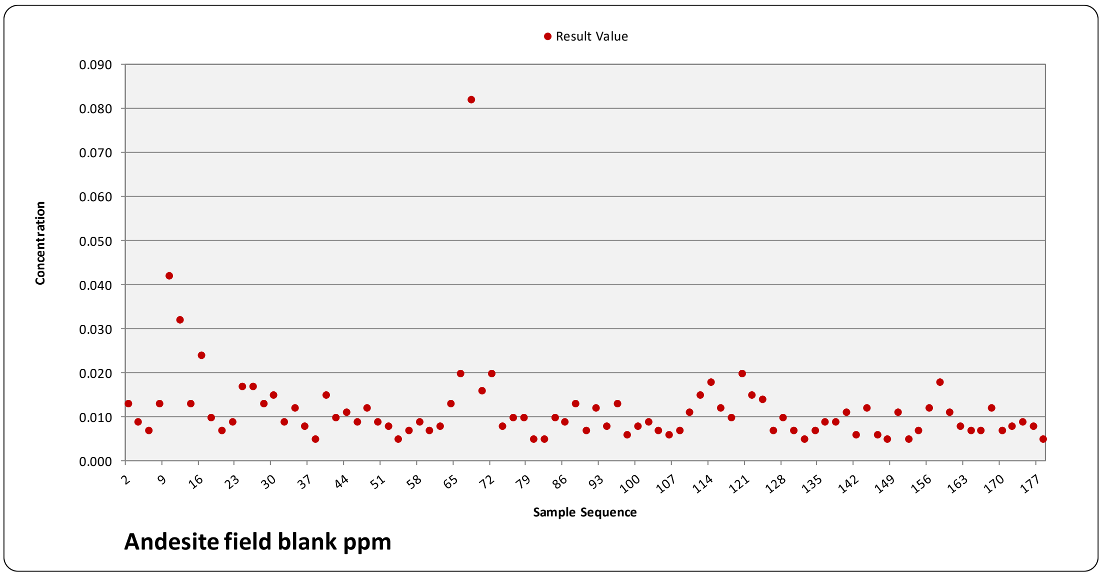


Figure 12-3: QAQC Blanks chart for 2015-2017 Drilling Campaign

12.1.7 Check Assaying

For the 2013 MRE, selected samples from BSI Nevada were resubmitted to ALS Laboratories (“ALS”) with sample preparation completed in BSI Managua and the analysis completed at ALS Vancouver.

Sample selection was completed by the Company. Samples were selected by sorting the drilling assay database by gold value and then selecting: every 5th sample that assayed over 1 g/t Au to represent 20% of the high grade samples, every 10th sample (10%) in the 1.0-0.5 g/t Au range and every 100th sample (1%) that returned assays in the 0.5 g/t – 0.1 g/t Au range.

In total, 205 samples were selected from the drilling database for check assaying at the certified Umpire Laboratory ALS, which represented some 2% of the 2013 assay database. SRK recommends that this should be increased to 5% for future exploration programs. The pulp sample stored by Inspectorate was sent directly to ALS for assay of gold only by Fire Assay with gravimetric finish, a similar process to that applied by Inspectorate.

Summary statistics for the selected samples are shown per laboratory in Table 12-8, with a check analysis chart shown in Figure 12-4.

Both datasets display similar minimum and maximum values, with similar sample variances reported, and a correlation coefficient in excess of 0.99, indicating the sample distributions are closely comparative. A review of the precision using a half absolute relative difference ranked plot (HARD analysis) indicated that 90% of all values are within 20% error.

Table 12-8: Summary statistics of BSI versus ALS duplicate assays

Type	Laboratory	Count	Mean	Variance	Maximum	Minimum
Check Samples	Au FA - BSI_NEVADA	205	3.926	77.66	105.27	0.10
Check Samples	AuFA - ALS_Vancouver	205	3.927	77.84	105.50	0.02

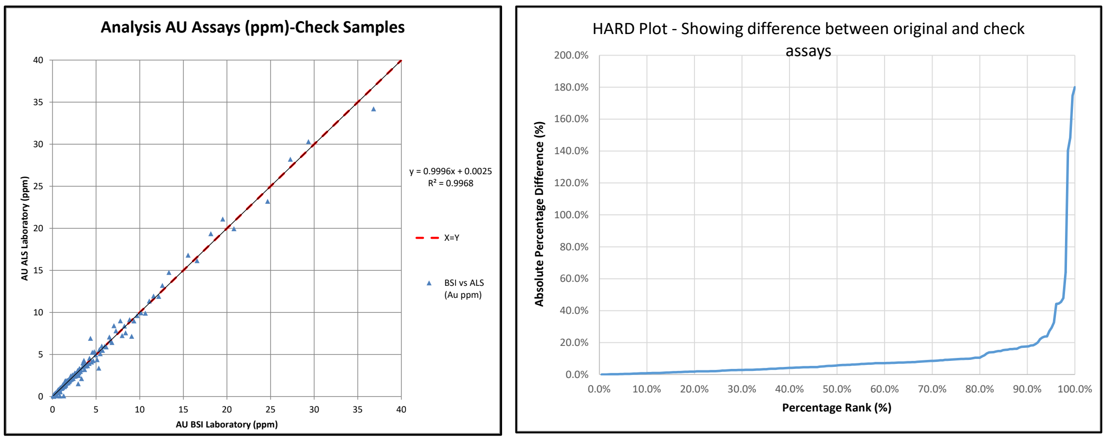


Figure 12-4: Scatter Plot and Hard analysis to show Check Assay Samples Analysed at BSI Nevada and ALS Vancouver

SRK Comments

In the opinion of SRK, the analytical results delivered by BSI for the drilling and trench samples from the La India Project are sufficiently reliable to support mineral resource evaluation. SRK recommends that for future drilling programs that the Company could implement a number of changes to the QAQC program to bring it further into line with generally considered industry best practice:

- Regular submission of duplicate core material (quarter core), in addition to RC material, to identify whether the level of geological variability is comparable in both sample types.
- QAQC samples should be inserted at random to limit the chance of the laboratory quickly identifying the QAQC and treating with more care than routine samples submissions.

12.1.8 Verifications by SRK

Site Visits

SRK has undertaken numerous site visits to the Project and during these have:

- witnessed the extent of the exploration work completed to date;
- reviewed drill cores for selected holes, to confirm both geological and assay values stored in the database show a reasonable representation of the deposit;
- discussed updated geological and structural interpretations and inspect drill core;
- inspected the drilling rig(s) and sampling completed; and

- inspected core logging and sample storage facilities.

SRK was able to verify the quality of geological and sampling information and develop an interpretation of gold grade distributions appropriate to use in the Mineral Resource model.

Verification of Sampling Database

SRK has completed several phases of data validation on the digital sample database supplied by the Company which has included:

- Searching for sample overlaps or significant gaps in the interval tables, duplicate or absent samples, errors in the length field, anomalous assay and survey results. The Company's geological team were notified of any issues that required correction or further investigation. No material issues were noted in the final sample database.
- Reviewing the electronic database against Condor's 2D geological sections.
- Excluding the historical drillholes and underground channels in the database that did not pass all aspects of SRK's and the Company's validation procedures, typically relating to missing assay or sample length data, or spatial positioning. This analysis has been completed on a case by case basis. The drillholes were used as a guide for geological modelling but were excluded from all statistical analyses and the resource estimate. Notably, SRK has:
  - Excluded historical drillholes: **P004:** drilled by Soviet-INMINE and representing some 0.2% of the modelled sample data. SRK noted no assay data over the mineralised zone, which conflicted with mineralised adjacent historical hole P004B, situated 10 m up-dip on section. The Company informed SRK that no geological log existed for P004, and in the absence of data SRK elected to remove P004. SRK has restricted the classification in this area to reflect the lower confidence in the drilling information.
  - Excluded historical underground channels: 2.5% and 5.0% of the sample database was excluded at La India and America (respectively) on the basis of an absent length field, negative assay or erroneous spatial positioning away from long-section verified sampling positions.
  - With regards to trenches, SRK has excluded (for the 2019 MRE) the surface trench data at La India to reflect trench-verification work completed by the Company highlighting less than optimal quality of associated grade information. Prior to data exclusion, SRK completed a sensitivity study using the trenches. The impact on grade and tonnage within the area of the 2014 PFS pit (above the new drilling at depth) showed only marginal sensitivity when excluding the trench data, with relative difference in the order of ±1% above a 0.5 g/t Au cut-off. The decision was therefore taken to remove these from the estimation process.
  - Subsequent to confirmation by the Company, SRK has also excluded poor quality drillholes (in terms of core recovery) that have been superseded by more recent or more successful, adjacent drilling that achieved a higher core recovery:
  - LIDC129: drilled by Condor, represents some 0.9% of the modelled sample data. SRK noted a poor core recovery over the mineralised zone and therefore elected with Condor to exclude this hole and (instead) use twin hole LIRC120 to guide the zone contacts.
  - DH-LI-10: drilled by TVX, representing historical drilling and some 0.4% of the modelled sample data. SRK noted conflicting information in the positioning of the zone contacts. On the basis of improved recovery, SRK use twin hole DH-LI-10A in place of DH-LI-10.

  - LIDC057B: drilled by Condor, represents some 0.2% of the modelled sample database. Represents a failed re-drill of LIDC057, which (in light of the failure) remains the better data for modelling. Removed due to slight conflict in grade with LIDC057.

- Searching for absent gold and silver values within the mineralised zones. Excluding the logged mining voids (representing the La India Mine), SRK noted the presence of a limited number of (generally isolated) absent sample intervals, typically relating to core loss in less competent rock. SRK has treated these absent values on a case by case basis and where (logged as lost core and) sufficiently supported by surrounding mineralised samples and adjacent drilling, ignored the core loss data during the composite process. Where absent sample intervals are interpreted to represent a pinch in the mineralised structure, in relation to historical underground channel sampling at La India (some 5% of the database), SRK has replaced these with trace values for gold (0.001 g/t Au);

- Reviewing the position of drillhole and trench collar surveys against the 2 m resolution topographic contour surface provided by the Company. Where the collars had not been surveyed using DGPS measurements (namely some 25% of the database), SRK projected the collar points on to the contour surface to ensure accurate correlation between mineralised zones intersected in the drilling;

- Based on the 2013 MRE database, reviewing Quantile-Quantile (“QQ”) plots at La India for:

  - Domained drillhole and trench intercepts, to compare the distribution of the sample populations (Figure 12-5). SRK noted the trench samples population reported higher in values less than 6 g/t Au, which is considered to be largely due to the historic exploration programs which only sampled surface vein material (and excluded the lower grade wall-rock) within trenches. SRK also noted the drillhole population reported higher in values greater than 8 g/t Au, resulting from the sample spatial distribution whereby the higher grade zones are typically intersected at depth (away from trench samples). The impact on the global mean gold grade and metal of excluding the trench samples was within 0.6% both within the Resource pit and underground.
  - Domained DC and RC intercepts, to compare the distribution of the sample populations (Figure 12-6). SRK noted a good correlation <10 g/t Au, with bias of higher grades towards DC due to the sample spatial distribution (Figure 12-7) whereby the higher grade zones are typically intersected in DC at depth (away from shallower zones intersected by RC drilling).
  - Historical drilling versus drilling completed by Condor (namely some 4% (for 102 m) versus 96% (for 2,296 m) of the domained sample data), to compare sample distributions for the modelled high-grade core (“HGC”) and lower grade wall-rock (“WR”) domains. SRK note for the HGC domain (Figure 12-8) an apparent bias of higher grades towards Condor’s drilling due to the relatively limited desurveyed historical sample population (namely 20 historical versus 197 Condor) and more geographically widespread distribution of Condor’s drilling (which has more frequently intersected higher grade zones) during the on-going exploration program as confirmed visually in Figure 12-9 (which also highlights the variable grade distribution). In contrast, the plot for the WR domain (Figure 12-10) shows an apparent bias of higher grades towards the historical drilling, which is also as a function of the differences in number of samples (79 historical versus 1,953 Condor) and geographic distribution with Condor’s infill programs also intersecting the (historically under-explored) lower grade zones (Figure 12-11).

- Domained drilling intercepts versus historical underground channel samples on the HGC, to compare the distribution of the sample populations (Figure 12-12). SRK notes a strong correlation up to 15 g/t Au, but with a bias of higher grades towards the drill samples above 15 g/t Au. SRK considers the bias to be as a result of improved accuracy in the measuring of upper detection limits in the current laboratory analysis (for drill samples), contrasting with the historical analysis completed for the underground channels. Comparable spatial grade distribution is shown in Figure 12-13, with comparative raw log histograms shown for gold (to show higher grades returned by the drilling) in Figure 12-14.

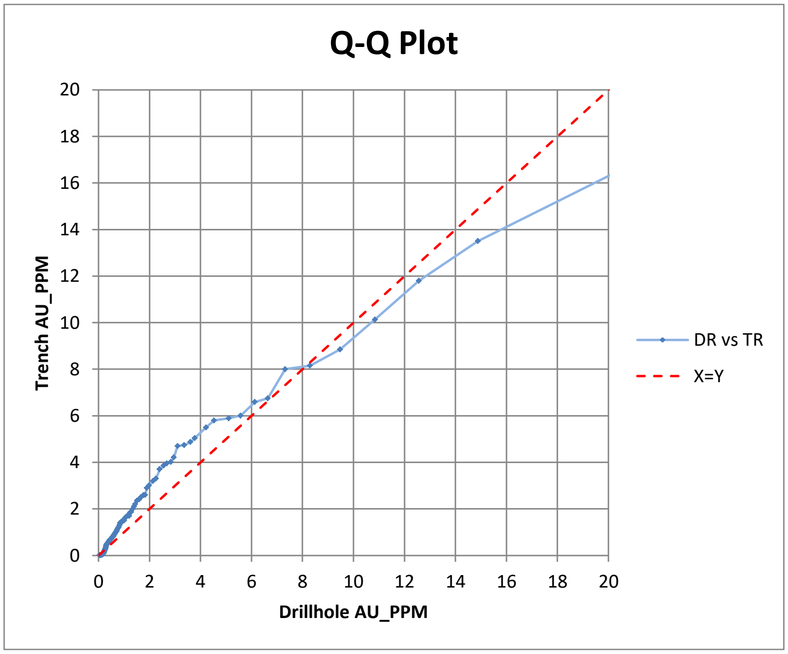


Figure 12-5: QQ Plot Trench (TR) versus drillhole (DC) Samples (GROUP>0.5)

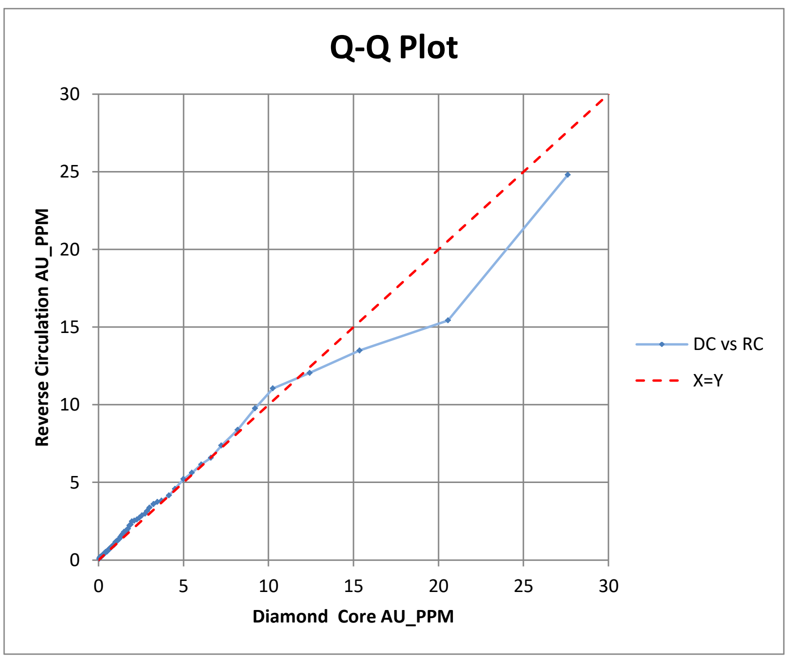


Figure 12-6: QQ Plot Reverse Circulation (RC) versus drillcore (DC) Samples (GROUP>0.5)

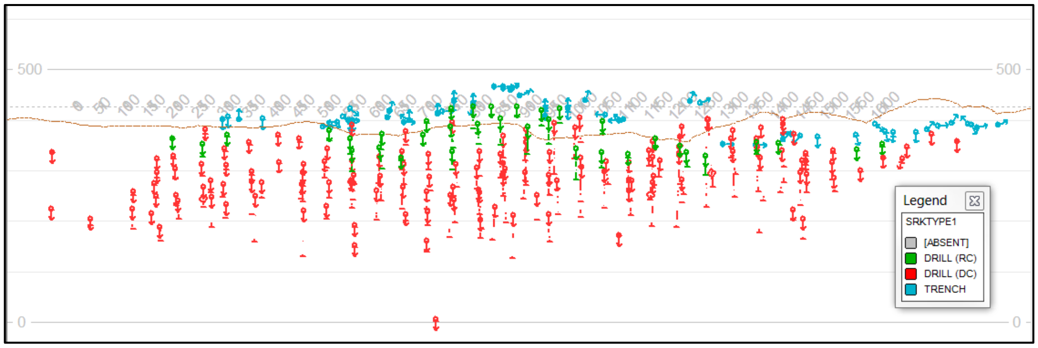


Figure 12-7: La India 2D long section showing distribution of sample types

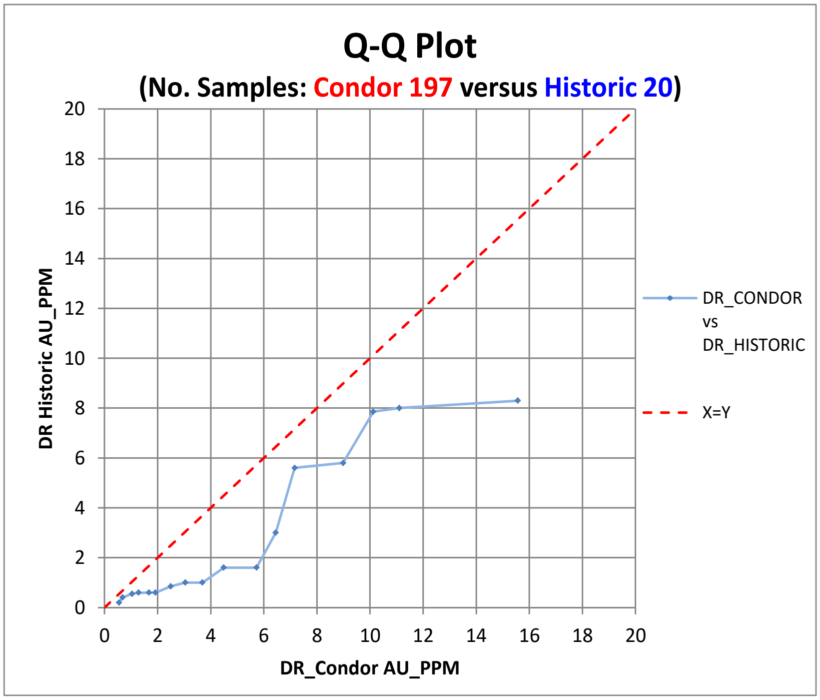


Figure 12-8: QQ Plot historical drilling versus Condor drilling in the HGC domain (GROUP>0.5)

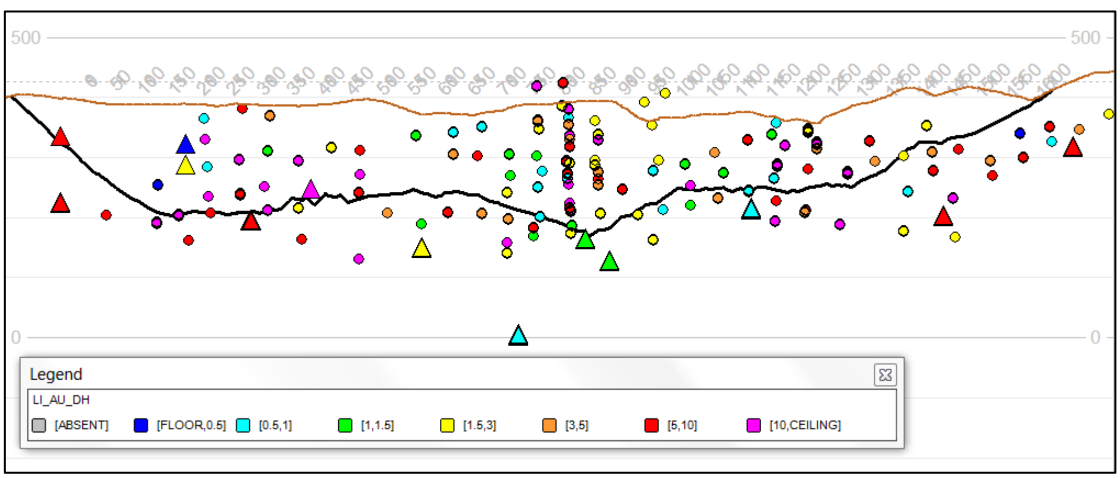


Figure 12-9: Historical drill samples (triangles) versus Condor drilling (circles) in the HGC domain (GROUP>0.5) (pit and surface intersection, looking SE)

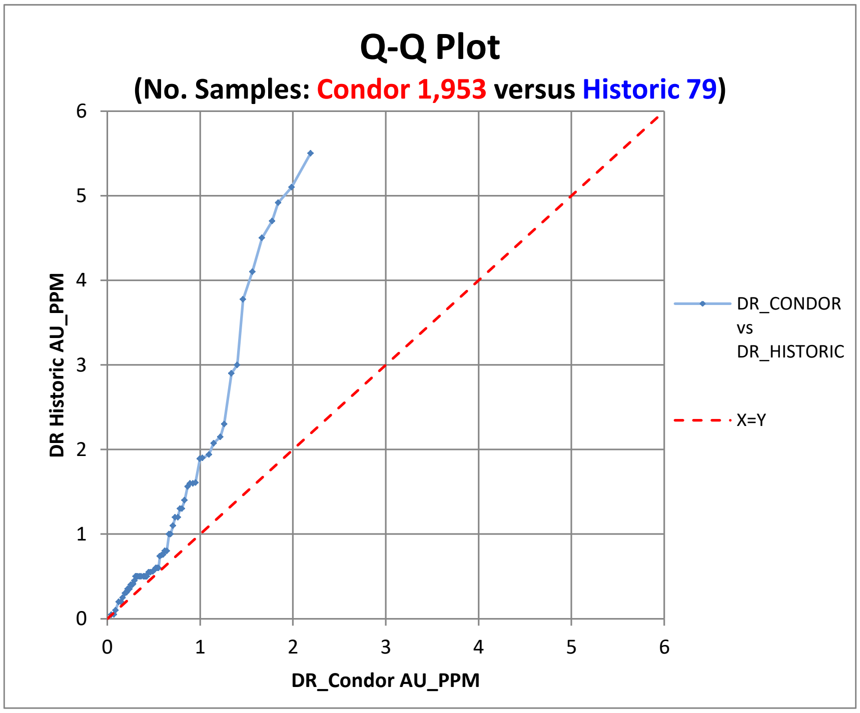


Figure 12-10: QQ Plot Historical drilling versus Condor drilling in the WR domain (GROUP>0.5)

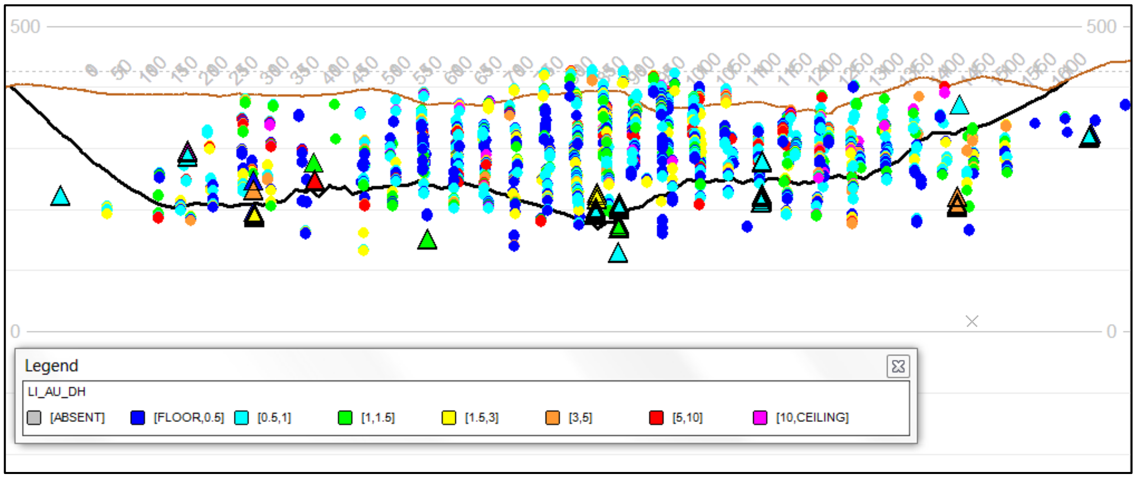


Figure 12-11: Historical drill samples (triangles) versus Condor drilling (circles) in the WR domain (GROUP>0.5) (pit and surface intersection, looking SE)

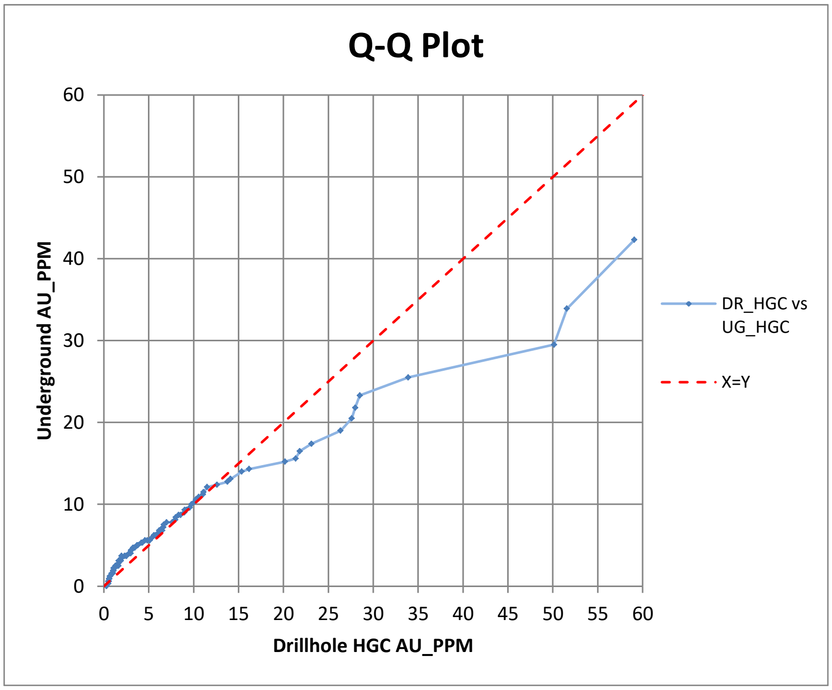


Figure 12-12: QQ Plot drill samples versus underground samples in the HGC domain (GROUP>0.5)

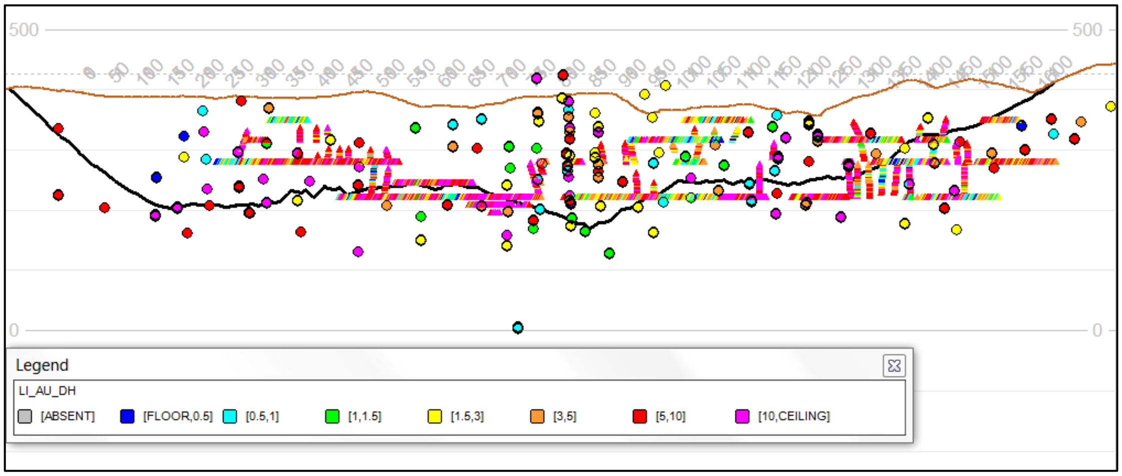


Figure 12-13: Drill samples (circles) versus underground samples (triangles) in the HGC domain (GROUP>0.5) (pit and surface intersection, looking SE)

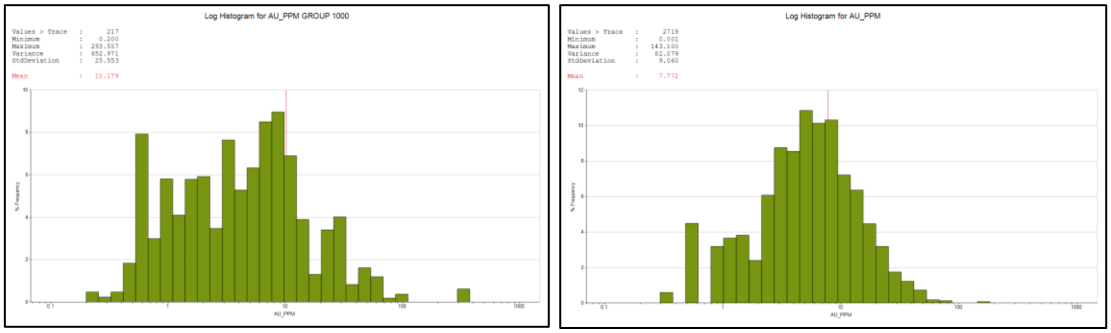


Figure 12-14: Log histogram for raw sample gold assays, showing drill samples (left) and historical underground samples (right); HGC domain

During 2013, SRK also completed a re-estimation of the La India vein based on a number of scenarios to test the influence of the historical grade control data on block estimate:

- Scenario 1: Removal of the UG samples and keeping the High Grade Core ("HGC") domain. The results indicated a reasonable reconciliation between the different estimates with some localised relative drop (visual) in grade in some of the HGC domains (SRK noted these areas typically represented mined out and depleted sections in the SRK model). In addition, SRK noted localised drops in grade in the areas of the wall rock domains where the UG sampling deviates across the HGC veins/ flexure (breccia) zone. The result for the open pit grade tonnage at the 0.5 g/t Au cut-off was a -0.1% reduction in tonnage with a -7% drop in Au grade. The underground grade and tonnage remained relatively unchanged as expected (as it was below the influence of UG sampling).
- Scenario 2: Removal of the UG samples and removing the HGC domain. The results showed a relative visual increase in average grade throughout the main La India domains (comparing to the original wall rock domains). The result for the open pit grade tonnage at the 0.5 g/t Au cut-off was a 0.5% increase in tonnage with a -6% drop in Au grade. At depth, SRK notes that the estimate is smoothed as the higher-grade core samples are diluted into lower grade wall rock samples.

12.1.9 SRK Comments

Overall, SRK is confident that the verification procedures used by the Company and by SRK have enabled data of uncertain quality to be identified and excluded from the database used to drive the MRE presented below and that the databases used is of sufficient quality to support the estimates as presented.

While QQ plots produced by SRK of domained borehole sample assay data have revealed apparent differences between the historical and Condor phases of exploration, SRK considers these differences to be primarily because the recent drilling has been focussed in different areas. Visual comparison on long section of the latest versus historical drilling show the grades are generally in line with the grades in the adjacent recent holes. It should also be noted that the majority of historical samples are located within the lower confidence (Inferred) areas of the model and they represent a relatively limited proportion (approximately 4.0%) of the global domained borehole sample database. SRK does not consider the use of the historical drilling to materially impact on the current estimate.

The sampling database comprises a number of different sampling types. During the 2013 MRE, SRK tested the influence of the different sampling types using QQ Plots. In the case of trench versus boreholes, additional analysis was taken to determine the influence of excluding trenching from the estimation process. Results indicated relatively limited sensitivity (0.6%) in the global mean grade of the deposit. SRK has also completed an investigation into the sensitivity of using the historical underground channel sampling database. While some degree of variability exists, the underground channel samples provide high-resolution information on the local grade distributions within the high-grade core(s), which (where present) enables more detailled geological interpretation. SRK also highlights that within the areas of sampling where these samples have greatest influence, SRK has depleted the historical workings, and therefore the samples will have limited impact. Ultimately, SRK elected to use all phases of exploration sampling in producing the Mineral Resource Estimate.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 Introduction

On behalf of Condor, SRK Consulting (U.S.), Inc designed and supervised a metallurgical development programs for the Project. During 2013, metallurgical studies were conducted on master composites and variability composites formulated from drill core from the La India and America, Mestiza and Central Breccia vein sets. During 2019, confirmatory metallurgical studies were conducted on test composites from La India, America and Mestiza vein sets.

The 2013 metallurgical program was conducted by Inspectorate Exploration and Mining Services ("Inspectorate") now known as Bureau Veritas and the results of this work are fully documented in Inspectorate's report, "Metallurgical Testing to Recover Gold on Samples from the La India Gold Project", 23 August 2013. Solid-liquid separation studies on final tailing products from each of the La India master composites were performed by Pocock Industrial, and the results of this work are fully documented in their report, "Flocculant Screening, Gravity Sedimentation and Pulp Rheology Studies, La India Gold Project", August 2013. The 2019 metallurgical program was conducted by SGS and the results are fully documented in their report, "The Recovery of Gold From La India Gold Project Samples", 4 November 2019.

The scope of the 2013 metallurgical study consisted of sample preparation, head sample characterization, comminution studies, whole-ore cyanidation, gravity pre-concentration followed by cyanidation and flotation of gravity scalped tails, testing of standard versus carbon-in-leach ("CIL") cyanidation processes, cyanide detoxification and solid-liquid separation studies. The 2019 metallurgical program conducted confirmatory comminution and whole-ore cyanidation testwork using optimized process conditions on additional test composites from the La India project.

13.2 2013 Metallurgical Program

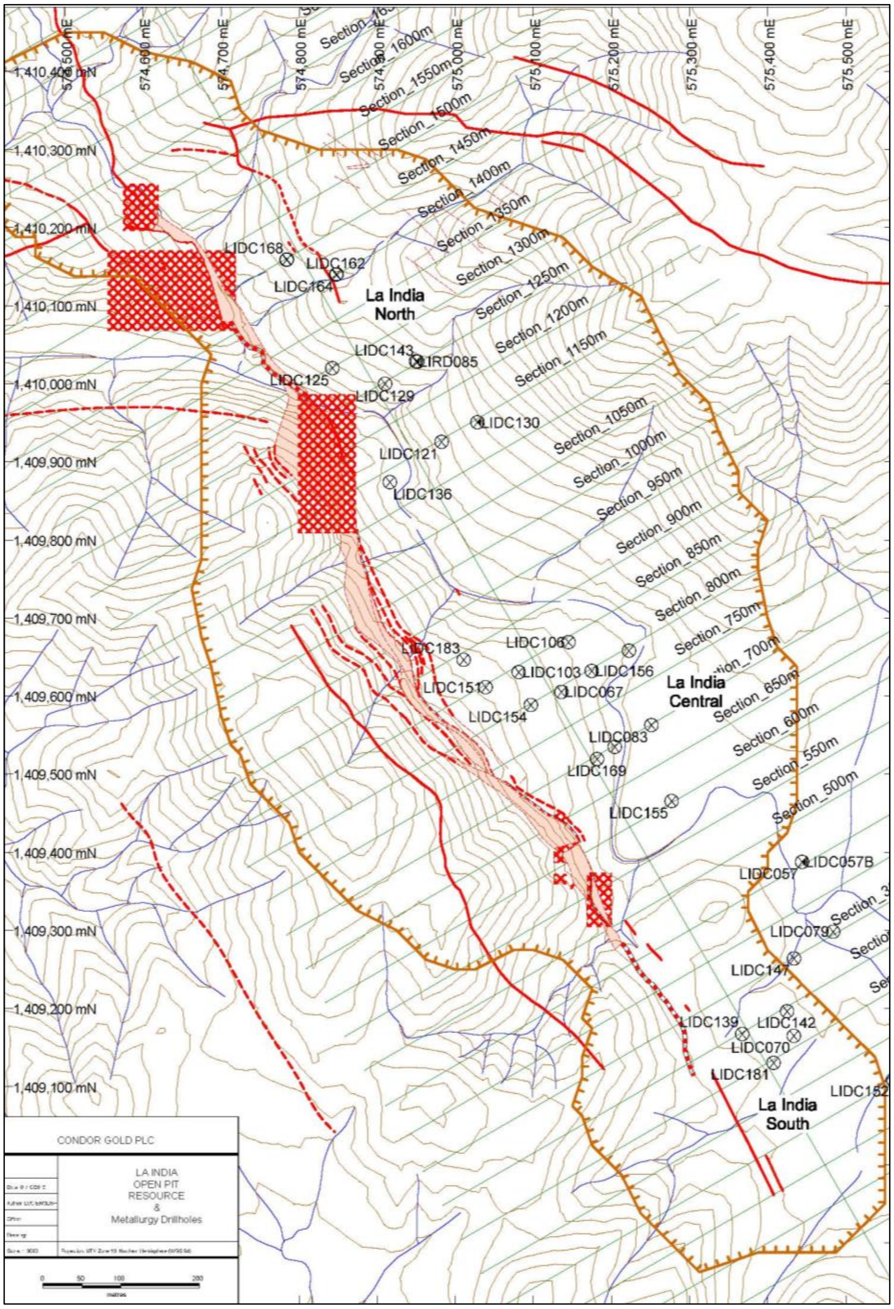
13.2.1 Test Sample Locations

A shipment of 428 samples originating from the La India gold deposit was received at Inspectorate on 25 April 2013. The shipment contained 345 split core intervals collected from La India ("LI") and America vein, and 83 coarse rejects from the La Mestiza and Central Breccia veins. Metallurgical studies were conducted on three master composites from the La India vein system, two master composites from the America vein system and one composite from La Mestiza and one composite from Central Breccia. In addition, six variability composites from the La India vein system were prepared.

The three master composites from the La India vein system were prepared to represent La India South, La India Central and La India North. Figure 13-1 shows a plan view of the drill sections for the La India vein system. The La India South composite was defined by drillholes located in Sections LI-150 to LI-450. The La India Central composite was defined by drillholes located in Sections LI-600 to LI-900. The La India North composite was defined by drillholes located in Sections LI-1150 to LI-1450.

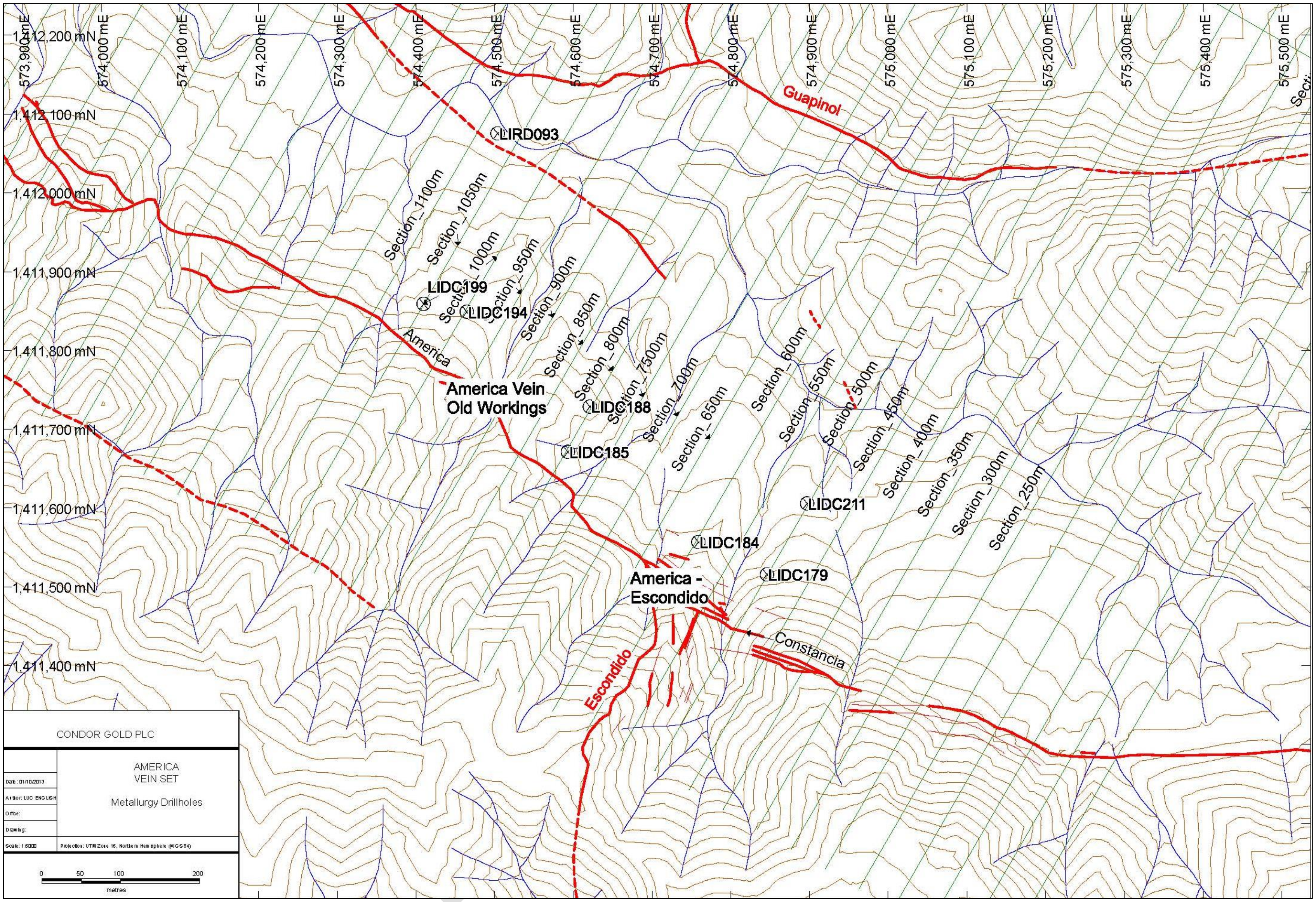
The two master composites from the America vein system were identified as America-Escondida and America-Old Workings. Figure 13-2 shows a plan view of the drill sections for the America vein system. The America-Escondida composite was defined by drillholes located in Sections 500 and 600 and the America-Old Workings composite was defined by drillholes located in sections 800 to 1100.

The La Mestiza composite and Central Breccia composites were formulated from assay sample coarse reject material rather than drill core.



Source: Condor 2013

Figure 13-1: La India vein system drill sections and drillhole locations



Source: Condor 2013

Figure 13-2: America vein system drill sections and drillhole locations

13.2.2 Head Analyses

Gold and silver assays were conducted in triplicate by fire-assay and metallic screen procedures. The gold and silver assays for all test composites are presented in Table 13-1. Gold grades ranged from 1.62 to 8.69 g/t Au and silver grades ranged from 4.3 to 23 9 g/t Ag. Table 13-2 shows the results for mercury, sulfur and carbon speciation. Sulfur assays were below 0.1% on all samples except for the Central Breccia, which assayed 1.22% total S. Organic carbon assays ranged from 0.05% to 0.26% C_{org} for all composites, except the Central Breccia composite, which assayed 0.51% C_{org}. The low organic carbon content indicates that that preg-robbing during cyanidation will not likely be a problem.

Multi-element ICP analyses were performed on each of the master composites and the results are summarised in Table 13-3. No deleterious elements have been identified at levels that would be of concern.

Table 13-1: Gold and Silver Head Assays

Master Composites Head Assay						
Sample id	**By Direct FA in Triplicate**		**By Metallic**		**Average**	
	Au, g/t	**Ag, g/t**	**Au, g/t**	**Ag, g/t**	**Au, g/t**	**Ag, g/t**
La India North Master Comp.	5.86	8.8	5.02	8.8	5.44	8.8
La India Central Master Comp.	6.61	8.3	4.14	6.1	5.38	7.2
La India South Master Comp.	3.68	11.6	3.53	11.3	3.61	11.5
America Vein-Escondido Comp.	1.64	1.4	1.60	5.1	1.62	3.3
America Vein-Old Workings Comp.	2.05	6.7	1.98	8.7	2.02	7.7
La Mestiza Comp.	2.72	23.9	2.71	23.8	2.72	23.9
Breccia Central Comp.	4.28	3.5	4.20	5.1	4.24	4.3
La India Variability Composite Head Assay						
Sample id	**By Direct FA in Triplicate**		**By Metallic**		**Average**	
	Au, g/t	**Ag, g/t**	**Au, g/t**	**Ag, g/t**	**Au, g/t**	**Ag, g/t**
La India North VC1 Variability Comp.	6.46	7.4	6.63	8.5	6.55	8.0
La India North VC2 Variability Comp.	2.87	7.9	2.73	9.2	2.80	8.6
La India Central VC1 Variability Comp.	2.07	4.1	1.99	5.5	2.03	4.8
La India Central VC2 Variability Comp.	8.52	13.8	8.86	15.5	8.69	14.7
La India South VC1 Variability Comp.	4.23	7.7	3.97	6.6	4.10	7.2
La India South VC2 Variability Comp.	3.15	21.0	2.92	12.9	3.04	17.0

Source: Inspectorate 2013

Table 13-2: Mercury, Carbon and Sulfur Speciation Head Analyses

Master Composites Head Assay									
Sample ID	**Hg ppm**	**C(tot) %**	**C(Org) %**	**C(Inorg) %**	**C Graphite %**	**S(tot) %**	**S(ele) %**	**S(-2) %**	**S(SO4) %**
La India North Master Comp.	<3	0.12	0.05	0.01	0.06	0.02	<0.01	0.02	<0.01
La India Central Master Comp.	<3	0.14	0.06	<0.01	0.07	0.03	<0.01	0.03	<0.01
La India South Master Comp.	<3	1.21	0.19	0.95	0.07	0.09	<0.01	0.09	<0.01
America Vein-Escondido Comp.	<3	0.15	0.08	0.01	0.06	0.04	<0.01	0.03	0.01
America Vein-Old Workings Comp.	<3	0.18	0.11	<0.01	0.07	0.02	<0.01	0.02	<0.01
La Mestiza Comp.	<3	0.11	0.05	<0.01	0.06	0.01	<0.01	0.01	<0.01
Breccia Central Comp.	<3	2.09	0.51	1.51	0.06	1.22	<0.01	1.21	0.01
La India Variability Composites Head Assay									
Variability Comp.osites Sample ID	**Hg ppm**	**C(tot) %**	**C(Org) %**	**C(Inorg) %**	**C Graphite %**	**S(tot) %**	**S(ele) %**	**S(-2) %**	**S(SO4) %**
La India North VC1 Variability Comp.	<3	0.12	0.05	0.01	0.06	0.02	<0.01	0.02	<0.01
La India North VC2 Variability Comp.	<3	0.12	0.05	<0.01	0.07	0.01	<0.01	0.01	<0.01
La India Central VC1 Variability Comp.	<3	0.14	0.07	<0.01	0.07	0.02	<0.01	0.02	<0.01
La India Central VC2 Variability Comp.	<3	0.14	0.06	0.02	0.06	0.06	<0.01	0.06	<0.01
La India South VC1 Variability Comp.	<3	1.34	0.20	1.07	0.07	0.11	<0.01	0.11	<0.01
La India South VC2 Variability Comp.	<3	0.62	0.26	0.30	0.07	0.03	<0.01	0.03	<0.01

Source: Inspectorate 2013

Table 13-3: Multi-Element ICP Analyses on Head Samples from Each Master Composite

Element	Units	La India North	La India Central	La India South	America Escondido	America Old Workings	Mestiza	Central Breccia
Ag	ppm	10.20	9.27	12.27	2.00	7.23	24.37	4.27
Al	%	4.08	3.51	3.73	4.43	4.26	4.27	6.26
As	ppm	42.33	30.67	42.67	34.33	50.00	16.00	226.33
Ba	ppm	540.67	489.00	461.67	760.33	446.67	664.33	517.33
Bi	ppm	<2	<2	<2	<2	<2	<2	<2
Ca	%	0.21	0.17	3.81	0.30	0.19	0.20	6.71
Cd	ppm	<0.5	<0.5	<0.5	1.00	1.00	<0.5	1.00
Co	ppm	3.67	2.67	2.33	2.00	4.33	2.00	8.00
Cr	ppm	227.67	257.67	194.33	136.00	213.67	187.33	69.00
Cu	ppm	52.67	44.67	52.00	49.33	47.67	57.00	48.33
Fe	%	1.62	1.16	1.26	1.43	1.89	1.53	3.13
K	%	3.72	3.31	3.44	4.19	3.76	3.46	3.39
La	ppm	<10	<10	<10	<10	<10	<10	<10
Mg	%	0.22	0.15	0.15	0.17	0.19	0.16	0.77
Mn	ppm	501	320	544	595	607	622	1605
Mo	ppm	6.00	7.00	3.67	<1	<1	<1	<1
Na	%	0.22	0.27	0.24	0.36	0.27	0.29	0.20
Ni	ppm	6.00	6.00	6.67	2.67	5.67	5.00	2.67
P	ppm	253.00	118.33	250.00	211.00	192.33	150.00	1149.67
Pb	ppm	23.67	17.33	10.00	27.67	36.33	8.67	15.00
Sb	ppm	21.67	27.67	12.00	8.67	22.00	11.00	<5
Sc	ppm	6.00	4.00	5.00	5.33	7.00	6.00	10.00
Sr	ppm	81.67	51.00	75.33	140.00	82.33	121.67	185.67
Ti	%	0.14	0.09	0.12	0.13	0.15	0.13	0.31
Tl	ppm	<10	<10	<10	13.00	<10	<10	<10
V	ppm	29.00	18.00	19.67	15.33	39.00	18.00	69.00
W	ppm	<10	<10	64.33	<10	<10	<10	<10
Zn	ppm	81.67	80.67	75.00	71.00	77.00	67.67	70.33
Zr	ppm	69.00	52.00	47.00	33.67	46.00	48.67	103.67

Source: Inspectorate 2013

13.2.3 Mineralogical Analyses

Representative sub-samples of the 7 master composites were examined by Process Mineralogical Consulting Ltd by QEMSCAN to identify the types of minerals and bulk associations, and to provide quantitative information on mineral percentages, particle size, shape, degree of liberation and locking analysis. The results of this analysis are summarized in Table 13-4.

The minerals present in the La India and America Vein samples are mainly quartz and K-feldspar with minor amounts of plagioclase, micas (biotite + muscovite), clay minerals and Fe-oxide minerals (haematite, magnetite, ilmenite), as well as trace amounts of pyrite and mafic minerals (amphibole, chlorite, epidote). The presence of only minor amounts of micas and clay minerals suggest that the alteration of these samples is not extensive and that the low amounts of these altered phases will have limited impact on the processing of the ore whether flotation or direct leaching is used.

Central Breccia is significantly different from the other samples, and is mainly composed of quartz, mica and carbonates with moderate amounts of K-feldspar. Minor amounts of plagioclase, pyrite and Fe-oxides are present with trace amounts of arsenopyrite, clays and mafic minerals. The presence of significant amounts of carbonate (mainly calcite) suggests carbonate alteration of this zone.

Table 13-4: Mineral Abundance of each Master Composite

Sample	LI North Master	LI Central Master	LI South Master	AV Escondido	AV Old Workings	LA Mestiza	Breccia Central
Fe-Oxides	1.74	1.32	1.62	2.10	3.52	2.03	1.97
Pyrite	0.14	0.28	0.28	0.18	0.09	0.09	2.99
Arsenopyrite	-	-	-	-	-	-	0.09
Quartz	59.8	68.2	57.5	58.9	60.3	62.1	32.4
Orthoclase	27.8	23.8	23.6	29.1	25.2	24.8	14.8
Plagioclase	3.25	2.90	3.11	5.40	6.25	7.14	5.52
Biotite	1.52	0.91	1.55	1.18	1.60	1.02	8.17
Muscovite	2.66	1.01	3.19	1.14	1.68	2.22	15.74
Clays	2.54	1.08	0.05	1.05	0.85	0.19	0.40
Amphiboles	-	-	-	-	-	-	0.84
Carbonates	0.26	0.19	7.83	0.36	0.23	0.18	16.15
Epidote	-	-	-	-	-	-	0.20
Chlorite	-	-	-	-	-	-	0.36
Other Silicates	0.32	0.34	1.29	0.55	0.26	0.22	0.38
Total	100	100	100	100	100	100	100

Source: Process Mineralogical Consulting 2013

13.2.4 Comminution Studies

Semi-autogenous grinding ("SAG") mill comminution ("SMC"), Bond ball mill work index ("BWi") and Bond abrasion index ("Ai") tests were conducted by Hazen Research, Inc on split core samples extracted from the three La India master composites, while only BWi determinations were conducted on the six La India variability composite samples. Table 13-5 summarizes the BWi and Ai results, and Table 13-6 summarizes the SMC results. BWi determinations using a 105 µm closing screen ranged from 17.5 to 21.9 kWh/t, indicating that the composites demonstrated medium-hard to hard character. The samples from La India South were slightly softer than the samples from La India Central and North. Abrasion indices (Ai) ranging from 0.98 to 1.13 indicate that the material is highly abrasive and high liner and media consumption rates can be expected.

Table 13-5: Bond Ball Mill Work Index (BWi) Abrasion Index (Ai) Test Results

Sample ID	Bwi, kWh/t 149 µm	Bwi, kWh/t 105 µm	A_i g
La India North Master Comp.	21.5	21.9	1.0361
La India North VC1 Var Comp.		20.7	
La India North VC2 Var Comp.		20.8	
La India Central Master Comp.	21.0	20.2	1.1331
La India Central VC1 Var Comp.		19.9	
La India Central VC2 Var Comp.		20.0	
La India South Master Comp.	18.6	18.8	0.9813
La India South VC1 Var Comp.		17.5	
La India South VC2 Var Comp.		18.9	

Source: Hazen 2013

Table 13-6: Summary of SMC Test Results

Sample ID	SG	A	B	A x b	DW_i, kWh/m^3	DWi, %	M_{ia}, kWh/t	M_{ih}, kWh/t	M_{ic}, kWh/t	t_a
La India North Master Comp.	2.53	48.5	0.82	39.8	6.40	60	20.0	14.6	7.6	0.40
La India Central Master Comp.	2.55	56.4	0.60	33.8	7.54	73	22.6	17.1	8.9	0.34
La India South Master Comp.	2.55	56.4	0.88	49.6	5.16	43	16.7	11.7	6.1	0.50

SMC Parameters:
A = maximum breakage
b = relation between energy and impact breakage
A × b = overall AG–SAG hardness
D_{Wi} = drop-weight index
M_{ia} = coarse particle component
M_{ih} = high-pressure grinding roll component
M_{ic} = crusher component
t_a = low energy abrasion component of breakage

Source: Hazen 2013

13.2.5 Metallurgical Testwork

Metallurgical studies were conducted to evaluate process options and conditions for recovery of contained gold and silver values. This work was conducted on 7 master composites, including three composites formulated from selected split drill core intervals representing La India North, La India Central and La India South, two composites representing the America Vein System, and one composite each from La Mestiza and Central Breccia. The optimum test conditions developed from the master composites were further verified on six variability composites representing spatial variation within each of the three La India master composites. The scope of the metallurgical studies included:

- whole-ore cyanidation versus grind size;
- whole-ore cyanidation versus cyanide concentration;
- gravity concentration plus cyanidation of the gravity tailings versus grind size;
- standard cyanidation versus CIL cyanidation;
- cyanide detoxification of leach residues; and
- solid liquid separation tests on leach residues.

Whole-Ore Cyanidation versus Grind Size

Standard bottle roll whole-ore cyanide leaching tests were conducted on each of the seven composite samples at target grind sizes varying from 80% passing (P80) 50 to 150 µm to evaluate the grind requirement. These tests were performed at 40% solids in 1 g/L NaCN for 72 hours. Slurry pH was maintained at 10.5 to 11. Both lime and dissolved oxygen levels were monitored throughout each test. Leach kinetics was monitored during each test by removal and analysis of intermediate solution samples after 2, 7, 24, 30, and 48 hours of leaching.

The results of the whole-ore cyanidation tests on the La India North, La India Central and La India South master composites are summarised in Table 13-7. During all tests, gold extraction increased steadily as the grind size became finer. Gold extractions ranged from 93.4% to 96.1% for the three La India master composites at a grind size of about P80 74 µm. Silver extractions ranged from 71.9% to 79.7% at this grind size.

Table 13-7: Grid-Recovery Cyanidation Results on the La India North, Central and South Master Composites

Test No	Composite	Grind	Calculated Head		Extraction (%)		Consumption (kg/t)	
		P80 µm	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C1	La India North	157	5.2	10.2	86.1	61.7	1.55	0.6
C2	La India North	109	5.6	10.1	89.9	68.4	1.54	0.6
C3	La India North	78	5.9	10.4	93.4	75.9	1.42	0.7
C4	La India North	53	5.0	10.0	95.2	74.1	1.50	0.6
C5	La India Central	158	4.7	9.35	88.8	66.9	1.58	0.5
C6	La India Central	103	5.0	9.39	92.2	74.4	1.57	0.5
C7	La India Central	75	4.1	9.36	93.4	71.1	1.31	0.5
C8	La India Central	58	5.2	8.85	95.5	83.1	0.22	0.5
C9	La India South	145	3.9	9.0	89.9	66.5	2.69	0.4
C10	La India South	101	3.8	8.7	93.7	72.4	2.63	0.4
C11	La India South	68	4.1	7.9	96.1	79.7	2.53	0.3
C12	La India South	49	4.1	9.5	97.6	71.5	2.61	0.4

Source: Inspectorate 2013

Results of whole-ore cyanidation tests on the America-Escondida and America-Old Workings master composites are summarized in Table 13-8. Gold extractions increased steadily as the grind size became finer. At a P80 72 µm grind, gold extractions ranged from 96.1% to 97.4% and silver extractions ranged from 75.2% to 89.2%. Table 13-9 provides of summary of the cyanidation tests conducted on the La Mestiza and Central Breccia test composites. At a P80 75 µm grind, 96.2% gold extraction was obtained from the Mestiza composite and 87.2% gold extraction was obtained from the Central Breccia composite. The lower gold extraction from the Central Breccia composite is attributed to higher sulfide content of this ore type and will require further investigation to establish optimal test conditions.

Table 13-8: Grind-Recovery Cyanidation Results on the America Vein Test Composites

Test No	Composite	Grind	Calculated Head		Extraction (%)		Consumption (kg/t)	
		P80 µm	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C13	America - Escondida	109	1.6	1.8	95.1	77.5	2.75	0.6
C14	America - Escondida	72	1.6	1.9	96.1	89.2	2.52	0.5
C15	America - Escondida	58	1.6	2.0	97.5	94.9	2.45	0.5
C16	America - Old Workings	100	2.2	5.0	96.8	67.9	2.96	0.7
C17	America - Old Workings	71	2.3	4.8	97.4	75.2	2.68	0.9
C18	America - Old Workings	52	2.3	4.5	98.7	84.6	2.63	0.9

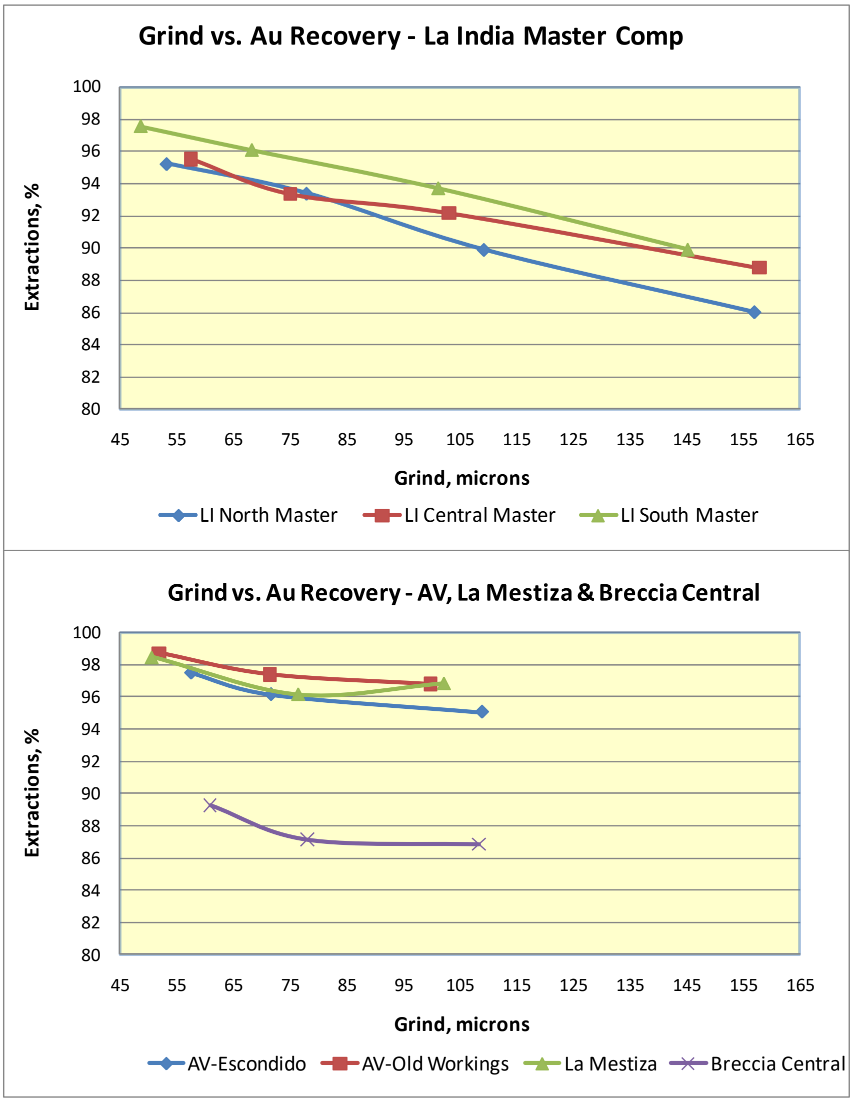
Source: Inspectorate 2013

Table 13-9: Grind-Recovery Cyanidation Results on the Mestiza and Central Breccia Test Composites

Test No	Composite	Grind	Calculated Head		Extraction (%)		Consumption (kg/t)	
		P80 µm	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C19	Mestiza	102	2.5	22.5	96.8	93.6	2.66	0.5
C20	Mestiza	76	2.9	21.9	96.2	94.5	2.60	0.4
C21	Mestiza	51	2.6	21.9	98.5	95.0	2.56	0.5
C22	Central Breccia	108	4.3	3.4	86.9	73.7	2.25	0.7
C23	Central Breccia	78	4.4	3.2	87.2	78.3	2.28	0.6
C24	Central Breccia	61	4.5	3.6	89.3	75.0	2.45	0.5

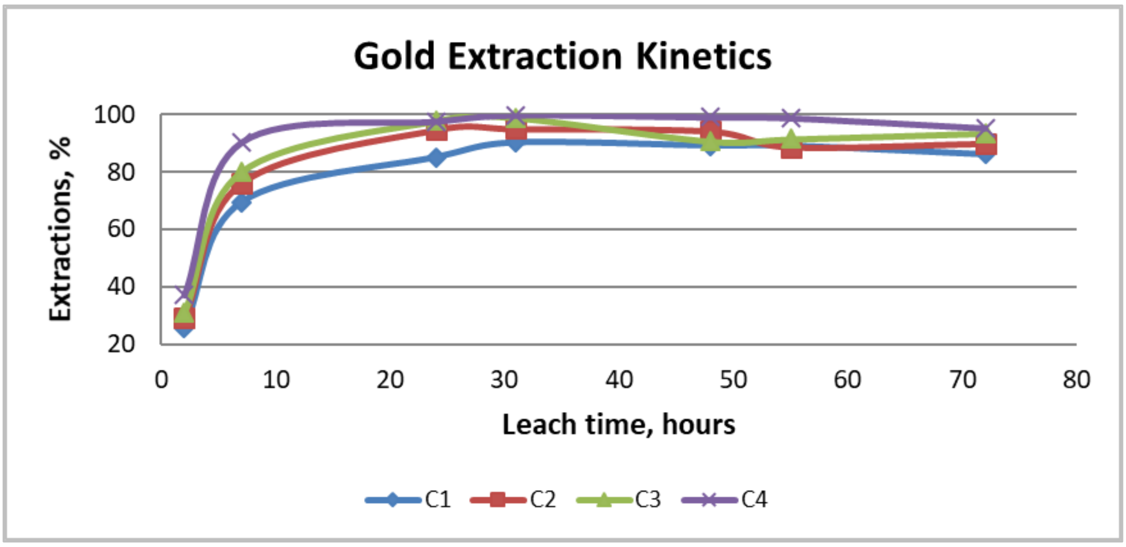
Source: Inspectorate 2013

It is noted that 1.5% to 2% higher gold extraction was obtained at the ~ P80 50 µm grind than at the ~P80 74 µm grind. In spite of this incremental additional recovery, a grind of P80 74 µm was chosen for the remaining whole-ore cyanidation testwork. This is due to the high reported grinding work indices and that the incremental additional recovery would likely not justify the higher additional cost to grind finer. Figure 13-3 shows gold extraction versus grind size for each of the master composites. Gold extractions versus leach retention time are shown in Figure 13-4 to Figure 13-6 for the La India Master composites, demonstrating that 48 hours leach retention time was sufficient to maximize gold extraction. Gold extraction versus leach retention time was similar for the other test composites. The Central Breccia test composite showed a slight decrease in gold extraction over time, indicating the possibility of preg-robbing.



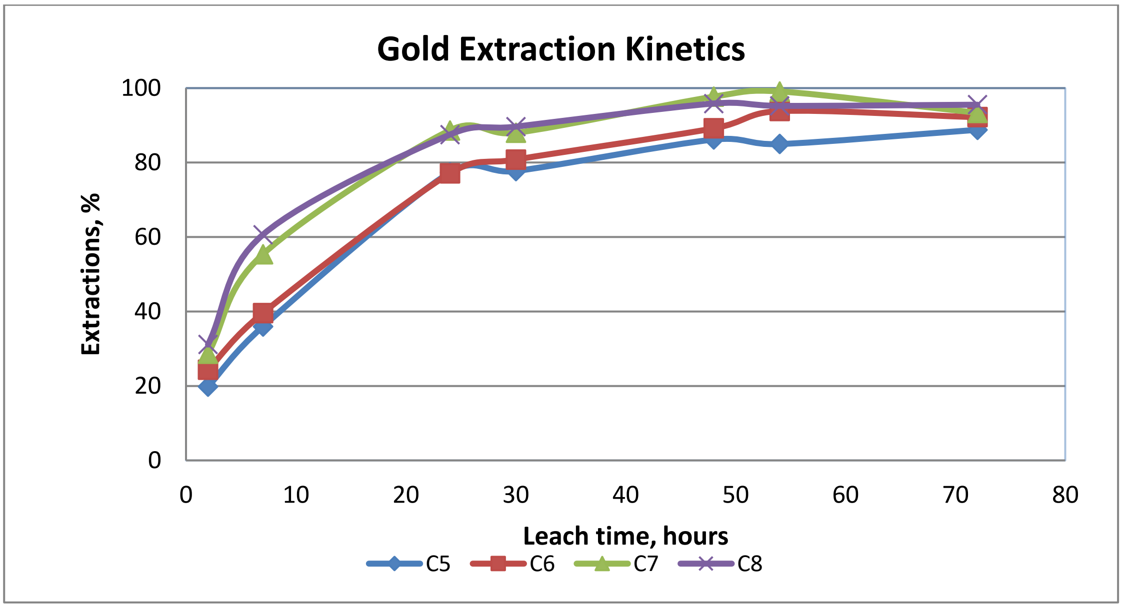
Source: Inspectorate 2013

Figure 13-3: La India master composite gold extraction versus grind size



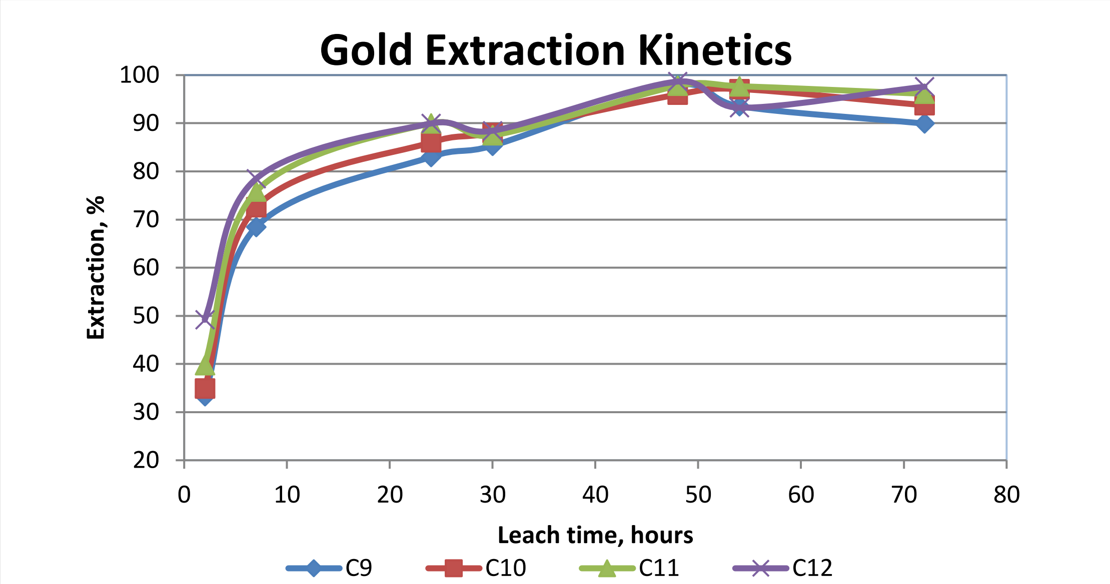
Source: Inspectorate 2013

Figure 13-4: La India North Composite gold extraction versus retention time



Source: Inspectorate 2013

Figure 13-5: La India Central composite gold extraction versus retention time



Source: Inspectorate 2013

Figure 13-6: La India South composite gold extraction versus retention time

Whole-Ore Cyanidation versus Cyanide Concentration

Whole-ore bottle roll cyanidation tests were conducted on each of the master composites to evaluate the impact of cyanide concentration on overall gold and silver extraction. The results of the cyanide concentration tests conducted on the La India Master composites are summarized in Table 13-10. Gold extractions ranged from about 92% to 94% and appeared to be insensitive to cyanide concentration over the range tested. Silver extractions ranged from 66.5% to 89.3% with higher extractions as the cyanide concentration was increased.

Table 13-10: La India master composites gold and silver extraction versus cyanide concentration

Test No	Composite	NaCN	Calculated Head		Extraction (%)		Consumption (kg/t)	
		(g/L)	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C25	La India North	0.50	5.7	10.5	91.6	68.1	0.74	1.0
C26	La India North	0.75	5.5	10.7	92.0	67.2	0.90	0.9
C27	La India North	1.50	5.7	10.6	93.5	69.0	1.39	0.7
C3 (1)	La India North	1.00	5.9	10.4	93.4	75.9	0.91	0.7
C28	La India Central	0.50	4.5	7.9	93.5	75.2	0.62	0.8
C29	La India Central	0.75	4.9	9.1	93.9	74.8	0.75	0.6
C30	La India Central	1.50	4.2	7.9	93.4	80.9	1.22	0.4
C7 (1)	La India Central	1.00	4.1	9.4	93.4	71.1	0.87	0.5
C31	La India South	0.50	4.4	11.7	93.3	66.5	1.09	1.0
C32	La India South	0.75	3.9	9.4	94.8	89.3	1.48	1.0
C33	La India South	1.50	4.3	13.7	94.3	78.1	2.07	0.7
C11 (1)	La India South	1.00	4.1	7.9	96.1	79.7	1.75	0.3

(1) 72-hour leach test, however cyanide consumption based on 48-hour leach
Source: Inspectorate 2013

The results of cyanide concentration tests conducted on the America-Escondida and America-Old Workings composites are summarized in Table 13-11. Both gold and silver extractions were observed to be insensitive to cyanide concentration over the range tested. Gold extractions of 96.2% and 97.4%, respectively, were obtained from the America-Escondida and America-Old Workings composites at a cyanide concentration of 0.5 g/L. Silver extractions of 86.7% and 57.9% were obtained, respectively, from the America-Escondida and America-Old Workings composites.

Table 13-11: America Vein composites gold and silver extractions versus cyanide concentration

Test No	Composite	NaCN	Calculated Head		Extraction (%)		Consumption (kg/t)	
		(g/L)	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C34	America - Escondida	0.50	2.0	1.9	96.2	86.7	1.06	1.6
C35	America - Escondida	0.75	1.7	1.9	95.6	86.6	1.38	1.2
C36	America - Escondida	1.50	1.7	1.9	95.8	86.7	2.07	0.8
C14	America - Escondida	1.00	1.6	1.9	96.1	89.2	1.66	0.5
C37	America - Old Workings	0.50	2.3	5.9	97.4	57.9	1.23	1.6
C38	America - Old Workings	0.75	2.5	6.0	97.6	59.7	1.65	1.6
C39	America - Old Workings	1.50	2.3	6.1	97.9	59.2	2.53	1.4
C17	America - Old Workings	1.00	2.3	4.8	97.4	75.2	1.83	0.9

Source: Inspectorate 2013

The results of cyanide concentration tests conducted on the Mestiza and Central Breccia composites are summarized in Table 13-12. Gold extraction from the Mestiza composite averaged 97.5% and was insensitive to cyanide concentration over the range tested. Silver extraction increased from 87.9% to 94.5% over the range tested. Cyanide consumption increased from 0.93 to 2.03 kg/t as the leach solution concentration increased from 0.5 to 1.0 g/L NaCN.

Gold extraction from the Central Breccia composite averaged 89.5% and was insensitive to cyanide concentration over the range tested. Silver extraction averaged 56.5% and was mostly insensitive to cyanide concentration. Cyanide consumption increased from 0.98 to 2.17 kg/t as the leach solution concentration increased from 0.5 to 1.5 g/L NaCN.

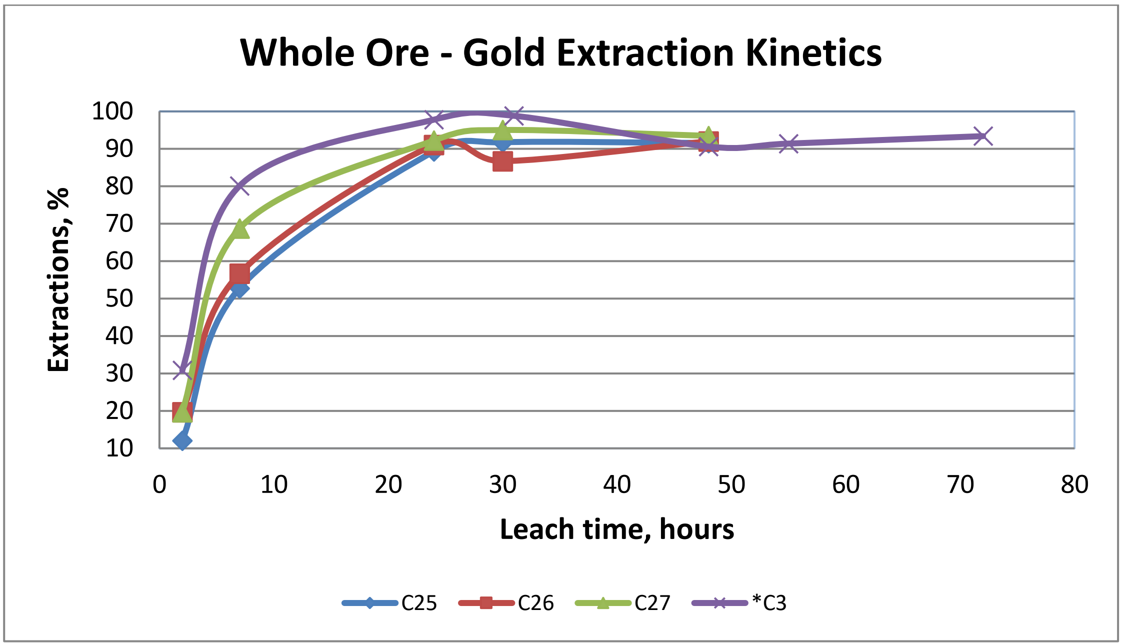
Table 13-12: Mestiza and Central Breccia composites gold and silver extractions versus cyanide concentration

Test No	Composite	NaCN	Calculated Head		Extraction (%)		Consumption (kg/t)	
		(g/L)	Au (g/t)	Ag (g/t)	Au	Ag	NaCN	$Ca(OH)_2$
C40	Mestiza	0.50	3.1	25.2	97.7	87.9	0.93	1.1
C41	Mestiza	0.75	3.1	25.0	97.4	89.8	1.41	0.8
C20 (1)	Mestiza	1.00	2.9	21.9	96.2	94.5	2.03	0.4
C42	Central Breccia	0.50	4.3	4.5	88.9	55.4	0.98	0.8
C43	Central Breccia	0.75	4.6	4.6	89.4	56.5	1.35	0.7
C44	Central Breccia	1.50	4.8	4.7	90.4	57.7	2.17	0.4
C23 (1)	Central Breccia	1.00	4.4	3.2	87.2	78.3	1.66	0.6

(1) 72 hour leach test with cyanide consumption determined after 48 hours of leaching
Source: Inspectorate 2013

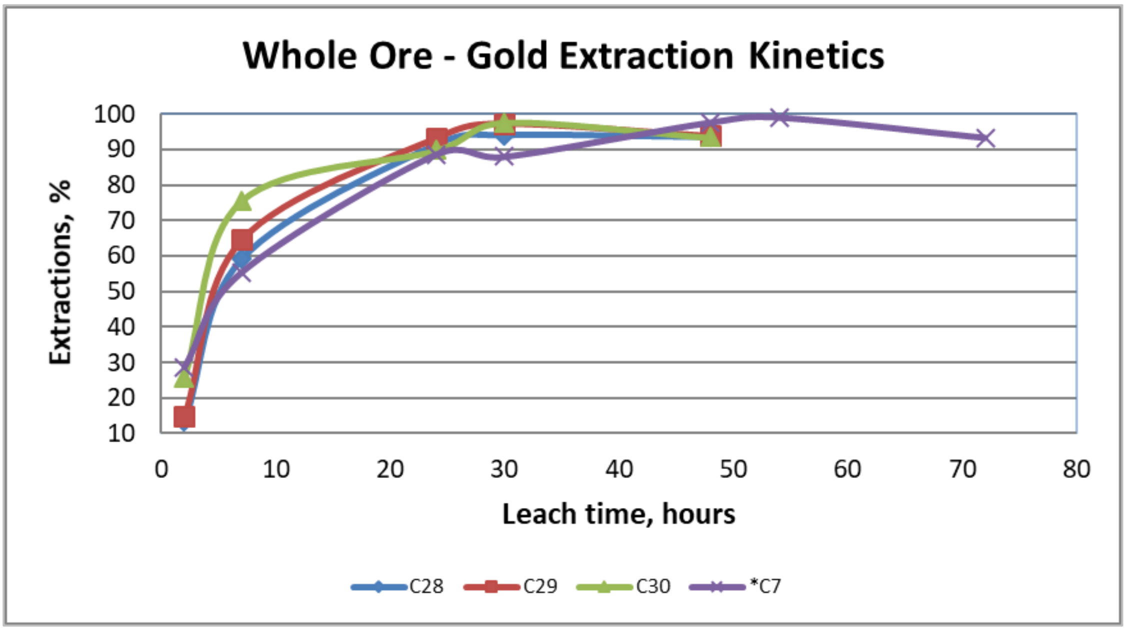
Leach Kinetics

The leach kinetics from each of the 48 hour whole-ore leach tests conducted on the La India North, La India Central and La India South composites are presented in Figure 13-7 to Figure 13-9. These leach kinetic results indicate that a leach retention time of about 30 hours is sufficient to maximize gold extraction. Similar kinetic results were obtained from the America, Mestiza and Central Breccia composites.



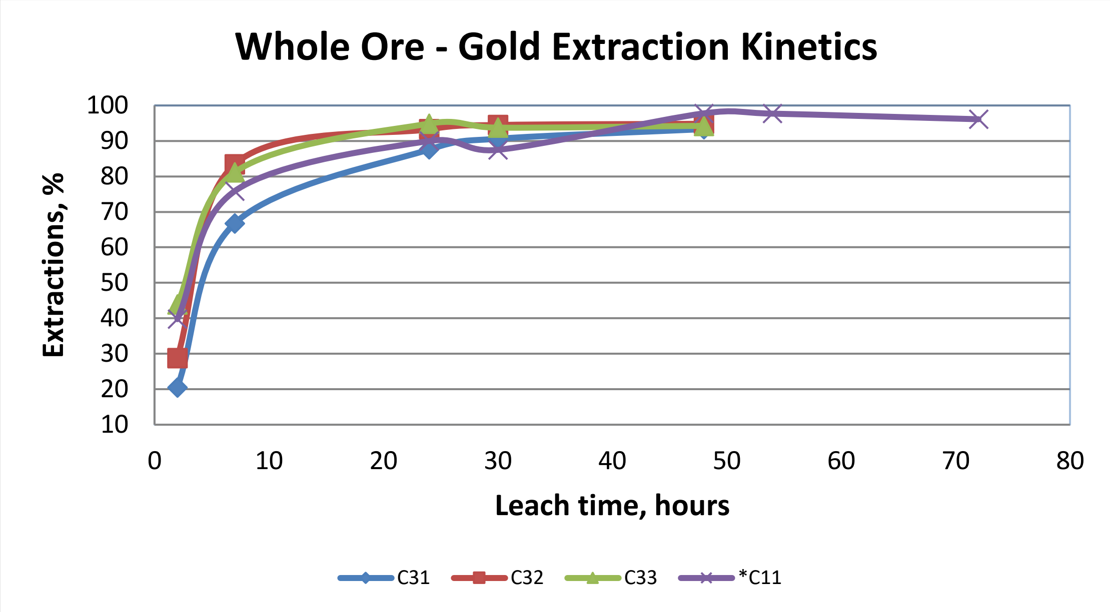
Source: Inspectorate 2013

Figure 13-7: La India North composite gold extraction versus leach retention time



Source: Inspectorate 2013

Figure 13-8: La India Central composite gold extraction versus leach retention time



Source: Inspectorate 2013

Figure 13-9: Gold extraction versus Leach Retention Time – La India South Composite

Gravity Concentration + Cyanidation of the Gravity Tailings

Tests were conducted to evaluate gravity concentration followed by cyanidation of the gravity tailing over a range of grind sizes to determine whether this process configuration would result in higher overall gold recoveries than were achieved with whole-ore cyanidation.

The results of the gravity/cyanidation tests on the La India North, La India Central and La India South master composites are summarised in Table 13-13. Gold recovery into the gravity concentrate ranged from 6.0% to 21.3%. During all tests gold extraction increased steadily as the grind size became finer. Overall gravity + cyanidation gold recovery ranged from 93.4% to 94.6% for the three La India master composites at a grind size of approximately P80 74 µm. Silver extractions ranged from 68.8% to 79.2% at this grind size.

Table 13-13: Gravity Concentration Plus Cyanidation of Gravity Tailings versus Grind Size - La India Master Composites

Test No.	Composite	Grind P80 µm	Calculated Head		Gravity Recovery		Gravity + Cyanidation Extraction		Consumption (kg/t)	
			Au (g/t)	Ag (g/t)	Au (%)	Ag (%)	Au (%)	Ag (%)	NaCN	$Ca(OH)_2$
GC1	LI North	159	5.2	10.3	9.2	1.9	86.1	61.2	1.45	0.4
GC2	LI North	116	6.8	10.2	21.3	5.2	92.6	72.4	1.54	0.5
GC3	LI North	79	5.1	10.0	14.1	2.9	93.4	68.8	1.51	0.6
GC4	LI North	57	5.6	9.0	13.0	2.1	94.3	83.3	1.44	0.6
GC5	LI Central	165	4.5	9.09	12.1	2.7	88.4	64.8	1.59	0.3
GC6	LI Central	107	4.4	7.78	8.9	2.3	91.4	79.4	1.54	0.4
GC7	LI Central	82	5.0	9.14	13.2	4.2	93.8	79.2	1.67	0.4
GC8	LI Central	59	4.7	7.94	18.5	6.6	95.9	86.1	1.84	0.4
GC9	LI South	146	3.9	8.8	6.0	1.6	90.3	64.0	2.61	0.3
GC10	LI South	106	3.8	9.6	6.8	24.4	92.9	79.5	2.63	0.3
GC11	LI South	74	3.6	9.2	11.2	16.8	94.6	74.8	2.84	0.4
GC12	LI South	49	3.4	9.6	13.9	22.7	96.2	83.9	2.58	0.3

Source: Inspectorate 2013

Results of the gravity/cyanidation tests on the America-Escondida and America-Old Workings master composites are summarised in Table 13-14. Gold recovery into the gravity concentrate ranged from 4.2% to 10.1%. During all tests, gold extraction increased steadily as the grind size became finer. Overall gravity + cyanidation gold recovery ranged from 95.4% to 96.8% for the two America Vein composites at a grind size of approximately P80 74 µm. Silver extractions were about 85%.

Table 13-15 provides of summary of the gravity/cyanidation tests conducted on the Mestiza and Central Breccia test composites. At a P80 80 µm grind, 29% of the gold in the Mestiza composite and 10.4% of the gold in the Central Breccia composite was recovered into gravity concentrates. Overall gravity + cyanidation gold recovery was 97.5% for the Mestiza composite and 85.3% for the central Breccia composite at a grind of approximately P80 75 µm.

Table 13-16 provides a comparison of gold extractions obtained by whole-ore cyanidation and by gravity + cyanidation flowsheets at a grind size of approximately P80 75 µm. Similar gold recoveries are achieved by both processing methods. Based on this comparison, the inclusion of gravity concentration offers no apparent benefit.

Table 13-14: America Vein master composites gravity concentration plus cyanidation of gravity tailings versus grind size

Test No	Composite	Grind	Calculated Head		Gravity Recovery (%)		Gravity + Cyanidation Extraction (%)		Consumption (kg/t)	
		P80 µm	Au (g/t)	Ag (g/t)	Au	Ag	Au	Ag	NaCN	$Ca(OH)_2$
GC13	America-Escondida	113	1.9	1.8	7.7	4.9	92.7	83.8	1.79	0.7
GC14	America-Escondida	74	1.8	1.9	10.1	8.1	95.4	84.4	1.78	0.6
GC15	America-Escondida	53	1.6	1.8	5.1	6.7	96.9	94.5	1.67	0.7
GC16	America-Old Workings	106	2.3	4.2	4.2	10.3	97.0	88.1	2.07	0.9
GC17	America-Old Workings	73	2.5	4.6	6.8	7.7	96.8	84.6	2.04	0.9
GC18	America-Old Workings	51	2.3	4.3	6.5	8.1	98.7	90.8	2.02	0.9

Source: Inspectorate 2013

Table 13-15: Mestiza and Central Breccia composites gravity concentration plus cyanidation of gravity tailings versus grind size

Test No	Composite	Grind	Calculated Head		Gravity Recovery (%)		Gravity + Cyanidation Extraction (%)		Consumption (kg/t)	
		P80 µm	Au (g/t)	Ag (g/t)	Au	Ag	Au	Ag	NaCN	$Ca(OH)_2$
GC19	Mestiza	111	2.6	23.1	13.4	17.0	97.0	94.4	1.90	0.5
GC20	Mestiza	80	2.8	22.3	29.0	15.6	97.5	94.2	1.94	0.5
GC21	Mestiza	53	2.7	22.6	25.2	15.2	98.5	93.4	1.99	0.5
GC22	Central Breccia	113	4.5	3.8	7.4	4.6	86.3	65.6	1.43	1.2
GC23	Central Breccia	76	4.0	3.7	10.4	6.7	85.3	59.3	1.58	0.7
GC24	Central Breccia	62	4.2	3.8	12.7	12.3	89.6	68.4	1.55	0.6

Source: Inspectorate 2013

Table 13-16: Whole Ore Cyanidation and Gravity/Cyanidation Gold Extractions (~P80 75 micron Grind)

Composite	Whole Ore Cyanidation Extraction	Gravity + Cyanidation Extraction
	Au (%)	Au (%)
La India North	93.4	93.4
La India Central	93.4	93.8
La India South	96.1	94.6
America-Escondida	96.1	95.4
America-Old Workings	97.4	96.8
Mestiza	96.2	97.5

Central Breccia	87.2	85.3

Source: Inspectorate

Variability Testing

A total of six variability composites from the La India vein system were tested, including:

- La India South VC1 and V2 Composites: based on spatial variation along strike;
- La India Central VC1 and VC2 composites: based on variation in elevation; and
- La India North VC1 and VC2 composites: based on spatial variation along strike.

Standard and CIL whole-ore cyanidation tests were run on each of the variability composites using optimum test conditions developed for the master composites.

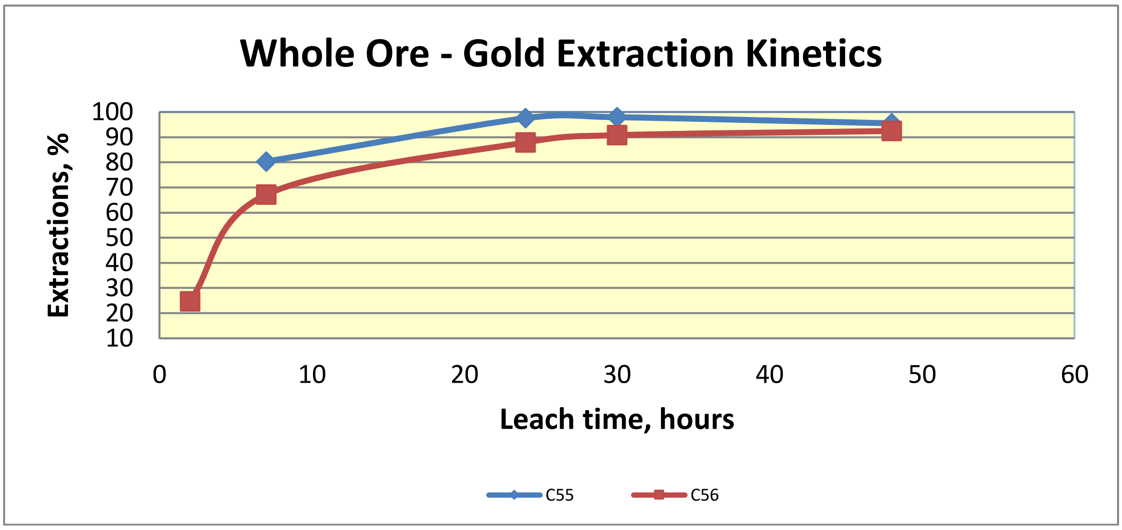
La India South Variability Composites

The results of standard and CIL cyanidation tests conducted on La India South variability composites VC1 and VC2 are shown in Table 13-17. Standard cyanidation resulted in 95.5% gold extraction from variability composite VC1 and 92.4% extraction from variability composite VC2. The average gold extraction for the two composites was 94.0%, which compares well with the 93.3% gold extraction obtained from the La India South Master composite under identical test conditions. It can also be observed that standard cyanidation and CIL cyanidation test procedures yielded very similar results, further demonstrating that preg-robbing is likely not going to be a problem. Figure 13-10 shows the leach kinetics for the two standard cyanidation tests, which suggests that 30 hours of leach retention time is sufficient.

Table 13-17: La India South Variability composites summary of standard and CIL cyanidation results on

Test No	La India South Variability Composite	Test Type	P80 µm	NaCN	Calculated Head		Extraction		Consumption (kg/t)	
				(g/L)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)	NaCN	$Ca(OH)_2$
C55	VC1	Std	70	0.50	4.0	8.6	95.5	69.9	1.17	0.5
C56	VC2	Std	68	0.50	3.4	19.9	92.4	90.9	1.31	0.6
CIL14	VC1	CIL	70	0.50	4.1	8.3	95.7	72.4	1.44	0.4
CIL15	VC2	CIL	73	0.50	3.3	30.9	91.6	92.2	1.65	0.6

Source: Inspectorate 2013



Source: Inspectorate 2013

Figure 13-10: La India South Variability composites gold extraction versus leach retention time

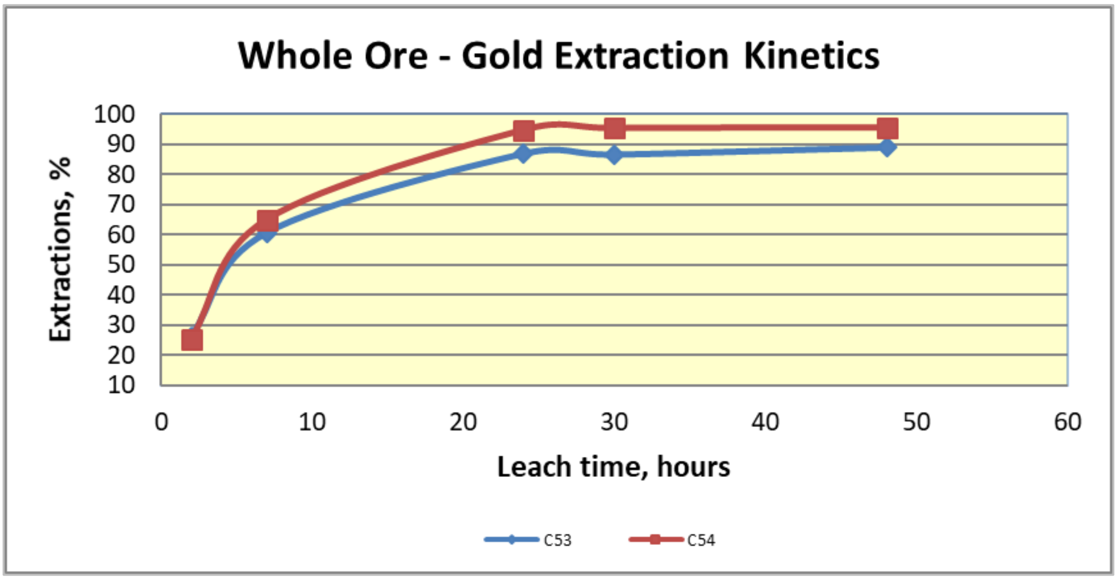
La India Central Variability Composites

The results of standard and CIL cyanidation tests conducted on La India Central variability composites VC1 and VC2 are shown in Table 13-18. Standard cyanidation resulted in 88.9% gold extraction from variability composite VC1, which represented the shallow ore zone, and 95.6% extraction from variability composite VC2, which represented the deep ore zone. The average gold extraction for the two composites was 92.5%, which compares well with the 93.5% gold extraction obtained from the La India Central Master composite under identical test conditions. It can also be observed that standard cyanidation and CIL cyanidation test procedures yielded very similar results, further demonstrating that preg-robbing is likely not going to be a problem. Figure 13-11 shows the leach kinetics for the two standard cyanidation tests, which suggests that 30 hours of leach retention time is sufficient.

Table 13-18: La India Central Variability composites summary of standard and CIL results

Test No	La India Central Variability Composite	Test Type	P80 µm	NaCN (g/L)	Calculated Head Au (g/t)	Calculated Head Ag (g/t)	Extraction Au (%)	Extraction Ag (%)	Consumption (kg/t) NaCN	Consumption (kg/t) $Ca(OH)_2$
C53	VC1	Standard	78	0.50	2.3	5.6	88.9	66.3	1.33	0.7
C54	VC2	Standard	78	0.50	10.6	13.9	95.6	83.5	1.16	0.6
CIL12	VC1	CIL	71	0.50	2.1	4.9	89.2	81.7	1.51	0.6
CIL13	VC2	CIL	77	0.50	8.3	13.3	94.9	80.5	1.47	0.6

Source: Inspectorate 2013



Source: Inspectorate 2013

Figure 13-11: La India Central Variability composites gold extraction versus leach retention time

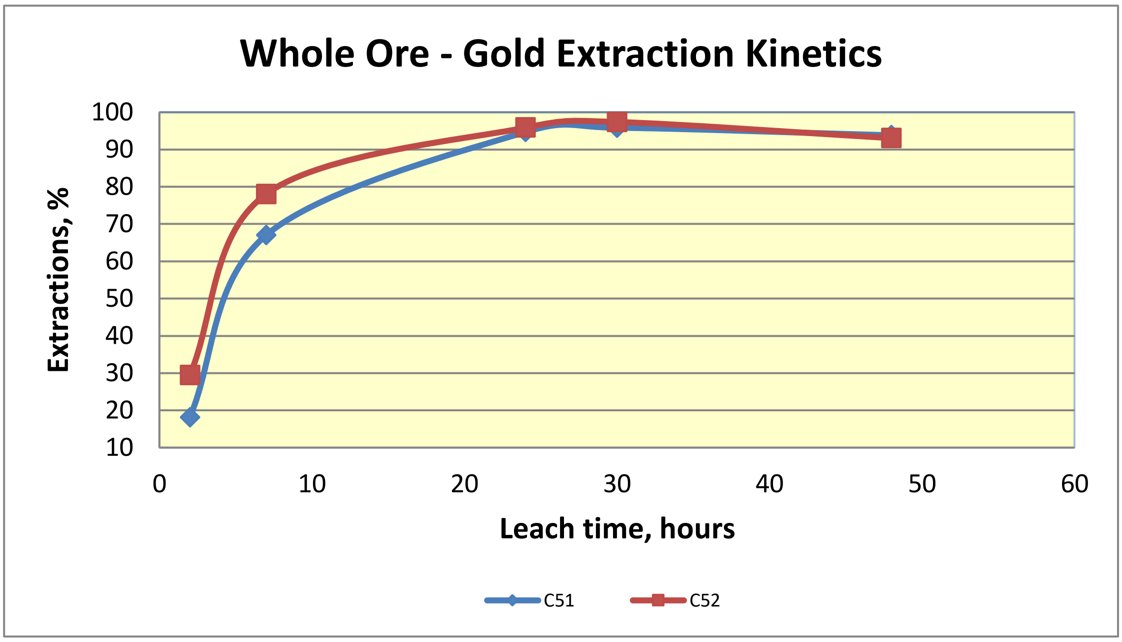
La India North Variability Composites

The results of standard and CIL cyanidation tests conducted on La India North variability composites VC1 and VC2 are shown in Table 13-19. Standard cyanidation resulted in 93.8% gold extraction from variability composite VC1 and 93.1% gold extraction from variability composite VC2. The average gold extraction for the two composites was 93.5. It can also be observed that standard cyanidation and CIL cyanidation test procedures yielded very similar results, further demonstrating that preg-robbing is likely not going to be a problem. Figure 13-2 shows the leach kinetics for the two standard cyanidation tests, which suggests that 30 hours of leach retention time is sufficient.

Table 13-19: La India North Variabiltiy composites summary of standard and CIL cyanidation results

Test No	La India North Variability Composites	Test Type	P80 µm	NaCN (g/L)	Calculated Head Au (g/t)	Calculated Head Ag (g/t)	Extraction Au (%)	Extraction Ag (%)	Consumption (kg/t) NaCN	Consumption (kg/t) $Ca(OH)_2$
C51	VC1	Standard	72	0.50	8.6	9.5	93.8	77.3	1.21	1.0
C52	VC2	Standard	82	0.50	3.2	11.1	93.1	55.9	1.11	0.9
CIL10	VC1	CIL	73	0.50	7.1	9.4	93.8	73.3	1.53	1.0
CIL11	VC2	CIL	80	0.50	3.0	11.4	92.4	65.0	1.44	0.9

Source: Inspectorate 2013

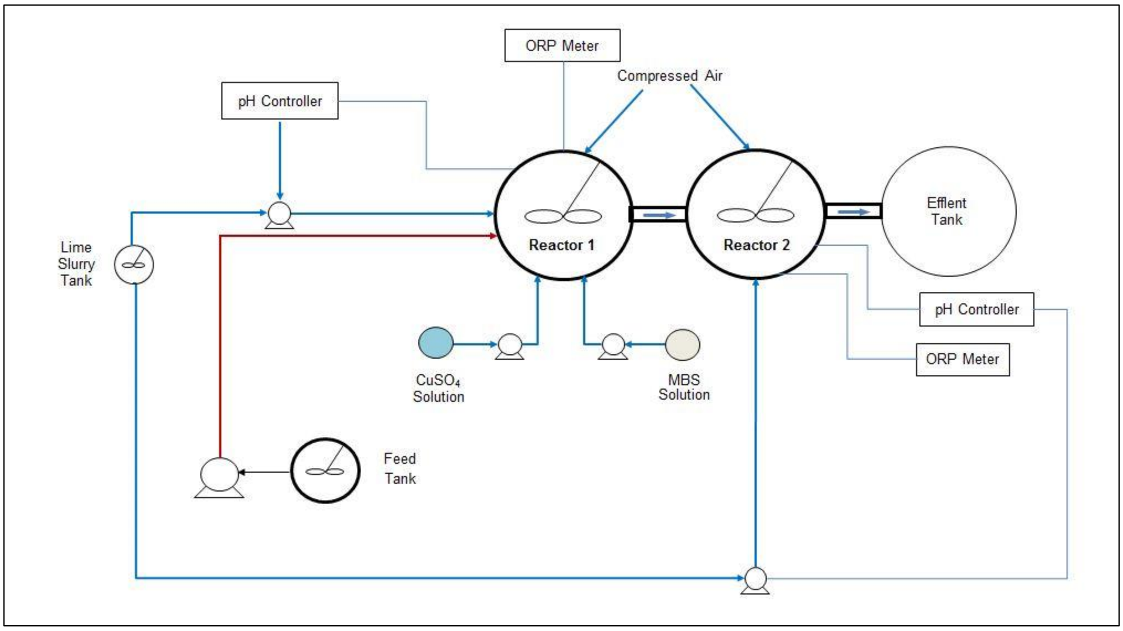


Source: Inspectorate 2013

Figure 13-11: La India North Variability composites gold extraction versus leach retention time

Cyanide Detoxification

Three large CIL tests were conducted on each of the three La India master composite samples to produce enough feed for continuous cyanide detoxification studies. The SO_2/air cyanide detoxification process was simulated in a batch mode and switched to continuous mode after two hours. During the cyanide destruction tests, a total cyanide (CN_{total}) concentration of <1 ppm CN_{total} in the effluent was targeted. Standard free-CN titrations were performed to follow progress at regular intervals. Detailed analysis of the final products indicated that <0.2 mg/L of CN_{total} and <0.1 mg/L CNWAD (Weak Acid Dissociable) in the effluent were achieved on all three La India master samples. A schematic of the detoxification test flowsheet is shown in Figure 13-12 and Table 13-20 provides a summary of the test results for each of the La India composites. These tests indicated that about 6 g SO_2/g CN_{total} and about 0.9 g $CuSO_4$/g CN_{total} are sufficient to detoxify the cyanide to normally acceptable levels. Multi-element analyses for the effluent from each of the detoxification test are provided in Table 13-21.



Source: Inspectorate 2013

Figure 13-12: Schematic cyanide detoxification flowsheet

Table 13-20: Effluent cyanide speciation analysis following detoxification

Composite	TCN- mg/L	FreeCN- mg/L	(WAD)CN- mg/L	CNO- mg/L	SCN- mg/L	SO4-2 mg/L
La India North Master Comp.	0.14	<0.05	0.06	173	5	2174
La India Central Master Comp.	0.18	<0.05	0.05	206	4	1802
La India South Master Comp.	0.18	<0.05	0.05	161	4	1186

Source: Inspectorate 2013

Table 13-21: Multi-element analyses of detoxification supernatant

Elements	Units	Sample ID			Analytical Method
		La India North Supernatant	La India Central Supernatant	La India South Supernatant	
TCN-	mg/L	0.14	0.18	0.18	ICP
FreeCN-	mg/L	<0.05	<0.05	<0.05	Env
(WAD)CN-	mg/L	0.06	0.05	0.05	Env
CNO-	mg/L	173	206	161	4500-CN-I
SCN-	mg/L	5	4	4	Env
SO4-2	mg/L	2174.36	1802.03	1185.58	Env
Ag	mg/L	<0.00002	0.010	0.010	ICPMS
Al	mg/L	<0.002	0.07	0.04	ICPMS
As	mg/L	0.04	0.04	0.05	ICPMS
B	mg/L	<0.02	0.02	0.02	ICPMS
Ba	mg/L	0.08	0.10	0.11	ICPMS
Be	mg/L	<0.001	<0.001	<0.001	ICPMS
Bi	mg/L	<0.001	<0.001	<0.001	ICPMS
Ca	mg/L	345.68	245.35	112.45	ICPMS
Cd	mg/L	<0.00005	<0.00005	<0.00005	ICPMS
Co	mg/L	0.03	0.09	0.04	ICPMS
Cr	mg/L	0.01	0.01	<0.001	ICPMS
Cu	mg/L	0.06	0.11	0.06	ICPMS
Fe	mg/L	<0.03	0.06	0.03	ICPMS
Ga	mg/L	<0.0001	<0.0001	<0.0001	ICPMS
Hg	mg/L	0.01	0.04	0.45	ICPMS
K	mg/L	32	43	33	ICPMS
Li	mg/L	0.03	0.04	0.03	ICPMS
Mg	mg/L	7.7	5.8	4.2	ICPMS
Mn	mg/L	0.1	0.03	0.05	ICPMS
Mo	mg/L	0.11	0.27	0.14	ICPMS
Na	mg/L	785	754	574	ICPMS
Ni	mg/L	0.02	0.02	0.01	ICPMS
P	mg/L	<0.3	<0.3	<0.3	ICPMS
Pb	mg/L	<0.0001	<0.0001	<0.0001	ICPMS
Sb	mg/L	0.04	0.05	0.02	ICPMS
Se	mg/L	0.07	0.09	0.05	ICPMS
Sc	mg/L	0.01	0.01	0.01	ICPMS
Si	mg/L	10.99	14.31	9.69	ICPMS
Sn	mg/L	<0.002	<0.002	<0.002	ICPMS
Sr	mg/L	0.95	0.57	0.41	ICPMS
Ti	mg/L	0.01	0.01	<0.01	ICPMS
Tl	mg/L	<0.0002	<0.0002	<0.0002	ICPMS
V	mg/L	0.01	0.02	0.01	ICPMS
Zn	mg/L	<0.001	<0.001	<0.001	ICPMS

Source: Inspectorate 2013

13.3 2019 Metallurgical Program

A metallurgical program was conducted in 2019 at SGS Lakefield on six master composites and four variability composites from the La India Project. The purpose of the program was to conduct additional comminution studies to validate earlier test results and confirm gold and silver extractions using the optimised test conditions that had been previously established. Samples were received at the SGS Lakefield on 30 August 2019, a listing of the samples received is shown in Table 13-22. The master composites were formulated from ¼ HQ core to represent the following deposit areas or lithologies:

- La India North,
- La India Central,
- America – Breccia,

- America – Vein,
- Mestiza – North,
- Mestiza – South.

The variability composites were formulated from ¼ HQ core to represent the breccia and vein lithologies in both La India North and La India Central.

Table 13-22: Condor 2019 metallurgical program test samples

Sample Name	Drum No.	Weight, kg
6 Metallurgical Master Composites		
#1) La India – North Sample - Sample 71667	8	61.5
#2) La India – Central -Sample 71664	5	56.0
#3) America – Breccia - Sample 71662	4	55.0
#4) America – Vein - Sample 71663	3	55.5
#5) Mestiza – North - Sample 71661	2	56.0
#6) Mestiza - South - Sample 71660	1	56.8
4 Comminution Variability Composites		
VAR #1) La India Breccia – North - Sample 71669	10	62.8
VAR #2) La India Vein – North - Sample 71668	9	53.1
VAR #3) La India Breccia – Central - Sample 71666	7	52.7
VAR #4) La India Vein – Central - Sample 71665	6	54.6

Source: SGS 2019

13.3.1 Test Sample Locations

The drillholes and core intervals selected to formulate each of the master and variabity test composites are shown in Table 13-23 and Table 13-24.

Table 13-23: Master composite drillholes and intervals

Composite	Drillhole	Interval (m)	
		From	To
La India - North	LIDC 173	92.85	94.00
	LIDC 2898	120.10	148.55
	LIDC 210	47.85	51.85
	LIDC 265	20.10	27.45
	LIDC 308	221.80	225.40
	LIDC 230	130.10	139.15
	LIDC 223	67.60	70.80
La India - Central	LIDC 311	197.00	213.85
	LIDC 307	202.10	217.20
	LIDC 186	72.85	74.40
	LIDC 277	144.40	146.30
	LIDC 301	89.60	91.50
	LIDC 296	98.00	99.60
America - Breccia	LIDC 203	35.65	36.20
	LIDC 283	72.40	74.50
	LIDC 287	53.90	56.10
	LIDC 184	41.45	42.20
	LIDC 216	112.80	114.60
	LIDC 194	48.70	49.80
	LIDC 194	56.10	57.10
	LIDC 273	139.85	142.00
	LIDC 090	40.03	46.50
	LIDC 094	66.55	72.00
	LIDC 026	9.80	10.90
	LIDC 026	42.15	44.35
America - Vein	LIDC 222	161.00	167.80
	LIDC 275	2.70	13.10
	LIDC 275	58.10	62.00
	LIDC 280	83.55	84.73
	LIDC 280	145.85	154.20
	LIDC 211	174.00	192.80
	LIDC 298	162.75	165.05
	LIDC 024	45.95	47.95
	LIDC 027	28.80	30.00
Mestiza - North	LIDC 355	149.70	150.60
	LIDC 368	198.55	200.90
	LIDC 365	142.60	146.20
	LIDC 366	39.80	41.70
	LIDC 366	181.70	182.75
	LIDC 372	26.30	26.80
	LIDC 356	90.00	94.25
	LIDC 357	172.90	175.90
	LIDC 359	83.90	85.60
	LIDC 362	172.50	174.90
Mestiza - South	LIDC 348	91.00	93.65
	LIDC 367	85.70	87.70
	LIDC 347	78.30	81.20
	LIDC 360	40.30	43.40
	LIDC 346	83.80	86.85
	LIDC 354	141.20	143.60
	LIDC 343	90.30	91.80
	LIDC 345	129.60	133.00
	LIDC 371	196.70	197.50
	LIDC 344	76.70	80.00

Source: Condor Gold 2019

Table 13-24: Variability composite drillholes and intervals

Composite	Drillhole	Interval (m)	
		From	To
La India North - Breccia	LIDC 313	143.70	145.10
	LIDC 170	114.90	123.90
	LIDC 175	151.40	158.50
	LIDC 167	151.80	154.10
	LIDC 167	121.25	122.90
	LIDC 217	114.05	129.90
La India North - Vein	LIDC 173	81.80	87.70
	LIDC 210	64.10	67.90
	LIDC 210	36.50	38.40
	LIDC 170	98.10	107.10
	LIDC 230	130.10	139.15
	LIDC 223	72.30	73.05
La India Central - Breccia	LIDC 239	19.70	31.10
	LIDC 176	7.80	24.70
	LIDC 241	31.70	33.65
	LIDC 209	73.40	74.70
	LIDC 296	133.20	134.80
La India Central - Vein	LIDC 161	138.20	140.70
	LIDC 220	185.10	188.90
	LIDC 153	138.70	143.50
	LIDC 317	141.70	146.90
	LIDC 251	193.55	195.20
	LIDC 113	198.50	204.00
	LIDC 186	129.40	132.27
	LIDC 186	85.60	87.60
	LIDC 303	114.80	119.40
	LIDC 074	143.00	145.40
	LIDC 202	64.75	66.15
	LIDC 209	66.70	69.55
	LIDC 296	141.10	142.69

Source: Condor Gold 2019

13.3.2 Head Analyses

Head analyses for key elements in the master composites are shown in Table 13-25. Gold grades ranged from 1.61 to 12.7 g/t Au and silver grades ranged from 5.1 to 19.3 g/t Ag. It is noted that the calculated gold grade (from metallurgical testwork) for the La India Central master composite averaged 12.1 g/t Au versus the direct gold assay of 2.25 g/t Au. Given the sample size and multiple metallurgical tests, the calculated gold assays are considered more reliable. Total sulfur and sulphide sulfur are very low in the the test samples indicating minor sulphide mineralisation. Mercury, copper, arsenic and organic carbon are low indicating that these elements will not present metallurgical problems during processing.

Head analyses for the variability composites are shown in Table 13-26. Gold grades ranged from 0.95 to 6.18 g/t Au and silver grades ranged from 2.0 to 10.0 g/t Ag. Mercury, copper and arsenic were also low in the variability composites.

Table 13-25: Master composites head analyses

Element	La India North	La India Central	America Breccia	America Vein	Mestiza North	Mestiza South
Au (g/t)	1.61	2.25	2.36	7.47	2.46	12.7
Au (g/t) Calc	2.71	12.1	3.99	7.31	2.96	9.8
Ag (g/t)	6.1	8.8	2.6	19.0	6.8	20.5
Ag (g/t) Calc	5.1	12.8	6.9	19.1	6.5	19.3
S (%)	0.06	0.04	< 0.01	0.01	< 0.01	< 0.01
$S^{=}$ (%)	< 0.05	< 0.05	< 0.05	< 0.05	< 0.05	< 0.05
Hg (ppm)	<0.3	<0.3	<0.3	<0.3	<0.3	<0.3
Corg (%)	0.07	0.09	0.09	0.05	0.09	0.11
Cu (ppm)	26.7	42.2	81.7	43.4	24.6	38.7
As (ppm)	< 50	< 50	< 50	< 50	< 50	< 50

Source: SGS 2019

Table 13-26: Variabilty composites head analyses

Element	La India North Breccia	La India North Vein	La India Central Breccia	La India Central Vein
Au (g/t)	0.95	3.08	3.75	6.18
Ag (g/t)	2.0	5.3	13.9	10.0
Hg (ppm)	<0.3	<0.3	<0.3	<0.3
Cu (ppm)	30.9	33	32.9	33.4
As (ppm)	< 50	< 50	< 50	< 50

Source: SGS 2019

13.3.3 Comminution Studies

Comminution testwork was conducted on the master composites and the variability composites and included SMC, BWi and Ai determinations. The results of these tests are summarised in Table 13-27. The SMC test results, as expressed by A x b, ranged from 34.2 to 65.1 for the master composites and averaged 35.5 for the La India master composites, 46.6 for the America master composites and 54.8 for the Mestiza master composites. The A x b value for the La India variability composites ranged from 35.2 to 51.2 and averaged 44.4. It should be noted that the lower the A x b number the more resistant the ore is to SAG mill grinding.

The BWi ranged from 19.4 to 24.0 kWh/t for the master composites and averaged 23.5 kWh/t for the La India master composites, 21.4 kWh/t for the America master composites and 19.8 kWh/t for the Mestiza master composites. The BWi for the La India variability composites ranged from 21.5 to 25.7 kWh/t and averaged 24.0 kWh/t. All composites are classified as very hard with respect to resistance to ball mill grinding.

The Ai ranged from 0.587 to 1.119 for the master composites and averaged 1.084 for the La India master composites, 0.776 for the America master composites and 0.689 for the Mestiza master composites. The Ai for the La India variability composites ranged from 0.871 to 1.185 and averaged 0.996. All composites are classified as very abrasive, which is indicates that consumption of wear liners and grinding media will be high.

Table 13-27: Summary comminution test results

Composite	S.G.	JK Parameters			BWI	Ai
		A x b	Ta	SCSE	(kWh/t)	(g)
Master Composites						
La India North	2.56	36.8	0.37	10.0	24.0	1.119
La India Central	2.57	34.2	0.34	10.4	22.9	1.049
Average	**2.57**	**35.5**	**0.36**	**10.2**	**23.5**	**1.084**
America Breccia	2.42	54.2	0.58	8.5	20.7	0.580
America Vein	2.49	39.0	0.41	9.8	22.1	0.972
Average	**2.46**	**46.6**	**0.50**	**9.2**	**21.4**	**0.776**
Mestiza North	2.51	44.4	0.46	9.2	20.1	0.791
Mestiza South	2.32	65.1	0.73	8.1	19.4	0.587
Average	**2.42**	**54.8**	**0.60**	**8.7**	**19.8**	**0.689**
Variabilty Composites						
La India North Breccia	2.51	45.6	0.47	9.1	25.7	1.036
La India North Vein	2.50	45.6	0.47	9.1	25.0	0.871
La India Central Breccia	2.95	51.2	0.45	9.3	21.5	0.893
La India Central Vein	2.54	35.2	0.36	10.2	23.8	1.185
Average	**2.63**	**44.4**	**0.44**	**9.4**	**24.0**	**0.996**

Source: SGS 2019

13.3.4 Metallurgical Studies

Whole-ore cyanidation tests were conducted on each master composite to evaluate grind sizes of 80% passing (P80) 150, 105 and 75 µm. The cyanidation tests were conducted using the optimized leach conditions that were established during the 2013 metallurgical program and included:

- Cyanide concentration: 0.5 g/L NaCN
- PH: 10.5-11 (maintained with lime)
- Slurry density: 45% solids (w/w)
- Retention time: 48 hours (sub-sampling at 2, 6, 12, 24 and 30 hours)

The results of the cyanidation tests on each master composite are summarised in Table 13-28. In all cases, gold extraction increased as the grind size became finer. At the P80 75 µm target grind gold extraction from the La India North and La India Central master composites ranged from 89.2% to 96.2% and averaged 92.7%. At the same target grind size, gold extraction from the America Breccia and America Vein master composites ranged from 87.2% to 97.2% and averaged 92.2%. Gold extractions from the Mestiza North and Mestiza South master composites were 97.1% and 97.8%, respectively, and averaged 97.5%.

At the P80 75 µm target grind, silver recovery ranged from 62.1% to 77.0% and averaged 75.3% for the La India master composites, 63.4% for the America master composites, and 69.3% for the Mestiza master composites. It is noted that the gold and silver grades of the composites tested during the 2019 metallurgical program were generally higher than than the 2013 metallurgical program and higher than planned ore mined grades. A review of reported gold extractions (2013 and 2019 metallurgical programs) over a range of grades indicates that the percent gold extraction by cyanidation under the optimized test conditions is generally independent of ore grade.

Table 13-28: Master composites summary of whole-ore cyanidation tests versus grind

Master Composite	Grind	Calc Head (g/t)		Extraction (%)		Reagent Cons. (kg/t)	
	P80 µm	Au	Ag	Au	Ag	NaCN	CaO
La India North	144	2.71	5.0	82.1	65.9	0.47	0.72
La India North	97	2.66	5.1	87.4	74.3	0.66	0.80
La India North	74	2.77	5.3	89.2	73.6	0.69	1.06
La India Central	167	9.81	11.9	90.7	73.1	0.24	0.76
La India Central	94	12.60	12.5	94.1	77.6	0.62	0.73
La India Central	69	13.80	13.9	96.2	77.0	0.71	0.98
America Breccia	121	3.95	5.9	93.6	64.4	0.64	1.47
America Breccia	90	4.03	8.8	95.3	45.5	0.56	1.47
America Breccia	60	4.00	6.1	97.2	63.6	1.25	1.54
America Vein	134	7.30	18.3	81.1	57.4	0.49	1.01
America Vein	99	7.22	19.6	84.4	60.1	0.67	1.10
America Vein	67	7.42	19.3	87.2	63.2	0.87	1.14
Mestiza North	143	2.97	6.2	95.3	74.2	0.19	1.57
Mestiza North	99	3.03	6.6	96.5	71.1	0.18	1.61
Mestiza North	70	2.89	6.8	97.1	76.6	0.36	1.71
Mestiza South	126	9.68	18.8	95.8	57.5	0.34	1.98
Mestiza South	91	9.73	19.5	94.4	59.0	0.28	2.04
Mestiza South	68	10.00	19.5	97.8	62.1	0.45	2.16

Source: SGS 2019

13.4 Summary (2013 and 2019 Test Programs)

13.4.1 Comminution Summary

The comminution and whole-ore cyanidation test results reported for the 2013 and and 2019 are compared and summarised in this section. Table 13-29 provides a comparison of the 2013 and 2019 comminution test results. In 2013, SMC tests were conducted only on the La India master composites and the reported A x b values ranged from 33.8 to 39.8 and averaged 36.8. During the 2019 test program, SMC tests were conducted on La India master and variability composites and the reported A x b values ranged from 34.2 to 51.2 and averaged 41.5. The average A x b value for La India test composites during both the 2013 and 2019 test programs was 39.1.

No SMC tests were conducted on America and Mestiza composites in 2013. During the 2019 test program, the SMC A x b value for the America composites ranged from 39.0 to 54.2 and averged 45.6. The SMC A x b value for the Mestiza composites ranged from 44.4 to 65.1 and averaged 54.8. An SMC A x b value of 40 was used in the design of the comminution circuit developed for the 2014 PFS and remains valid based on the results of additional testing and the high proportion of ore contributed from the La India deposit area. It does appear, however, that both the America and Mestiza composites are somewhat less resistant to SAG mill comminution.

In 2013, BWi tests were conducted La India master and variability composites and the reported BWI values ranged from 19.9 to 21.9 kWh/t and averaged 20.6 kWh/t. During the 2019 test program, six BWi tests were conducted on La India master and variability composites and the BWI values ranged from 21.5 to 25.0 kWh/t and averaged 23.8 kWh/t. The average BWi value for La India test composites during both the 2013 and 2019 test programs was 22.2 kWh/t.

No BWi tests were conducted on America and Mestiza composites in 2013. During the 2019 test program, the BWi values for the America composites ranged from 20.7 to 22.1 kWh/t and averaged 21.4 kWh/t. The BWi value for the Mestiza composites ranged from 19.4 to 20.1 kWh/t and averaged 19.8 kWh/t. A BWi value of 21.9 kWh/t was used in the design of the comminution circuit developed for the 2014 PFS and remains valid based on the results of additional testing. Although the America and Mestiza composites appear to be somewhat less resistant to ball mill comminution than the La India composites, they are both classified as very hard.

Abrasion indices tests were conducted on the La India North and Central master composites during the 2013 metallurgical program. The reported Ai values ranged from 1.036 to 1.133 and averaged 1.085, which classifies the ore as extremely abrasive. During the 2019 test program, six additional Ai tests were conducted on La India master and variability composites. The reported Ai values ranged from 0.871 to 1.185 and averaged 1.026, confirming that the La India ore is extremely abrasive. Ai tests on the America composites ranged fro 0.580 to 0.972 and averaged 0.776 and the the Ai tests on the Mestiza test composites ranged from 0.587 to 0.791 and averaged 0.689. Although somewhat less abrasive than La India, both America and Mestiza ores would still be classified as highly abrasive. An Ai value of 1.08 was used in the 2014 PFS to assess wear material requirements and associated operating costs and remains valid based on the results of additional testing.

Table 13-29: Comparison of 2013 and 2019 Comminution Test Results

Composite	2013			2019			Average 2013 and 2019		
	A x b	BWi (kWh/t)	Ai (g)	A x b	BWi (kWh/t)	Ai (g)	A x b	BWi (kWh/t)	Ai (g)
La India									
North-Master	39.8	21.9	1.036	36.8	24.0	1.119			
North Variability Comp		20.7		45.6	25.7	1.036			
North Variability Comp		20.8		45.8	25.0	0.871			
Central-Master	33.8	20.2	1.133	34.2	22.9	1.049			
Central Variability Comp		19.9		51.2	21.5	0.893			
Central Variability Comp		20.0		35.2	23.8	1.185			
Average	**36.8**	**20.6**	**1.085**	**41.5**	**23.8**	**1.026**	**39.1**	**22.2**	**1.055**
America									
Breccia				54.2	20.7	0.580	54.2	20.7	0.580
Vein				39.0	22.1	0.972	39.0	22.1	0.972
Average				**46.6**	**21.4**	**0.776**	**46.6**	**21.4**	**0.776**
Mestiza									
North				44.4	20.1	0.791	44.4	20.1	0.791
South				65.1	19.4	0.587	65.1	19.4	0.587
Average				**54.8**	**19.8**	**0.689**	**54.8**	**19.8**	**0.689**

Source: Inspectorate 2013 and SGS 2019

13.4.2 Whole Ore Cyanidation Summary and Recovery Estimate

Whole ore cyandidation test results from both the 2013 and 2019 metallurgical test programs under optimized test conditions are summarized in Table 13-30. Gold extraction from the La India test composites averaged 92.6% during the 2013 program and 92.7% during the 2019 program, averaging 92.6% overall. Silver extraction averaged 72.0% and 75.3%, respectively, and averaged 73.7% overall.

Gold extraction from the America test composites averaged 96.8% during the 2013 program and 92.2% during the 2019 program, averaging 94.5% overall. Silver extraction averaged 72.3% and 63.4%, respectively, and averaged 67.9% overall.

Gold extraction from the Mestiza test composite was 97.7% during the 2013 program and averaged 97.5% during the 2019 program, averaging 97.6% overall. Silver extraction averaged 87.9% and 69.4%, respectively, and averaged 78.6% overall.

Gold extraction from the Central Breccia test composite was 88.9% during 2013 and silver extraction was 55.4%. No testwork was conducted on the Central Breccia deposit during 2019. Testwork on the Central Breccia deposit has been conducted only at a scoping level of evaluation.

In order to estimate achievable gold and silver recovery, SRK has adjusted overall average gold and silver extractions by 2% and 4%, respectively, in order to account for inherent plant inefficiencies. On this basis, average gold and silver recoveries are estimated for each deposit area, as presented in Table 13-30.

Table 13-30: Summary of metal extractions and estimated recoveries from 2013 and 2019 metallurgical programs

Mine Area	2013 Metallurgy Extraction (%)		2019 Metallurgy Extraction (%)		Average 2013 and 2019 Extraction (%)		Average 2013 and 2019 Estimated Recovery (%) [1]	
	Au	Ag	Au	Ag	Au	Ag	Au	Ag
La India								
North	91.6	68.1	89.2	73.6				
Central	93.5	75.9	96.2	77.0				
Average	**92.6**	**72.0**	**92.7**	**75.3**	**92.6**	**73.7**	**91**	**70**
America								
Escondida	96.2	86.7						
Old Workings	97.4	57.9						
Breccia			97.2	63.6				
Vein			87.2	63.2				
Average	**96.8**	**72.3**	**92.2**	**63.4**	**94.5**	**67.9**	**93**	**64**
Mestiza								
Mestiza	97.7	87.9						
Mestiza North			97.1	76.6				
Mestiza South			97.8	62.1				
Average	**97.7**	**87.9**	**97.5**	**69.4**	**97.6**	**78.6**	**96**	**75**
Central Breccia								
Central Breccia	**88.9**	**55.4**			**88.9**	**55.4**	**87**	**51**

Source: SRK 2013 and SGS 2019

[1] Gold extraction is reduced by 2% and silver extraction is reduced by 4 % to allow for inherent plant inefficiencies

14 MINERAL RESOURCE ESTIMATION

14.1 Introduction

The MRE presented here is based on some 75,100 m of drilling, 19,136 m of trench sampling and over 9,000 original underground mine grade control channel samples on 9 veins within the La India Project area. The effective date of the Mineral Resource statement is 25 January 2019.

In comparison to the previous September 2014 MRE, this updated MRE is based on the following additions to the drillhole database and associated updates to the geological models:

- 5,895 m drilling for 42 drillholes on Mestiza Prospect;
- 1,607 m drilling for five drillholes at the La India deposit; and,
- 720 m drilling for four drillholes on the Cacao Prospect.

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the MRE reported herein is a reasonable representation of the global Mineral Resources (both globally and locally representative for the La India deposit) found in the Project at the current level of sampling. The Mineral Resource has been reported in accordance with the CIM Code.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves.

The database used to estimate the Project Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for gold mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

Leapfrog Modelling software ("Leapfrog") was used to construct the geological solids, whilst Datamine Studio Studio Versions 3 ("Datamine") was used to prepare assay data for geostatistical analysis, construct the block model, estimate metal grades and tabulate the resultant Mineral Resources. ISATIS software ("Isatis") was used for geostatistical analysis and variography. The Mestiza block model has been produced using Datamine Studio RM, with Snowden Supervisor used for the geostatistical analysis and validation.

14.2 Resource Estimation Procedures

The resource estimation methodology involved the following procedures:

- database compilation and verification;
- construction of wireframe models for the centrelines of mining development per vein;
- definition of resource domains;
- data conditioning (compositing and capping) for statistical analysis, geostatistical analysis;
- variography;
- block modelling and grade interpolation;
- resource classification and validation;

- assessment of “reasonable prospects for economic extraction” and selection of appropriate reporting cut-off grades; and
- preparation of the Mineral Resource Statement.

14.3 Resource Database

SRK was supplied with a Microsoft Excel Database, which has been exported from the Company’s (DataShed) database. Gold grade assays are provided for drilling, trenching and underground channel samples, with silver assays restricted to drilling and trenching programs, based on exclusion of silver from the historical underground channel sampling assay protocols. The new drillhole data supplied for the January 2019 MRE update had an effective cut-off date of 10 October 2018. Separate files were supplied for the drilling, trench and underground sampling programs. The database has been reviewed by SRK and imported into Datamine to complete the Mineral Resource Estimate. SRK is satisfied with the quality of the database for use in the construction of the geological block model and associated Mineral Resource Estimate.

SRK has been working with the Company since 2010 when the Company acquired the Project and has continually validated the data captured as part of each Mineral Resource update conducted on the Project.

14.4 Statistical Analysis – Raw Data

A statistical analysis has been undertaken on all relevent data pertaining to the Project area. The statistical analysis was used to determine whether different geological domains could be identified. The statistical investigations included descriptive and distribution analyses and assessment of outlier statistics. Histograms and log histograms have been plotted against cumulative frequency for sample gold and (where sufficiently available) silver assays.

An initial global statistical analysis was undertaken on the raw drill data. The statistical distributions for each of the individual deposit zones display similar properties and tend towards log-normal where sufficient data populations exist, typically showing skewed (largely positive) distributions.

Global statistical analysis for gold at the La India deposit is shown for example in Figure 14-1.

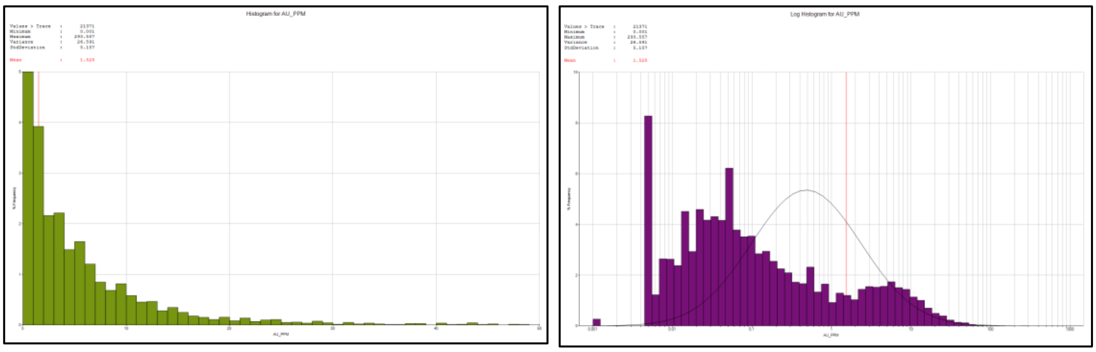


Figure 14-1: Incremental and log histogram of length weighted La India Deposit gold assays

14.5 Deposit Modelling

14.5.1 Introduction

All electronic data was initially imported into Leapfrog for visual validation against the topography, and preliminary review in plan and section.

The focus of the geological modelling for the January 2019 Mineral Resource update was to update the Mestiza model where most of the new drilling was located. Minor updates were also completed to the La India/ California ("La India") and Cacao deposits where new drilling information was added at depth.

The geological units modelled/ refined for the January 2019 update were:

- mineralised structures at Mestiza and Cacao Prospects;
- high-grade "core" mineralisation at La India; and
- lower-grade wall-rock mineralisation at La India.

SRK was provided with updated geological (wireframe surface) interpretations by the Company for the Mestiza deposit which consisted of interpreted hangingwall and footwall contacts. Additionally, Condor supplied wireframe interpretations for use in down-dip projection areas of the La India mineralisation to assist with guiding the geological model updates for the January 2019 Mineral Resource estimate.

14.5.2 Geological Wireframes

Fault Network

A fault network for the La India deposit has been interpreted by SRK in conjunction with Condor's geological staff using a combination of surface mapping, topographic contours, core logging and core photographs. The structural model, which has been reviewed by the Company, has been used to guide step-across or offset features in the mineralisation domains, and help determine changes in the dip of the hanging wall mineralisation.

Oxidation Surface

The base of oxidation ("completely weathered base") surface at La India was constructed based on borehole logging provided by the Company.

Fresh Surface

The top of fresh ("moderately weathered base") surface at La India was constructed based on borehole logging provided by the Company.

14.5.3 Mineralisation Wireframes

The broad modelling criteria used to identify (gold) mineralised structures utilises a gold cut-off grade of 0.5 g/t Au with a minimum thickness of 0.5 m (producing a cut-off grade of 0.25 g/t Au over 1.0 m). Domain boundaries are further guided by geological logging ("XVN" and "ZXU" or "XVB" representing vein and breccia respectively), whereby 0.2-0.3 g/t Au material is included where the geological structure is evident (based on logging codes).

High-Grade "Core" Mineralisation

The high-grade "core" (HGC) mineralisation is primarily defined by:

1. Historical underground channel samples that were collected at 6 foot (approximately 2 m) intervals along the levels and raises surrounding the material that was planned for extraction by stoping.

2. Interpreted as the high-grade vein material intersected by drilling at or near the expected location of the historical mine workings.

3. Mining voids intersected by drilling at or near the expected location are interpreted as drives or stopes. (across a series of strike and dip extensive quartz veins), interpreted to represent the historically mined portion of the structure.

Interpretation of the HGC structure in areas of mining development is relatively clear given the abundance of channel samples, mine voids in borehole logs and development surveys, whereas in areas of less densely spaced sampling (for example down-dip of the mine) a greater consideration is required. Interpreted HGC intervals have been provided or verified (against the drillcore) by the Company geologists to prevent of misallocation of mineralised intercepts. Modelled HGC intervals were selected based on elevated gold grades, lithology logs, and historical underground maps and mine plans.

SRK created 3D vein wireframes from selected sample intercepts using the interval selection tool in Leapfrog.

Wall-Rock Mineralisation

Wall-rock ("WR") mineralisation represents both broad zones that envelope (or occur at the periphery of) the HGC, and more discontinuous lenses situated in the hanging wall and footwall. The WR is generally lower-grade and defined by logging as stacked veinlets, brecciated material, or typically short-lived quartz veins. The underground channel samples generally did not extend into the WR mineralisation.

SRK has sub-divided the WR mineralisation at La India/ California in to three separate groups on the basis of spatial location and orientation, namely structures parallel to the HGC mineralisation ("Main"), near-vertical structures in the hangingwall ("Hanging Wall"), and the brecciated zone ("Breccia Zone") intermediate to the principal NW-SE striking structures where the historical mining is interpreted to have stepped across parallel HGC zones.

SRK created 3D vein wireframes from selected sample intercepts using the interval selection tool in the Leapfrog.

An example section showing WR mineralisation encompassing a central HGC is provided in Figure 14-2.

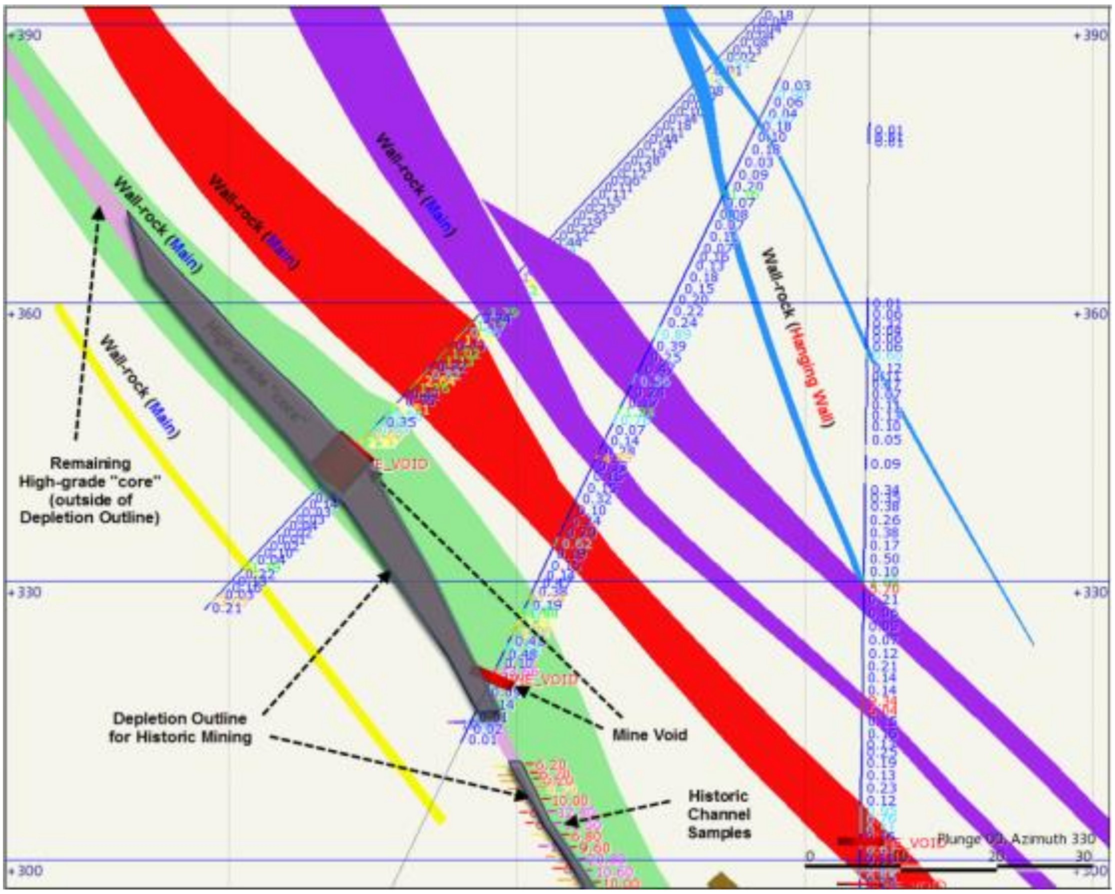


Figure 14-2: La India Deposit Cross Section 900 showing high-grade "Core" and wall-rock ("Main" and "Hanging Wall") domains with mining depletion

Vertical Vein Modelling

As discussed in Section 12.1.2 of this report, the Company in conjunction with SRK has completed a detailed geological review of the hangingwall vertical veins. Once the data were reviewed in the core, the information was interpreted taking into surface mapping and underground structural measurements (Zopilote Adit). The information was then imported into Leapfrog for preliminary analysis and geological modelling. The final reinterpretation then exported to Datamine for the purpose of estimation.

Breccia Pipe Mineralisation

The interpretation of the Central Breccia mineralisation domains was undertaken jointly by SRK and the Company and was guided through the application of implicit modelling approaches using Leapfrog 3D grade threshold interpolations (supplemented with 2D geological sections provided by the Company), for a range of grade thresholds and structural orientations and controls. This approach was used due to the difficulty in linking sectional interpretations in 3D using conventional explicit modelling methods, due to poor grade continuity of gold grades.

The selected structural orientations used to control modelling followed regional principal lineaments (NE-SW and WNW-ESE), and the most visually representative grade threshold of 0.5 g/t Au, selected to honour the grade and geological continuity within appropriate economic considerations and without introducing high levels of internal geological dilution into the model.

SRK subsequently built solid mineralisation wireframes, which were terminated at depth (towards the east) against the barren pyroclastic unit, modelled using geologically logged codes.

Further details relating to the development of modelling methodology for the mineralisation wireframes constructed for previous SRK Resource updates are provided in the SRK Resource Report entitled: NI43-101 Mineral Resource Estimate on the La India Gold Project, Nicaragua, dated 14 September 2012.

14.5.4 Mineralisation Model Coding

A summary of the key mineralisation zones versus statistical and estimation zone code and modelled wireframe name for the Project is provided in Table 14-1. KZONE refers to the estimation zone individual to each vein structure, whereas GROUP refers to the statistical zone where (following initial analysis) datasets have been combined for statistical and geostatistical procedures.

Figure 14-3 to Figure 14-10 provide images of the Mestiza, La India, America, and Central Breccia deposit interpretation and wireframes, which have been reviewed by the Company's geological team for approval and have been deemed acceptable for use in the MRE.

The modelled mineralised structures at the La India Project are geologically continuous along strike for up to 2.5 km, showing a down-dip extent that ranges from 150 m to greater than 350 m, and a thickness that commonly varies between 0.5 to 2.5 m, reaching over 5 m at America and 20 m at La India in areas of significant (wall-rock) swelling.

Table 14-1: List of Numeric Codes used within Datamine to define Estimation Zones;

Deposit sub-area	Deposit	Deposit code	KZONE	GROUP
Agua Caliente-Teresa	Teresa	1	100	1000
	Agua Caliente	2	120	-
America	America-Escondido	3	3010 - 3500	3000
	Constancia	4	2010 - 2520	2000
Arizona	Arizona	5	110	-
Buenos Aires	Buenos Aires 1 + Jicaro	6	2, 4	-
	Buenos Aires 2	6	3	-
Cacao	Cacao vein/ high grade domain	7	100	-
	Cacao grade shell/ low grade domain	7	200	-
Central Breccia	Central Breccia	8	100 - 1000	1000
Cristalito-Tatascame	Cristalito-Tatascame	9	(June 2011 estimate)	-
Espinito	Espinito	10	100	-
Guapinol	Guapinol	11	110	-
La India	La India/ California (Main)*	12	110 - 329	1000
	La India/ California (Hanging wall)	12	410 - 530	2000
	La India/ California (Breccia zone)	12	610 - 650	3000
San Lucas	San Lucas	13	110	-
Tatiana	Tatiana main vein	14	1	-

**Note the HGC mineralisation at La India/ California is included within the "Main" domain, namely GROUP 1000*

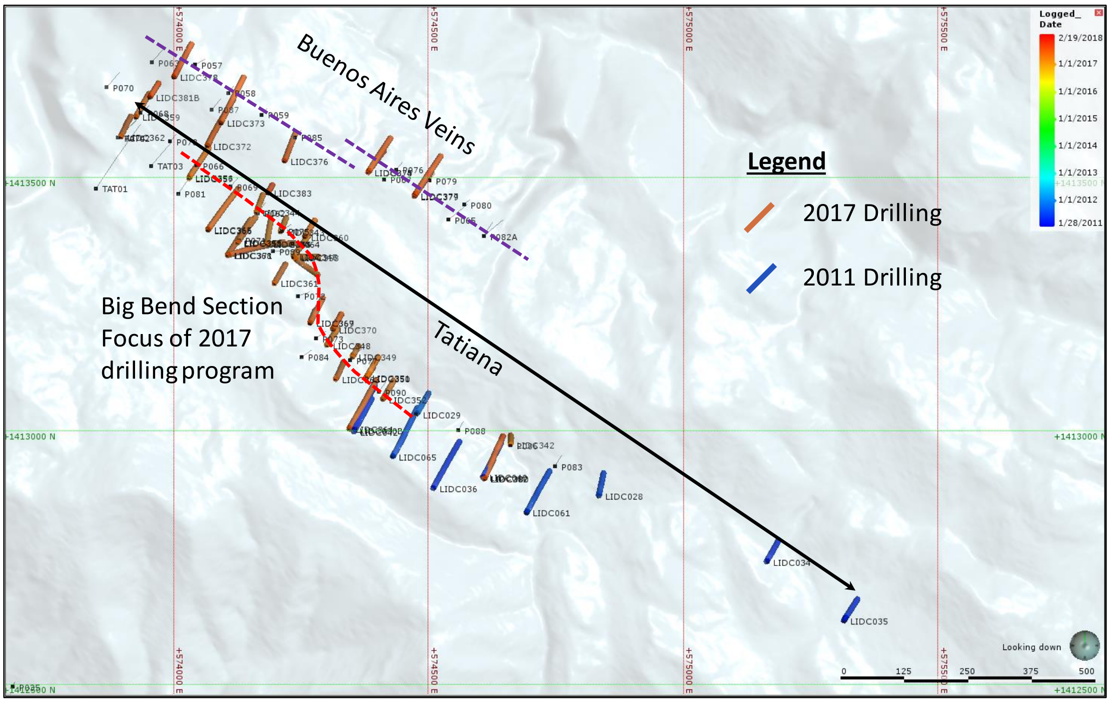
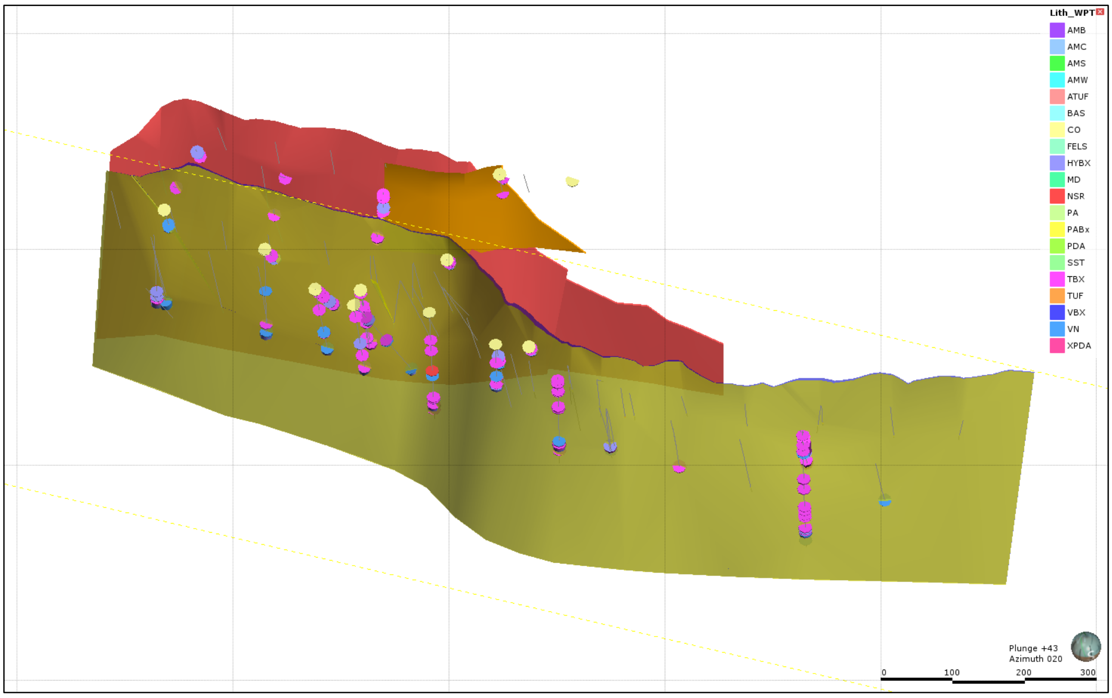


Figure 14-3: Plan view of the interpreted "Big-Bend" on the (Mestiza) Tatiana vein, considered to host the best potential for higher grades



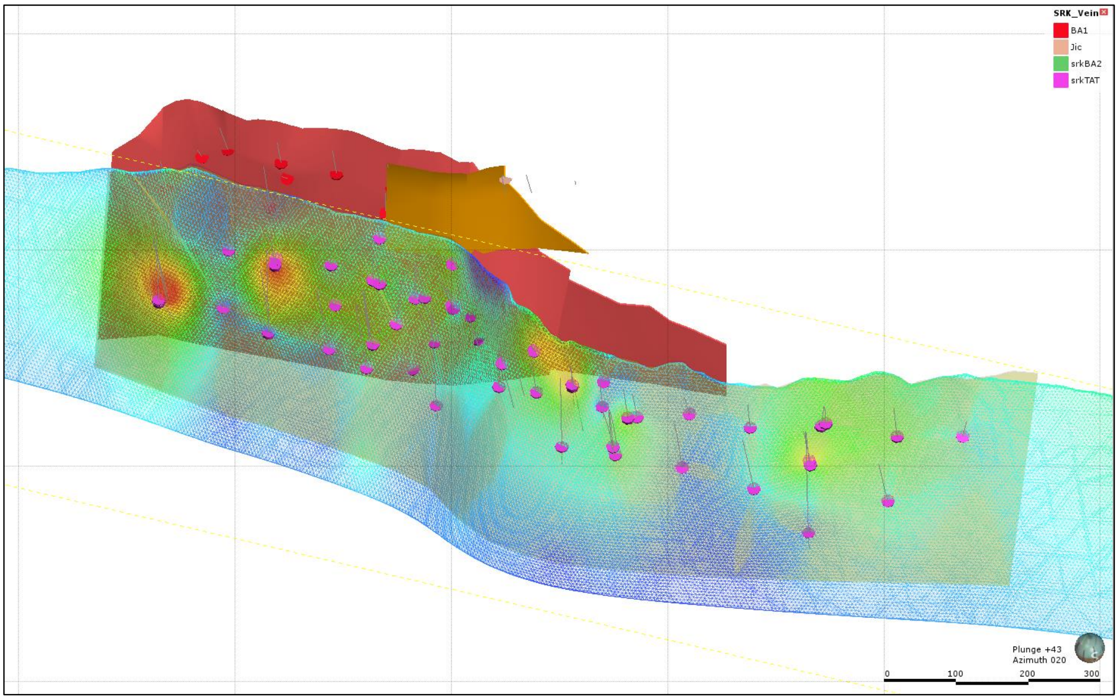


Figure 14-4: 3D View of Condor Gold Interpretation of Intersections and Hangingwall/Footwall Contact Surfaces (top) and SRK Interpretation and Selected Tatiana Intersections Colored By Vein Thickness (bottom) at the Mestiza Prospect

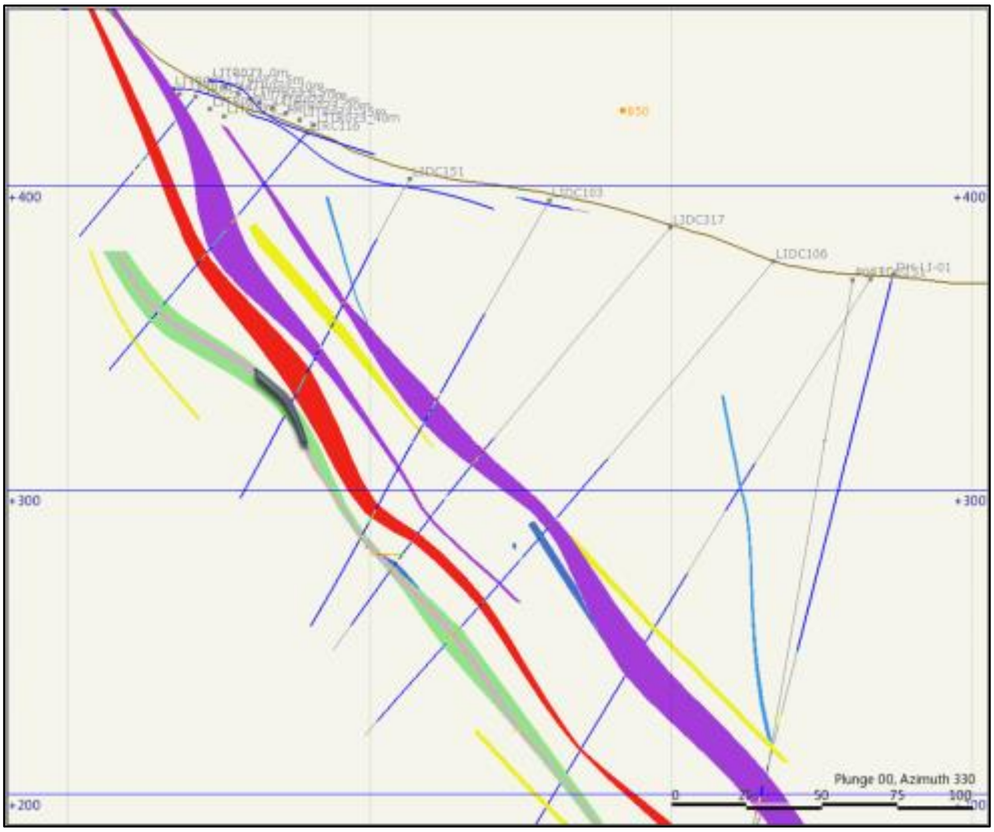


Figure 14-5: La India Deposit Cross Section 850

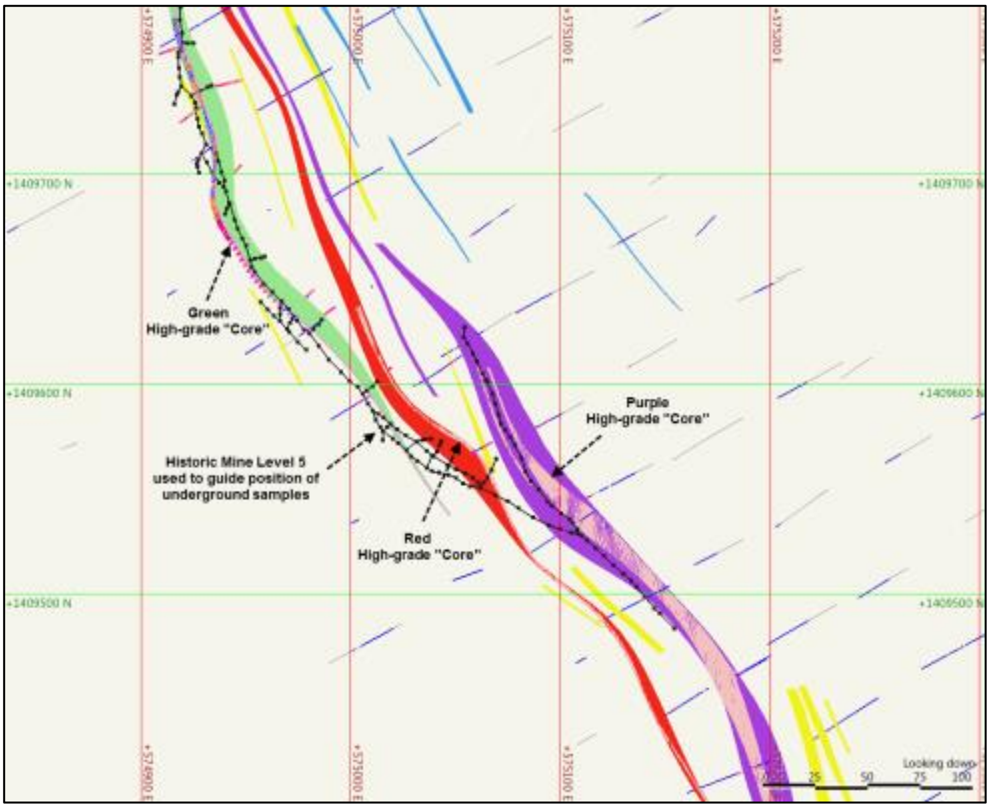


Figure 14-6: La India Deposit Plan Section 315 (Mine Level 5), showing interpreted step-across of historic mining development from hanging wall to footwall structure

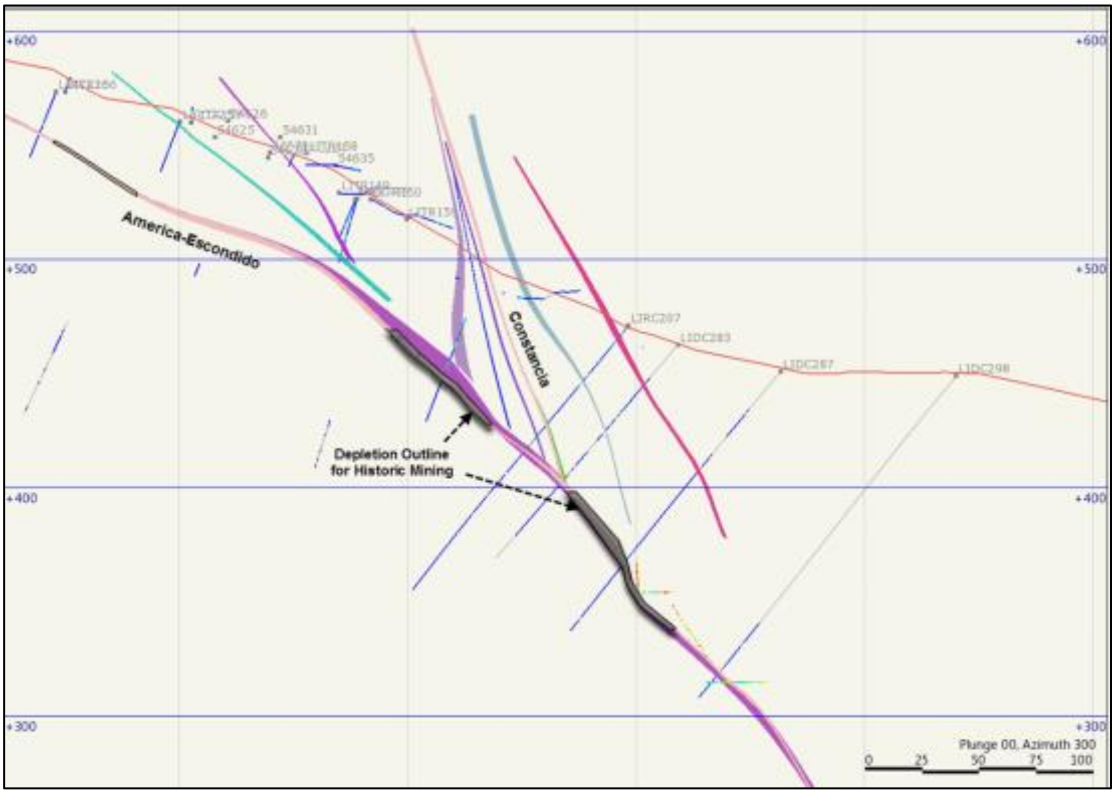


Figure 14-7: America Project Cross Section (Y=1411570), showing the junction of the America-Escondido and Constancia Veins

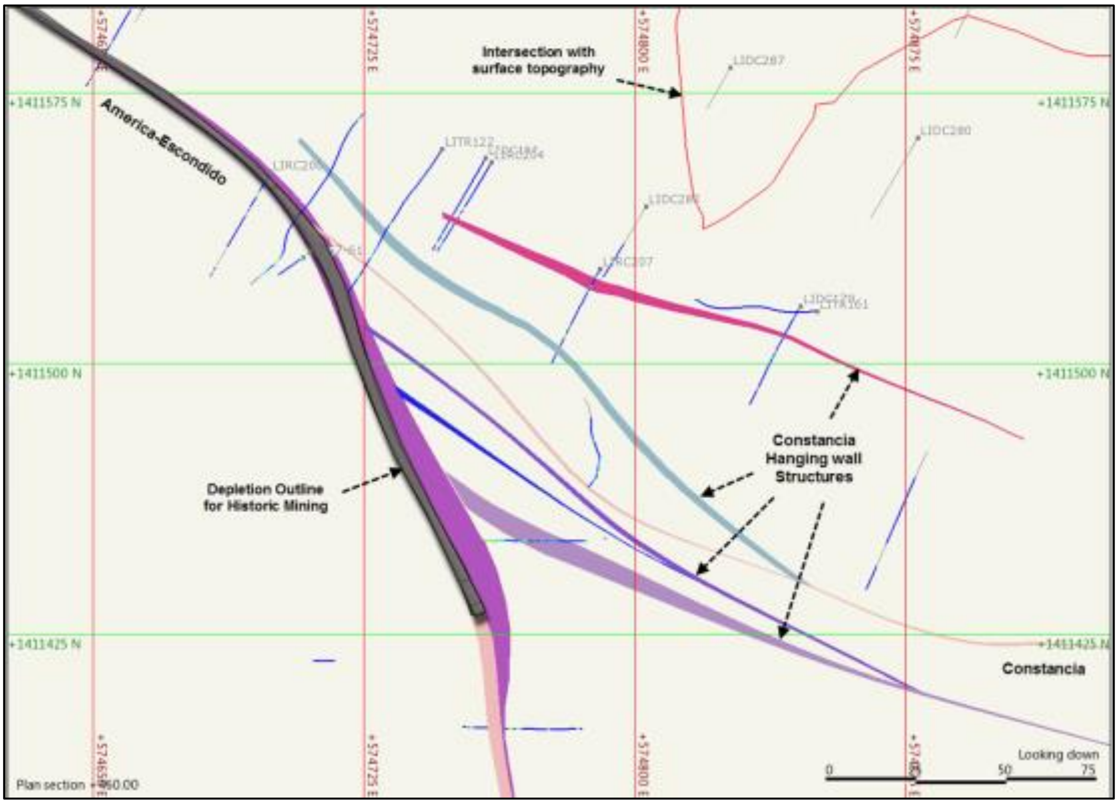


Figure 14-8: America Project Plan Section 460, showing vein strike orientation and position of the mineralisation in the Hanging wall of Constancia;

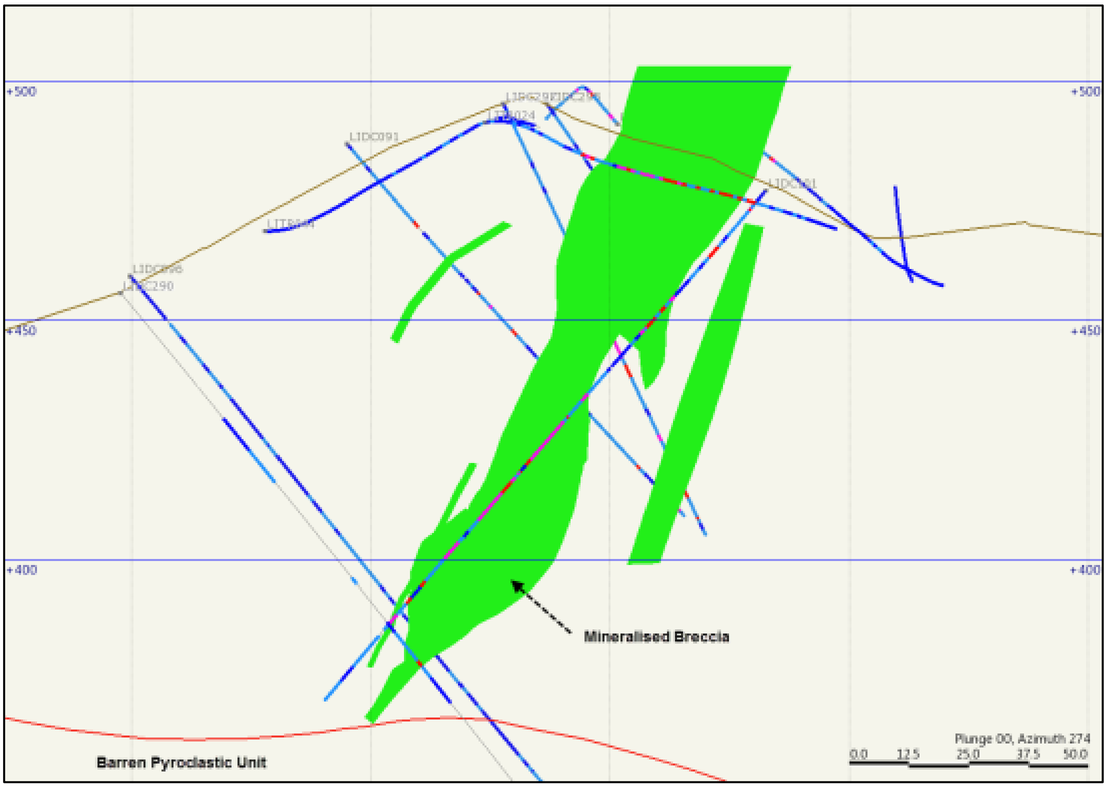


Figure 14-9: Central Breccia Cross Section (X=576572)

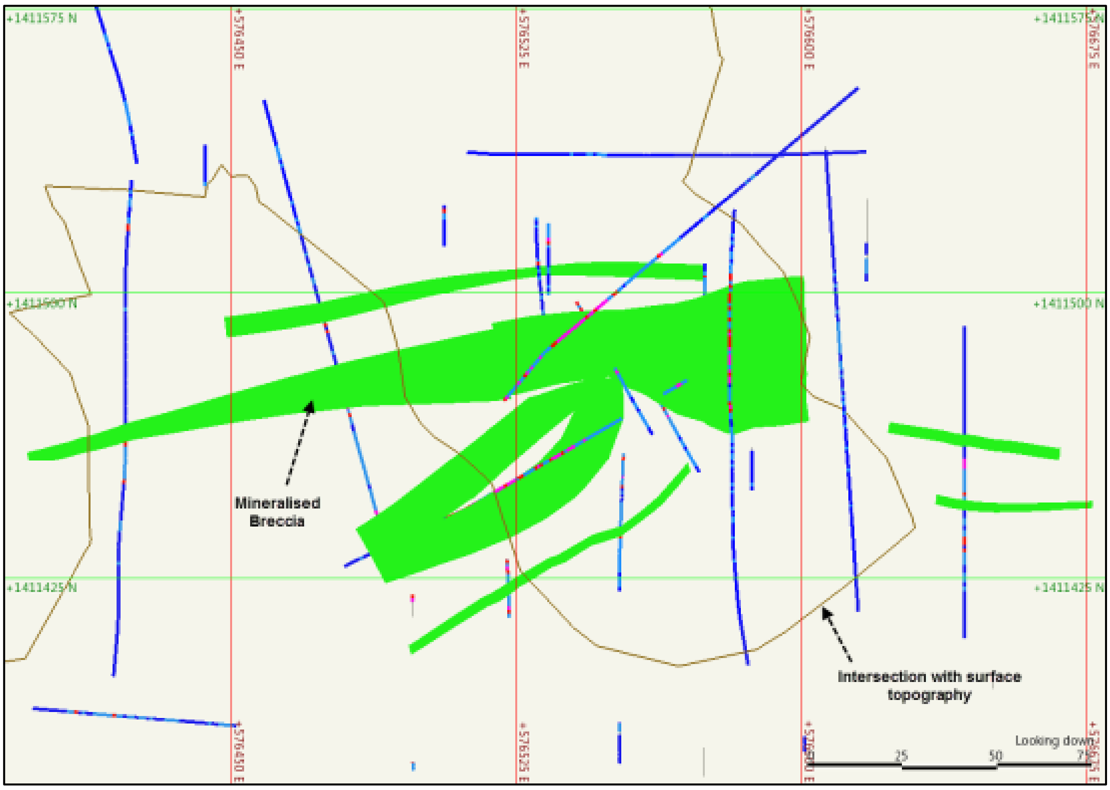


Figure 14-10: Central Breccia Plan Section 470, showing vein strike orientation and intersection with surface topography

14.5.5 Accounting for Mine Depletion

The underground sampling has been projected to fit with the mining void data recorded in borehole logs and georeferenced control points (based on entrances to mine and shafts), enabling an accurate sample positioning in relation to the upper levels of the La India and America Mines. The thickness data associated with the borehole mining voids has been used in combination with the current underground samples (and associated widths) to create a depletion volume (inside 2D long-section depletion outlines) in an attempt to accurately remove the mined areas from the mineralisation model. Data verification work completed on the historical depletion is detailed in Section 12.1.3.

Based on the work completed by SRK, it is estimated that a total of some 860,000 t at 8.3 g/t Au for some 230,000 oz of gold has been mined on La India, and some 410,000 t at 9.5 g/t Au for some 125,000 oz of gold has been mined on America from within the SRK defined depletion volumes, plus 170,000 t at 7.85 g/t Au for 43,000 oz of gold from the remaining other veins.

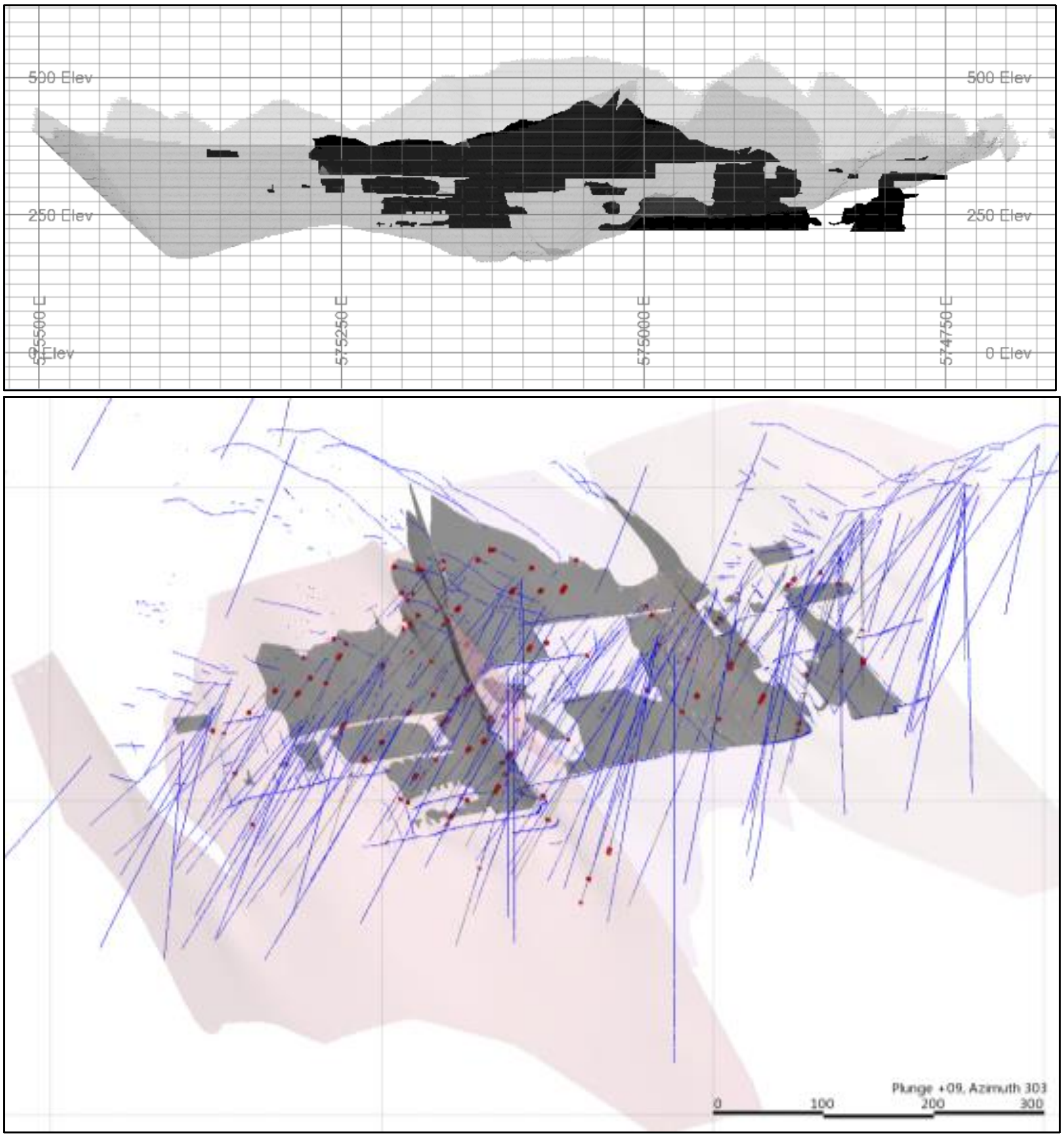


Figure 14-11: Long section of the La India Mining depletion outline within the Resource pit shell (top); 3D view of depletion within (pink) HGC domain (bottom)

14.6 Compositing

Prior to the undertaking of a statistical analysis, the samples were composited into equal lengths to provide a constant sample volume, honouring sample support theories.

SRK analysed the mean length of the underground channel, trench and drill hole samples in order to determine appropriate composite lengths.

At La India, America, the mean length of the sample data approximates to 1.0 m, at Cacao the mean length is 1.6 m. At Mestiza the average sample length across the width of the defined vein is 0.45 m (but can range from 0.05 m to 1.60 m). A 2.0 m composite length was selected for these prospects given indication for a reasonable reconciliation to the raw data mean grade whilst allowing an overall reduction to the variance. SRK also elected to use the option within Datamine to utilise all sampling within the flagged veins (MODE=1), which enables more of the narrower vein samples to be incorporated into the composites while limiting any potential bias.

For the Central Breccia deposit, the mean length of the sample data approximates to 1.0 m; however, given the broad nature of the zones of mineralisation (with the average mineralised intercept length greater than 10 m), SRK selected a 3.0 m composite which provided a reasonable reconciliation to the mean grade and sufficiently reduced the variance, whilst retaining an appropriate number of samples for grade interpolation.

Selected composite lengths for other Prospects updated prior to the 2013 MRE (including Agua Caliente-Teresa, Arizona, Guapinol and San Lucas) were set to 2.0 m.

14.7 Evaluation of Outliers/Statistical Analyses

High grade capping is typically undertaken where data is no longer considered to be part of the main population. SRK has completed the analysis of the composited data based on log probability plots, raw and log histograms which can be used to distinguish the grades at which samples have significant impacts on the local estimation and whose affect is considered extreme.

Log histograms (as illustrated for example for La India, Mestiza and Cacao in Figure 14-12) related to the January 2019 MRE model updates are shown by estimation domain in Appendix A.

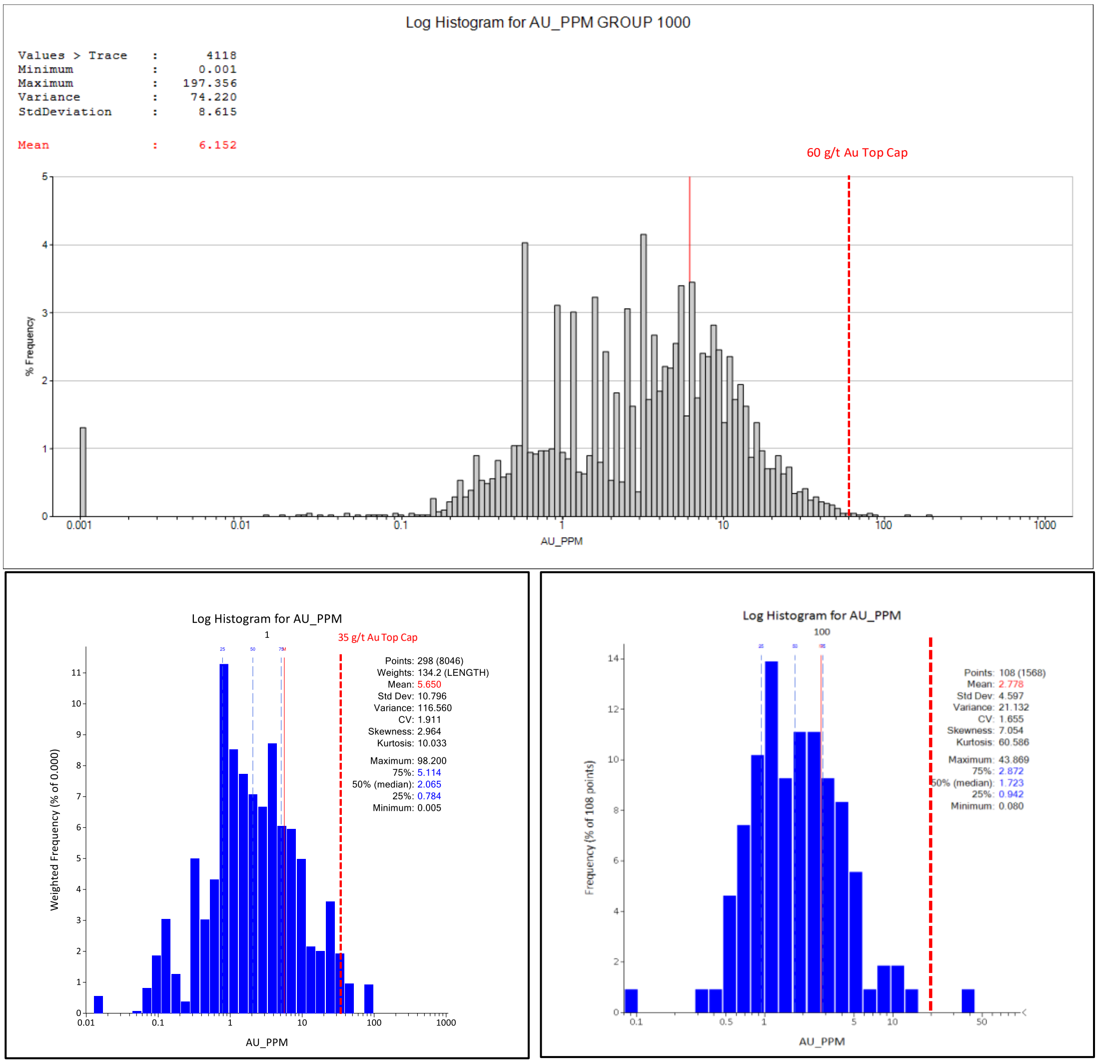


Figure 14-12: Log Histogram for gold at La India GROUP 1000 (top), Mestiza Tatiana Vein (bottom left) and Cacao KZONE 100 (bottom right) showing selected grade capping

Table 14-3 show the selected capping limits (based on the analysis) and a comparison of the mean grades within each domain based on the grade capping applied.

The results show in general the reduction in gold grade is in the order of 0–2%, with the exception of La India (Breccia Zone), Constancia, Cacao and Buenos Aires which have reductions of 12.0%, 6.1%, 7.0% and 9.9%, respectively. These reductions are caused by the skewed raw data population with isolated outlier high-grade samples. The elevated reduction in grade at Buenos Aires is also influenced by the relatively small sample population. In terms of the silver, whilst there is a slight discrepancy in percentage terms where the caps have been applied, the corresponding differences in mean grade can be attributed to a few isolated outlier high-grade samples.

Overall, SRK deems the global reduction in the grade to be within acceptable margins.

Table 14-2: Analysis of Mean Gold Grades per Vein before and After Grade Capping*

Deposit	Field	Count	Min	Max	Mean (g/t)	Cap (g/t)	Var	Std Dev	Cov	% Diff	Abs Mean Diff
Agua Caliente	AU	125	0.59	89.14	8.9	60	78.36	8.85	0.99	-2.45	0.21
	AUCAP	125	0.59	60	8.69		50.39	7.1	0.82		
America-Escondido	AU	3086	0	161.7	8.06	95	124.76	11.17	1.38	-1.07%	0.09
	AUCAP	3086	0	95	7.98		105.49	10.27	1.29		
Arizona	AU	238	0	23.3	5.17	25	24.42	4.94	0.96	0	0
	AUCAP	238	0	23.3	5.17		24.42	4.94	0.96		
Buenos Aires	AU	61.00	0.00	59.50	11.08	30.00	144.59	11.47	1.04	-9.9%	1.10
	AUCAP	61.00	0.00	30.00	9.98		87.58	9.10	0.91		
Cacao	AU	339.00	0.02	43.87	1.05	20.00	6.70	1.61	1.53	-7.0%	0.07
	AUCAP	339.00	0.02	20.00	0.98		2.57	1.03	1.05		
Central Breccia	AU	169	0.02	17.7	1.7	-	6.21	2.49	1.46	-	-
	AUCAP	169	0.02	17.7	1.7		6.21	2.49	1.46		
Constancia	AU	1367	0	566	10.89	110	505.76	22.49	2.07	-6.06%	0.66
	AUCAP	1367	0	110	10.23		172.84	13.15	1.29		
Espinito	AU	457	0.03	62.77	9.2	50	80.23	8.96	0.97	-0.51	0.05
	AUCAP	457	0.03	50	9.15		76.11	8.72	0.95		
Guapinol	AU	388	0.05	60.65	6.93	40	45.64	6.76	0.97	-1.41%	0.1
	AUCAP	388	0.05	40	6.84		37.13	6.09	0.89		
La India/ California (Main)	AU	4118	0.00	197.36	6.15	60.00	74.22	8.62	1.40	-1.3%	0.08
	AUCAP	4118	0.00	60.00	6.07		59.12	7.69	1.27		
La India/ California (Hanging wall)	AU	129	0.02	26.69	1.95	-	10.73	3.28	1.68	-	-
	AUCAP	129	0.02	26.69	1.95		10.73	3.28	1.68		
La India/ California (Breccia Zone)	AU	98	0.00	55.70	6.76	20.00	64.57	8.04	1.19	-12.0%	0.81
	AUCAP	98	0.00	20.00	5.95		19.52	4.42	0.74		
San Lucas	AU	839	0	73.7	6.03	50	53.02	7.28	1.21	-1.12	0.07
	AUCAP	839	0	50	5.97		45.79	6.77	1.13		
Tatiana	AU	81	0.01	33.51**	5.42	35.00	52.96	7.28	1.34	0.0%	0.00
	AUCAP	81	0.01	33.51	5.42		52.96	7.28	1.34		
Teresa	AU	281	0	72.8	11.11	60	140.34	11.85	1.07	-0.77%	0.09
	AUCAP	281	0	60	11.03		131.09	11.45	1.04		

**Note that the Cristalito-Tatascame vein has not been updated from the initial SRK resource estimate (dated June 2011), given no changes to the sample database. It is therefore excluded from the November 2013 grade capping summary statistics. Full statistics for Cristalito-Tatascame are provided in the SRK June 2011 Resource Report.*

*** Capping applied prior to composite*

Table 14-3: Analysis of Mean Silver Grades per Vein before and After Grade Capping*

Deposit	Field	Count	Min	Max	Mean (g/t)	Cap (g/t)	Var	Std Dev	Cov	% Diff	Abs Mean Diff
America-Escondido	AG	266	0.1	86.67	6.03	-	64.19	8.01	1.33	-	-
	AGCAP	266	0.1	86.67	6.03		64.19	8.01	1.33		
Constancia	AG	100	0.1	85.07	6.19	-	180.64	13.44	2.17	-	-
	AGCAP	100	0.1	85.07	6.19		180.64	13.44	2.17		
La India/ California (Main)	AG	1330	0.10	834.03	6.03	100.00	669.41	25.87	4.29	-12.5%	0.75
	AGCAP	1330	0.10	100.00	5.28		99.62	9.98	1.89		
La India/ California (Hanging wall)	AG	129	0.10	72.21	4.63	-	77.35	8.79	1.90	-	-
	AGCAP	129	0.10	72.21	4.63		77.35	8.79	1.90		
La India/ California (Breccia Zone)	AG	8	0.54	4.08	1.90	-	1.44	1.20	0.63	-	-
	AGCAP	8	0.54	4.08	1.90		1.44	1.20	0.63		
Tatiana	AG	81	0.01	78.35	12.62	41.00	241.35	15.54	1.23	-9.7%	1.23
	AGCAP	81	0.01	41.00	11.39		135.25	11.63	1.02		

**silver assays are restricted to drilling and trenching programs, based on exclusion of silver from the historical underground channel sampling assay protocols.*

14.8 Geostatistical Analyses

Variography is the study of the spatial variability of an attribute, in this case gold and silver grade. Isatis and Snowden Supervsior ("Supervisor") was used for geostatistical analysis for the Project. In order to define variograms of sufficient clarity, the data has been calculated using a Pairwise Relative Variogram in Isatis, with the resultant variograms rescaled to the variance of a given zone.

In completing the analysis, the following has been considered:

- azimuth and dip of each zone was determined;
- the down-hole variogram was calculated and modelled to characterise the nugget effect;
- experimental pairwise relative semi-variograms, were calculated to determine directional variograms for the along strike, cross strike and down-dip directions;
- directional variograms were modelled using the nugget and sill defined in the down-hole variography, and the ranges for the along strike, cross strike and down-dip directions; and
- (where relevant) all variances were re-scaled for each mineralised lens to match the total variance for that zone.

Directional pairwise relative variograms were attempted for all vein zones. The resultant experimental semi-variograms were in general poorly defined and therefore pairwise omni-directional structures were selected for fitting of the final variogram models.

An example of the pairwise relative variograms modelled for the La India "Main" and "Hanging Wall" mineralisation domains (GROUP 1000, 2000) for gold are shown in Figure 14-13, with variograms modelled for the America domains (America-Escondido and Constancia) for gold shown in Figure 14-14, and variograms for all zones for each deposit included in MRE's updated since 2013 shown in Appendix A.

For the Mestiza Prospect, samples on the Tatiana vein underwent geostatistical analysis, however Buenos Aires was not considered due to too few samples (per vein stucture) available to model a variogram with sufficient confidence.

At the La India deposit, given relatively few new drillholes have been added (and overall limited change to mineralisation wireframes) for January 2019, the results from the November 2013 geostatistcial analysis have been retained.

Geostatistical studies for gold per vein zone for each of the deposits estimated prior to the 2013 MRE were undertaken during the SRK resource estimates dated June 2011 and December 2011.

The variogram parameters for the Project, for prospects updated in 2019 (namely, Cacao, La India and and Mestiza) and those updated in 2013 MRE (namely, America and Central Breccia), are displayed in Table 14-4 and Table 14-5.

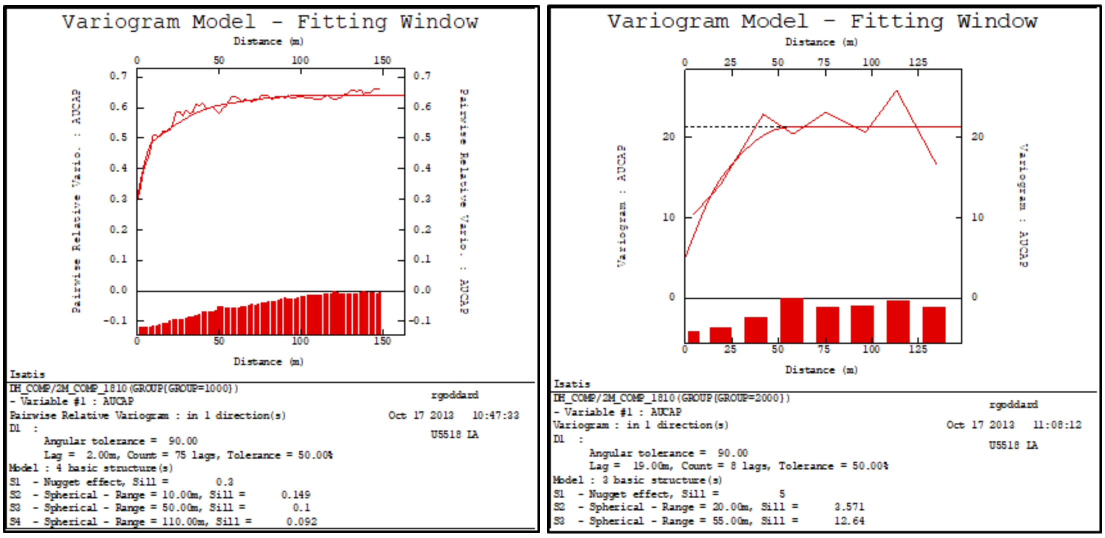


Figure 14-13: Summary of modelled semi-variogram parameters for the La India "Main" and "Hanging Wall" mineralisation domains (GROUP 1000, 2000) for gold (shown left and right)

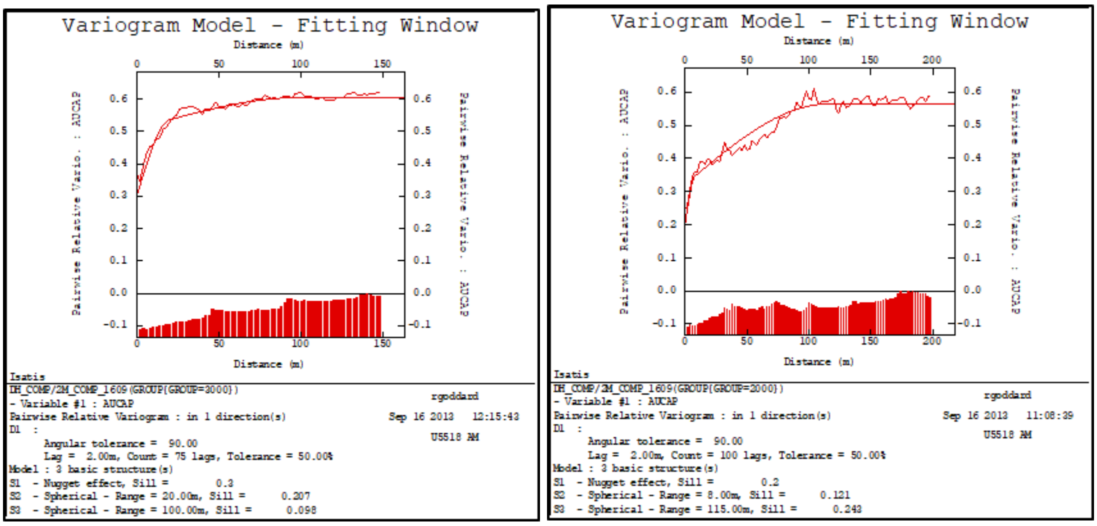


Figure 14-14: Summary of modelled semi-variogram parameters for the America "America-Escondido" and "Constancia" mineralisation domains (GROUP 3000, 2000) for gold (shown left and right)

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Table 14-4: Summary of semi-variogram parameters

Deposit	Variogram Parameter	Rotation Z	Rotation Y	Rotation X	Co	C1	A1 – Along Strike (m)	A1 – Down Dip (m)	A1 – Across Strike (m)	C2	A2 – Along Strike (m)	A2 – Down Dip (m)	A2 – Across Strike (m)	C3	A3 – Along Strike (m)	A3 – Down Dip (m)	A3 – Across Strike (m)	Nugget Effect (%)
La India/ California	AUCAP-GROUP 110	0	0	0	32.65	16.22	10	10	10	10.88	50	50	50	10.01	110	110	110	47%
	AUCAP-GROUP 120	0	0	0	5.60	2.78	10	10	10	1.87	50	50	50	1.72	110	110	110	47%
	AUCAP-GROUP 130	0	0	0	38.45	19.10	10	10	10	12.82	50	50	50	11.79	110	110	110	47%
	AUCAP-GROUP 140	0	0	0	25.05	12.44	10	10	10	8.35	50	50	50	7.68	110	110	110	47%
	AUCAP-GROUP 210	0	0	0	3.41	1.70	10	10	10	1.14	50	50	50	1.05	110	110	110	47%
	AUCAP-GROUP 220	0	0	0	4.16	2.07	10	10	10	1.39	50	50	50	1.28	110	110	110	47%
	AUCAP-GROUP 230	0	0	0	10.54	5.23	10	10	10	3.51	50	50	50	3.23	110	110	110	47%
	AUCAP-GROUP 240	0	0	0	1.99	0.99	10	10	10	0.66	50	50	50	0.61	110	110	110	47%
	AUCAP-GROUP 250	0	0	0	5.59	2.78	10	10	10	1.86	50	50	50	1.71	110	110	110	47%
	AUCAP-GROUP 260	0	0	0	45.34	22.52	10	10	10	15.11	50	50	50	13.91	110	110	110	47%
	AUCAP-GROUP 1000	0	0	0	27.70	13.76	10	10	10	9.23	50	50	50	8.49	110	110	110	47%
	AUCAP-GROUP 2000	0	0	0	4.13	2.95	20	20	20	10.45	55	55	55	0.00	0	0	0	24%
	AUCAP-GROUP 3000	0	0	0	8.27	4.11	10	10	10	2.76	50	50	50	2.54	110	110	110	47%
	AGCAP-GROUP 1000	0	0	0	47.14	23.89	5	5	5	14.61	30	30	30	11.31	150	150	150	49%
	AGCAP-GROUP 2000	0	0	0	45.74	26.23	15	15	15	32.33	65	65	65	0.00	0	0	0	44%
	AGCAP-GROUP 3000	0	0	0	0.70	0.36	5	5	5	0.22	30	30	30	0.17	150	150	150	49%
America	AUCAP-GROUP 2010	0	0	0	1.67	1.01	8	8	8	2.02	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2020	0	0	0	0.02	0.01	8	8	8	0.02	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2030	0	0	0	57.83	34.99	8	8	8	70.26	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2040	0	0	0	0.44	0.27	8	8	8	0.54	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2050	0	0	0	0.90	0.55	8	8	8	1.10	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2060	0	0	0	4.79	2.90	8	8	8	5.82	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2510	0	0	0	3.19	1.93	8	8	8	3.88	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 2520	0	0	0	64.31	38.91	8	8	8	78.13	115	115	115	0.00	0	0	0	35%
	AUCAP-GROUP 3010	0	0	0	7.67	5.29	20	20	20	2.51	100	100	100	0.00	0	0	0	50%
	AUCAP-GROUP 3020	0	0	0	0.08	0.06	20	20	20	0.03	100	100	100	0.00	0	0	0	50%
	AUCAP-GROUP 3030	0	0	0	0.16	0.11	20	20	20	0.05	100	100	100	0.00	0	0	0	50%
	AUCAP-GROUP 3500	0	0	0	53.42	36.86	20	20	20	17.45	100	100	100	0.00	0	0	0	50%
	AGCAP-GROUP 2000	0	0	0	2.56	1.55	8	8	8	3.11	115	115	115	0.00	0	0	0	35%
	AGCAP-GROUP 3000	0	0	0	24.36	16.81	20	20	20	7.96	100	100	100	0.00	0	0	0	50%
Central Breccia	AUCAP-GROUP 100	0	0	0	0.08	0.26	6	6	6	0.06	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 200	0	0	0	2.61	8.56	6	6	6	2.00	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 300	0	0	0	0.13	0.42	6	6	6	0.10	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 400	0	0	0	1.71	5.61	6	6	6	1.31	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 500	0	0	0	0.05	0.16	6	6	6	0.04	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 700	0	0	0	0.03	0.09	6	6	6	0.02	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 800	0	0	0	0.01	0.02	6	6	6	0.00	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 900	0	0	0	0.11	0.36	6	6	6	0.08	70	70	70	0.00	0	0	0	20%
	AUCAP-GROUP 1000	0	0	0	0.01	0.05	6	6	6	0.01	70	70	70	0.00	0	0	0	20%

Table 14-5: Summary of semi-variogram parameters

Deposit	Variogram Parameter	Rotation Z	Rotation Y	Rotation X	Co	C1	A1 – Along Strike (m)	A1 – Down Dip (m)	A1 – Across Strike (m)	C2	A2 – Along Strike (m)	A2 – Down Dip (m)	A2 – Across Strike (m)	C3	A3 – Along Strike (m)	A3 – Down Dip (m)	A3 – Across Strike (m)	Nugget Effect (%)
Mestiza (Tatiana)	AUCAP-KZONE 1	0	0	0	0.25	0.54	30	30	39	0.1	100	100	100	0	0	0	0	28%
Cacao	AUCAP-KZONE 100	0	0	0	0.19	0.07	63	63	63	0.24	147	147	147	0	0	0	0	38%
	AUCAP-KZONE 200	0	0	0	0.14	0.19	27	27	27	0.02	76	76	76	0	0	0	0	40%

14.9 Block Model and Grade Estimation

Block model prototypes were created per deposit area for the Project, based on UTM coordinates. Block model parent cells were typically chosen to reflect the average drill hole spacing along strike and on section. For the La India, America, Central Breccia and Mestiza deposits, SRK has produced block models with a slightly reduced block dimension in the vertical orientation of 25x25x10 m (X,Y,Z) or (at Mestiza) 20x20x10 m (X,Y,Z) to improve the resolution for the potential for open pit extraction to be evaluated. A relatively narrower block dimension (10 m) was used in the across strike orientation at Central Breccia in attempt to better reflect the higher grades within the core of the deposit.

To improve the geometric representation of the geological model, sub-blocking is allowed initially to a resolution to a minimum of 1.0 m along strike, 0.5 m across strike and 1.0 m in the vertical direction. A summary of the block model parameters is included in Table 14-6.

Table 14-6: Details of block model dimensions

Deposit	Dimension Axis	Origin Co-ordinate	Block Size (m)	Number of Blocks	Minimum Subcell size (m)	Rotation
Agua Caliente	X	573400	25	58	1	None
	Y	1409600	25	36	None	
	Z	-50	25	30	1	
America	X	573400	25	110	1	None
	Y	1410750	25	74	0.5	
	Z	-50	10	85	1	
Arizona	X	574550	25	58	1	None
	Y	1409900	25	28	None	
	Z	-50	25	30	1	
Buenos Aires	X	575000	20	100	1	-55° around Z axis
	Y	1411500	20	150	0.5	
	Z	-150	10	80	1	
Cacao	X	579950	25	26	1	None
	Y	1411950	25	8	0.5	
	Z	150	25	17	1	
Central Breccia	X	576300	20	20	1	None
	Y	1411200	10	50	0.5	
	Z	300	10	30	1	
Cristalito-Tatascame	X	579000	25	32	1	None
	Y	1415100	25	12	None	
	Z	-50	25	30	1	
Espinito	X	572400	25	84	None	None
	Y	1412000	25	122	1	
	Z	-50	25	30	1	
Guapinol	X	572900	25	102	1	None
	Y	1411800	25	66	None	
	Z	-50	25	30	1	
La India/ California	X	574250	25	74	1	None
	Y	1408600	25	84	1	
	Z	-200	10	100	1	
San Lucas	X	572100	25	42	None	None
	Y	1409450	25	78	1	
	Z	-50	25	30	1	
Tatiana	X	575000	20	100	1	-55° around Z axis
	Y	1411500	20	150	0.5	
	Z	-150	10	80	1	
Teresa	X	573400	25	58	1	None
	Y	1409600	25	36	1	
	Z	-50	25	30	1	

Using the wireframes created and described in Section 14.5.2 several codes have been written in the block model to describe each of the major geological properties of the rock types. Table 14-7 summarises geological fields created within the block model and the codes used.

Table 14-7: Summary of block model fields used for flagging different geological properties

Field Name	Description
SVOL	Search Volume reference (range from 1 - 3)
KV	Kriging Variance
SLOPE	Slope of regression
NSUM	Number of samples used to estimate the block
AU	Kriged gold value
AUIDW	IDW validation estimate for gold
AG	Kriged silver value
AUIDW	IDW validation estimate for silver
CLASS	Classification
GROUP	Mineralised structures grouped by domain
KZONE	Kriging zone for estimation
DENSITY	Density of the rock
DEPL	Flag to denote depleted areas of model
TTHK	True thickness estimate using wireframe data
AUGMT	Accumulated gold grade (AU*TTHK)
HG	High grade distance restriction zone
LG	Low grade distance restriction zone

14.10 Final Kriging Parameters

Ordinary Kriging (“OK”) was used for the grade interpolation for the Project and all major domain boundaries have been treated as hard boundaries during the estimation process, with the exception of the Central Breccia deposit whereby selected coalescing structures share the influence of certain mineralised sample intervals.

Inverse distance weighting squared (“IDW”) was used for grade interpolation at the (Mestiza Prospect) Buenos Aires vein where too few samples were available to model a variogram with sufficient confidence. The other veins on the Mestiza Prospect (Tatiana and Espinito) used OK.

Restrictive searches have been used locally on the high-grade “core” (“HGC”) at La India to prevent relatively very high gold grade samples in areas of lower drilling density from over influencing the surrounding block estimates, and thus honouring the geological interpretation (for a variable gold grade distribution) favoured by SRK and the Company.

The selected OK parameters are based on the results of a quantitative Kriging Neighbourhood Analysis (“QKNA”), and are presented (where relevant, using Datamine field names, Table 14-8) in Table 14-9.

Table 14-8: Summary of Datamine field names for estimation parameters

Estimation Parameters	Description
KZONE	Kriging zone for estimation
ELEMENT	Element
SREFNUM	Search reference number
SMETHOD	Estimation method (2 = OK)
SDIST1	Search distance 1 (dip)
SDIST2	Search distance 2 (strike)
SDIST3	Search distance 3 (across strike)
SANGLE1	Search angle 1 (dip direction)
SANGLE2	Search angle 2 (dip)
SANGLE3	Search angle 3 (plunge)
SAXIS1	Search axis 1 (z)
SAXIS2	Search axis 2 (x)
SAXIS3	Search axis 3 (z)
MINNUM1	Minimum sample number (SVOL1)
MAXNUM1	Maximum sample number (SVOL1)
SVOLFAC2	Search distance expansion (SVOL2)
MINNUM2	Minimum sample number (SVOL2)
MAXNUM2	Maximum sample number (SVOL2)
SVOLFAC3	Search distance expansion (SVOL3)
MINNUM3	Minimum sample number (SVOL3)
MAXNUM3	Maximum sample number (SVOL3)
MAXKEY	Maximum number of samples per drill hole
SANGL1_F	Dynamic Anisotropy ("0" = not used)
SANGL2_F	

Table 14-9: Summary of Final Kriging Parameters for the La India Project

DEPOSIT	ZONE (GROUP/ KZONE)	ELEMENT	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SANGLE2	SANGLE3	SAXIS1	SAXIS2	SAXIS3	MINNUM1	MAXNUM1	SVOLFAC2	MINNUM2	MAXNUM2	SVOLFAC3	MINNUM3	MAXNUM3	MAXKEY	SANGL1_F	SANGL2_F
Agua Caliente	120	AUCAP	1	2	55	40	100	70	55	0	3	2	2	15	30	2	3	10	3	2	10	20	0	0
America-Escondido/ Constancia[1]	2000	AUCAP	1	2	120	120	90	0	0	0	3	1	3	15	30	1.5	5	30	4	2	25	20	TRDIPDIR	TRDIP
	3000	AUCAP	2	2	60	60	40	0	0	0	3	1	3	15	30	2	5	30	4	2	25	20	TRDIPDIR	TRDIP
	3010, 2040	AUCAP	3	2	60	60	20	0	0	0	3	1	3	5	10	1	3	10	1	1	10		TRDIPDIR	TRDIP
	3010, 2040	WR[2]	4	2	40	40	40	0	0	0	3	1	3	1	1	1	1	1	1	1	1		TRDIPDIR	TRDIP
	2000	AUCAP	5	2	60	40	45	20	70	80	3	1	3	15	30	1.5	4	30	3	2	25	20	0	0
	3000	AUCAP	6	2	60	25	40	35	55	-65	3	1	3	15	30	2	5	30	4	2	25	20	0	0
Arizona	110	AUCAP	1	2	80	40	100	5	60	-65	3	1	3	15	30	1.5	4	10	5	2	10	20	0	0
Buenos Aires	2,3	AUCAP	2	2	67.5	67.5	37.5	-55	60	0	3	2	3	6	18	1.5	4	12	2	1	12	6	0	0
	4	AUCAP	3	2	12.5	12.5	12.5	-55	60	0	3	2	3	6	18	0	4	12	0	1	12		0	0
Central Breccia	100,500,600	AUCAP	1	2	35	35	10	170	75	0	3	1	3	6	20	2	6	20	3	1	20	5	0	0
	400,800,900	AUCAP	2	2	35	35	10	180	60	0	3	1	3	6	20	2	6	20	3	1	20	5	0	0
	200,300,700	AUCAP	3	2	35	35	10	155	65	0	3	1	3	6	20	2	6	20	3	1	20	5	0	0
Espinito	100	AUCAP	1	2	45	45	100	-15	70	0	3	2	3	25	30	1.5	5	25	2.5	2	25	25	0	0
Guapinol	110	AUCAP	1	2	60	40	100	-70	65	-5	3	2	3	4	16	1.5	3	10	3	2	10	20	0	0
La India/ California[3]	KZONE<200	AUCAP	1	2	60	40	100	60	55	80	3	1	3	15	20	1.5	3	3	4	2	8		0	0
	GROUP1000	AUCAP	2	2	60	40	100	60	55	80	3	1	3	6	24	2	6	24	4	2	32		0	0
	GROUP2000	AUCAP	3	2	60	60	30	60	70	0	3	1	3	4	24	2	4	24	4	2	32		0	0
	GROUP3000	AUCAP	4	2	60	60	30	60	55	0	3	1	3	15	24	2	6	24	4	2	32		0	0
San Lucas	110	AUCAP	1	2	50	25	100	-25	-75	15	3	2	3	15	20	2	5	30	4	2	25	20	0	0
Tatiana	1	AUCAP	1	2	75	56.25	37.5	-55	65	0	3	2	3	5	14	1.5	3	12	2	1	12	6	0	0
Teresa	1000	AUCAP	8	2	55	40	100	70	80	0	3	2	2	15	30	2	3	10	3	2	10	20	0	0
Cacao	100	AUCAP	1	2	65	65	65	0	0	0	3	1	3	8	24	2	8	24	4	2	24		0	0
	200	AUCAP	2	2	65	65	65	0	0	0	3	1	3	10	40	2	10	40	3	2	40	12	0	0

[1]GROUP 2000 and 3000 relate to the Constancia and America-Escondido Veins respectively, whilst KZONE 2040 and 3010 (respectively) relate to the wall rock domains at Constancia and America-Escondido.

[2]WR relates to an indicator estimate for the presence of wall rock mineralisation, utilised in Classifying the estimated grade and tonnage in the wall rock domains.

[3]Restrictive searches (confined to visually selected areas on the La India HGC domain (KZONE 130)) at La India use a high grade cap of 60 g/t Au (within a 60 x 40 m radius), with lower cap at 30 g/t Au selected for the estimates outside of the restrictive search. A 10 g/t Au cap is used for the restrictive searches where lower grade samples are interpreted to have a greater influence on the block estimate. Capping limits were defined during outlier analysis from review of log histogram and probability plots, and from local visual assessments within the areas influenced by the restrictive search.

14.11 Model Validation and Sensitivity

14.11.1 Sensitivity Analysis

Grade estimation was performed in Datamine using OK (with the exception of Buenos Aires which used IDW), based on the optimum parameters determined through a QKNA exercise completed during the 2013 MRE. The below provides a summary of the QKNA exercise, which was based on varying kriging parameters during a number of different scenarios. The slope of regression, kriging variances, block estimates and percentage of blocks filled in each search were recorded and compared for each scenario. The following parameters were changed during the QKNA exercise:

- minimum number of samples;
- maximum number of samples; and
- search ellipse sizes.

SRK initially focused testwork on increasing the block grade variability in the HGC domain within the drill defined areas down-dip of the La India mine. Whilst there is a degree of sensitivity in the mean block grade to a change in the estimation parameters (notably in relation to number of samples, Table 14-10), SRK noted an improved visual validation using a more localised search ellipse (appropriate to the drillhole spacing) with a relatively low minimum and maximum number of samples. SRK has therefore reduced the size of the search ellipse and adjusted the minimum number of samples such that a minimum of two or three drillholes are used per block estimate in the down-dip areas that are appropriately informed with sample data.

At America, the indication for relatively high-grade variability from recent drilling on the Constancia vein (and hanging-wall structures) also warranted the use of a more localised search ellipse and a relatively low minimum number of samples in order to allow block grade estimates to (visually) better reflect the sample variability. SRK noted relatively limited sensitivity in the mean block grade to the change in the estimation parameters.

SRK also noted an improvement to the visual grade distribution at America in areas of significant vein flexure through use of dynamic block search parameters (Datamine's Dynamic Anisotropy). The use of dynamic searches has been applied for the wall-rock domains (to honour local variations in strike and dip) and at the southern extent of the America-Escondido vein, where the mineralised structure shows a significant change in strike orientation from NW-SE to N-S.

SRK has not completed an updated QKNA analysis as part of the January 2019 MRE however considers the current analysis to remain valid for the purpose of the Mineral Resource estimation.

Table 14-10: QKNA Number of Samples for the La India Project; La India (Main) HGC Domain, KZONE 130

DETERMINE MINIMUM SAMPLE NUMBER					GRADE					
RUN	Min	Max	Search	SVOL	AUOK	AUIDW	SLOPE	NUM	KV	% Fill
1	15	20	60x40x100	1	9.55	9.53	0.49	20	18.89	33.0%
	3	3	60x40x100	2	12.60	11.99	0.17	3	44.31	40.0%
	2	3	60x40x100	3	8.08	6.79	0.07	3	46.08	27.1%
2	15	20	60x40x100	1	9.55	9.53	0.49	20	18.89	33.0%
	4	4	60x40x100	2	12.86	12.63	0.19	4	40.28	35.5%
	2	4	60x40x100	3	9.91	8.23	0.09	4	40.38	31.5%
3	15	20	60x40x100	1	9.55	9.53	0.49	20	18.89	33.0%
	3	3	60x40x100	2	12.60	11.99	0.17	3	44.31	40.0%
	2	8	60x40x100	3	9.08	8.59	0.08	8	34.95	27.1%
4	15	20	60x40x100	1	9.55	9.53	0.49	20	18.89	33.0%
	4	4	60x40x100	2	12.86	12.63	0.19	4	40.28	35.5%
	2	8	60x40x100	3	9.47	9.06	0.10	8	33.85	31.5%
5	15	20	60x40x100	1	9.55	9.53	0.49	20	18.89	33.0%
	5	30	60x40x100	2	11.08	11.11	0.25	22	28.05	32.1%
	2	25	60x40x100	3	10.06	10.42	0.13	22	28.85	34.9%

During the testwork at La India, SRK also noted the tendency for the (relatively) very high gold grade samples in areas of lower drilling density (with highly variable gold grades) to over influence the surrounding local block estimates. In attempt to restrict the influence of these very high grade samples, without overly penalising the estimated block grades, SRK has created a restricted initial search (60x40 m radius), based on the initial structure (sill) of the semi-variogram, for this domain that allows the full influence of the very high grades over a local scale, which is then followed by a non-restricted search that has less of an influence from the very high grade sample. SRK has also applied this methodology for selected lower grade samples where, locally the restrictive search allows the lower grade sample to have a greater influence on the block estimate.

The restricted searches have an ellipse size that is appropriate to the first major structure of the variogram range at La India and sample distribution per vein, and have been applied for (visually) selected areas on the La India HGC domain (KZONE 130), Figure 14-15.

SRK is satisfied that no global bias is introduced through the final selected parameters, and considers the estimated block grades to appropriately honour the geological interpretation and grade variability. SRK has run a number of scenarios to test the sensitivity of using the different sample types to confirm no significant bias is introduced by combining the datasets.

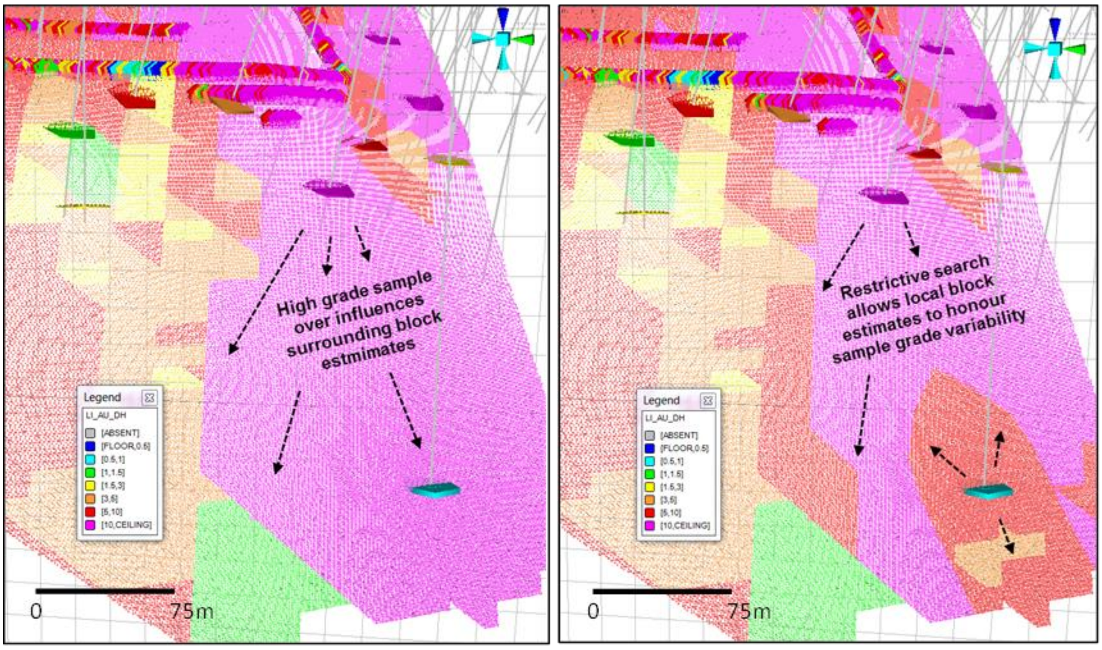


Figure 14-15: QKNA for use of restrictive searches within the La India (Main) HGC Domain, KZONE 130

14.11.2 Block Model Validation

SRK has validated the block model using the following techniques, with (where relevant) a relative block model density of 2.5 g/cm^3:

- visual inspection of block grades in comparison with drill hole data;
- sectional validation of the mean sample grades in comparison to the mean model grades; and
- comparison of OK block model statistics with IDW block estimates and composite sample grades.

Visual Validation

Visual validation provides a comparison of the interpolated block model on a local scale. A thorough visual inspection has been undertaken in 3D, comparing the sample grades with the block grades, which demonstrates in general good comparison between local block estimates and nearby samples, without excessive smoothing in the block model. Figure 14-16 to Figure 14-19 provide examples of the visual validation checks and highlights the overall block grades corresponding with composite sample grades.

SRK notes in a limited number of cases, within areas of low sample density (notably along strike or down-dip from more established underground sampling), local grade discrepancies do occur between composite and block grades (as a result of smoothing). The degree of smoothing has resulted in more averaged grades for the individual veins with more limited data. In areas of high levels of smoothing SRK has considered grade continuity as a factor during the classification process.

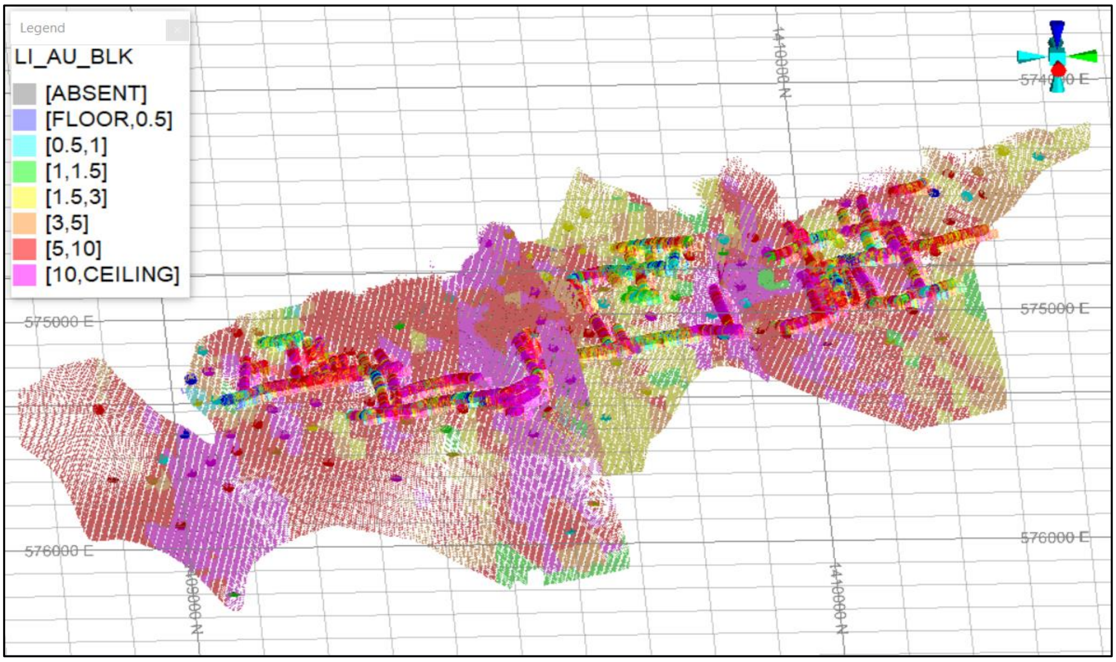


Figure 14-16: La India Block Model 3D projection showing visual validation of modelled boreholes intercepts to grade estimates on HGC Domain

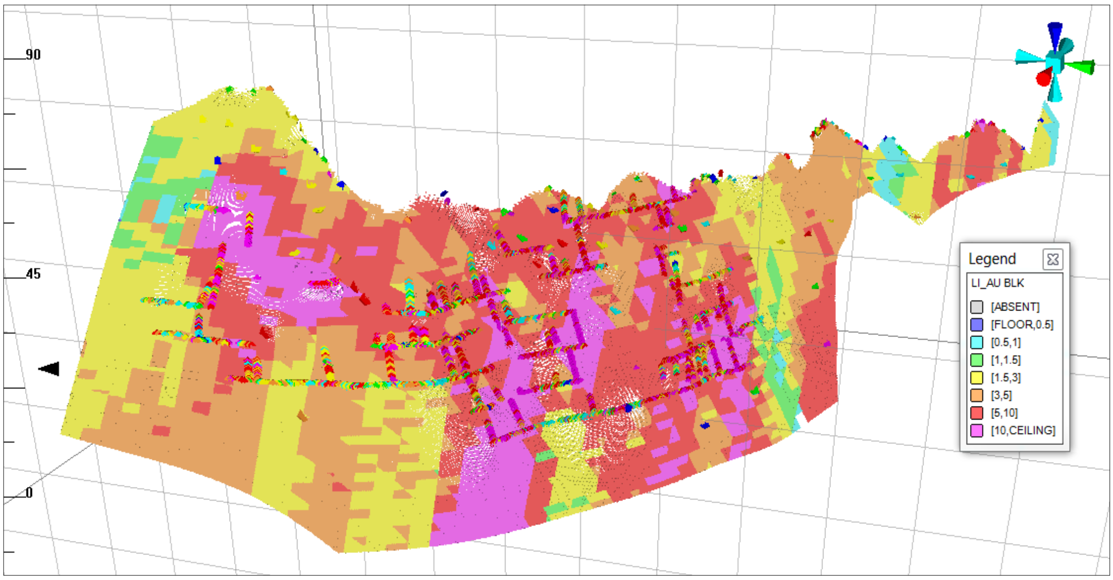


Figure 14-17: America (America-Escondido) Block Model 3D projection showing visual validation of modelled boreholes intercepts to grade estimates

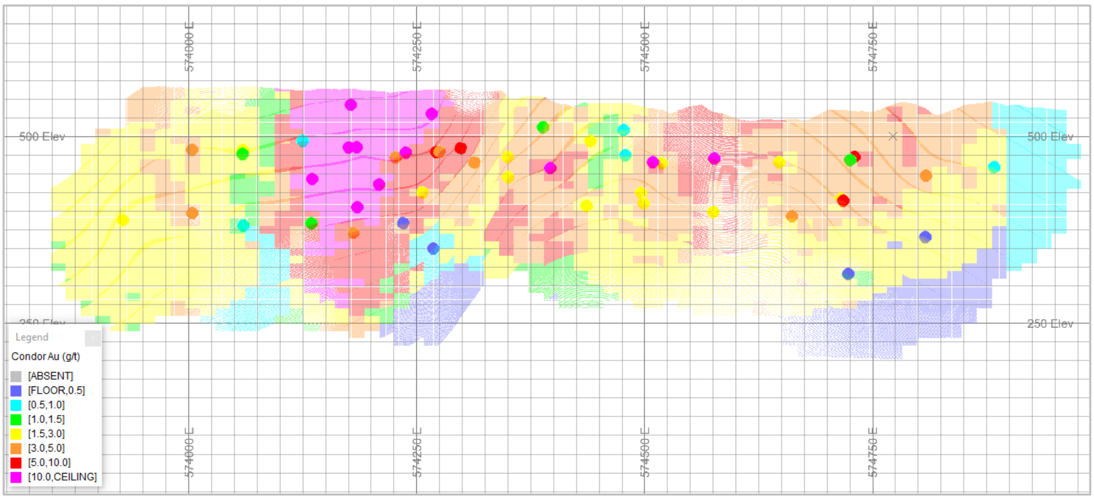


Figure 14-18: Mestiza Veinset (Tatiana) Block Model 3D projection showing visual validation of modelled boreholes intercepts to grade estimates

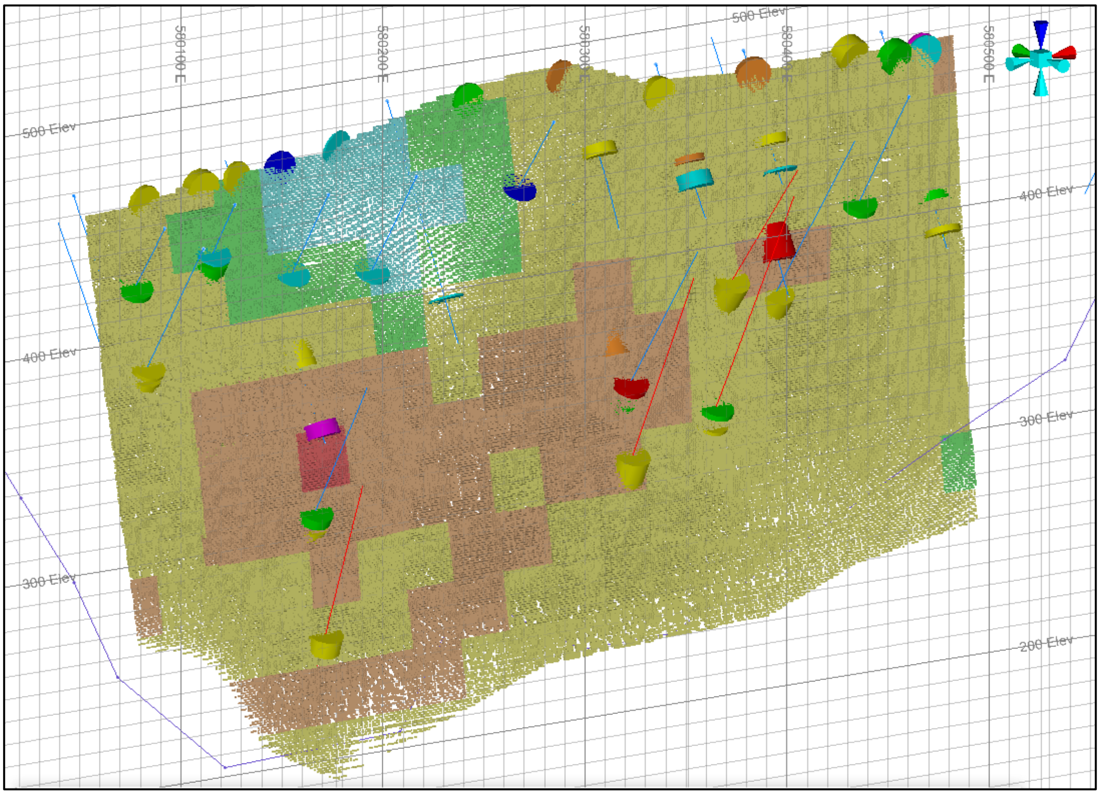


Figure 14-19: Cacao (high-grade domain) Block Model 3D projection showing visual validation of modelled boreholes intercepts to grade estimates

Sectional Validation

As part of the validation process, the input composite samples are compared to the block model grades within a series of coordinates (based on the principle directions). The results of which are then displayed on charts to check for visual discrepancies between grades. As an example, Figure 14-20 shows the results for the gold grades for the Mestiza Tatiana domain (KZONE=1) based on section lines cut along Y-coordinates.

The resultant plots show a reasonable correlation between the block model grades and the composite grades, with the block model showing a typically smoothed profile of the composite grades as expected. SRK notes that in less densely sampled areas, minor grade discrepancies do exist on a local scale. Overall, however, SRK is confident that the interpolated grades reflect the available input sample data and the estimate shows no sign of material bias.

Validation plots per deposit for gold (for selected domains) are shown in Appendix A.

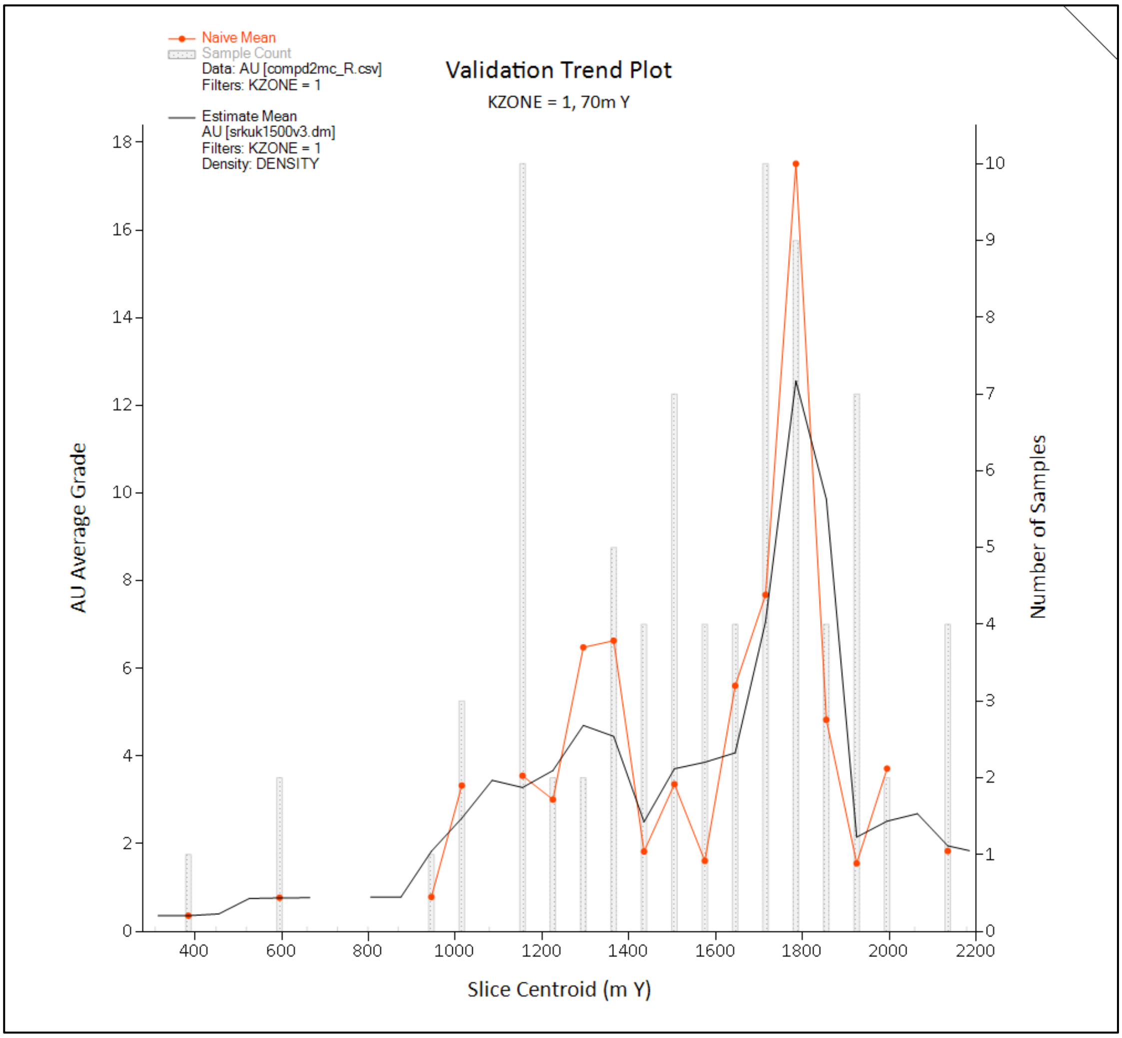


Figure 14-20: Validation Plot (Northing/ Along strike) showing Block Model Estimates versus Sample Mean (70 m Intervals) for KZONE 1, Tatiana Vein

Statistical Validation

The block estimates for January 2019 have been compared to the mean of the composite samples, as illustrated for example for gold in Table 14-11 and Table 14-12 for Cacao and Mestiza, respectively.

The overall percentage difference in the mean gold grades at Cacao are within 10% in terms of the OK estimates versus the composites, which SRK considers to be within typically expected levels. SRK notes a higher percentage difference in the means for the Mestiza prospect, which is as a result of the sample mean being skewed by a few lower grade samples that influence a relatively large proportion of the tonnage.

Table 14-11: Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods at Cacao for gold

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	100	2.62	2.56	2%	0.06
AUIDW		2.76	2.56	8%	0.20
AUOK	200	0.23	0.24	-3%	0.01
AUIDW		0.23	0.24	-5%	0.01

Table 14-12: Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods at Mestiza for gold

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	1	4.06	5.42	-25%	1.4
AUIDW		4.15	5.42	-23%	1.3
AUIDW	2	8.15	12.90	-37%	4.8
AUIDW	3	2.45	3.92	-38%	1.5
AUIDW	4	0.97	1.42	-32%	0.4

Statistical comparisons are provided for the La India deposit for gold and for silver analysis in Appendix A. At La India, whilst the percentage difference in the mean gold grades are typically within 1-15% (which SRK deems to be within acceptable levels), SRK notes a higher percentage difference in the means for the zones where the sample mean is skewed by a few high/ low grade samples that influence a relatively small/ large proportion of the tonnage.

Based on the visual, sectional and statistical validation results, SRK has accepted the grades in the block model.

14.12 Mineral Resource Classification

Block model quantities and grade estimates for the Project were classified according to the CIM Code.

Mineral Resource classification is typically a subjective concept. Industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

Data quality, drillhole spacing and the interpreted continuity of grades controlled by the mineralisation domains have allowed SRK to classify portions of the deposits in the Indicated and Inferred Mineral Resource categories.

The following guidelines apply to SRK's classification for January 2019, which remains consistent with the criteria applied for previous SRK Mineral Resource Estimates for the Project.

Measured Mineral Resource

No Measured Mineral Resources have been reported due to the variability between section lines of the geological continuity of the veins, the relatively high nugget variance seen in the semi-variogram (relating to low geostatistical confidence), and the reliance of a significant proportion of block estimates on historical underground sampling and associated historic mine depletion surveys. Further work via DD drilling or underground sampling if the historical adits can be opened under safe working conditions, will be required by the Company before it is considered possible to declare Measured Mineral Resources.

Indicated Mineral Resource

Indicated Mineral Resources are those which have grade interpolated using typically more than three boreholes/channels used for the estimates, within domains which are deemed to have sufficient geological and grade continuity. Indicated Mineral Resources for the current Mineral Resource update have been given at the following approximate data spacing, as function of the confidence in the geological interpretation, grade estimates and modelled variogram ranges:

- At La India, 50x50 m (X,Y) from the nearest sample with a minimum of two holes used per estimate. Geological continuity should be shown along strike and down-dip by multiple intersections.
- At Mestiza, 50x50 m (X,Y) within domains which are deemed to have sufficient geological and grade continuity, where grade interpolation has been completed using only drillhole data and with more than three boreholes used to satisfy block estimates. SRK would like to confirm the sensitivity of the estimates to sampling from the various drilling phases to ensure robust estimates exist if historical data are removed; as such, the areas defined as Indicated has been restricted to where the majority of the historical Russian holes have been twinned.
- At America, 20x20 m (X,Y) from the nearest sample, limited to the areas surrounding the historical underground mine sampling. Geological modelling of the wall rock has been difficult based on a 50x50 m drilling pattern due to historical mining activity whereby portions of the wall rock have potentially been mined.

For the Central Breccia deposit, an Indicated Mineral Resource has not been quoted for the deposit at this stage given the noted lack of geological continuity between drill sections and based on the current level of data. Targeted infill drilling is required to add confidence to current geological interpretation and local block grade estimates, prior to reporting material in the Indicated category.

Inferred Mineral Resource

Inferred Mineral Resources comprise the blocks that display reasonable strike continuity and down-dip extension based on the current borehole intersections, limited to within distances to reflect the geological confidence and variogram ranges, and no further than 100 m beyond sample data. The majority of these blocks have been estimated within search volumes 2 or 3 and therefore require infill drilling to improve the quality of the geological interpretation and grade estimate. Inferred Mineral Resources have been given at the following approximate data spacing:

- At La India approximately 60-70 m (up to a maximum of 100 m) from the nearest sample, and hangingwall structures which have not demonstrated geological continuity. Given the uncertainty with some of the geological interpretation of the hangingwall structures, however, most areas where the drill spacing is 50x50 m have also been reported as Inferred due to uncertainty in the correlation of individual veins reflecting a combination of limited continuity and uncertainty associated with the number of veins to correlate. Selected infill drilling and would be required to convert these Inferred Mineral Resources to the Indicated category.

- At Mestiza, Inferred Mineral Resource comprise the blocks that display reasonable strike continuity and down-dip extension based on the current borehole intersections, limited to within approximately 75 m of sample data (partly as a function of the variogram range used on other veins in the La India area to reflect the geological confidence). For the Buenos Aires veins, the estimates have been considered as Inferred Mineral Resource, with no areas considered to be of sufficient quality to assign within the Indicated category.
- At Cacao, all block estimates have been reported in the Inferred Mineral Resource category to refelect the current low level of understanding in to the controls on and distribution of the highest grades which (whilst currently considered suitable for Inferred Mineral Resource Resources) requires further investigation before the block model is suitable for use in mine planning (i.e. at an Indicated Mineral Resource level).
- At America approximately 60-70 m (up to a maximum of 100 m) from the nearest sample. For the wall-rock domains, given the interpretation of a variable continuity along the strike of the vein, SRK has restricted Inferred block grade estimates to within a 40 m radius of sample data to reflect the limit of visual continuity and initial variogram ranges.
- At Central Breccia approximately 70 m from the nearest sample.

SRK has only allowed extrapolation of the Inferred Mineral Resource below trenches where the down-dip continuity is supported by adjacent drilling on the same vein, and here extrapolated the Inferred Mineral Resource boundary down-dip to 50 m.

Examples of SRK's Mineral Resource classification for the Mestiza, La India and America deposits are shown in Figure 14-22 to Figure 14-23.

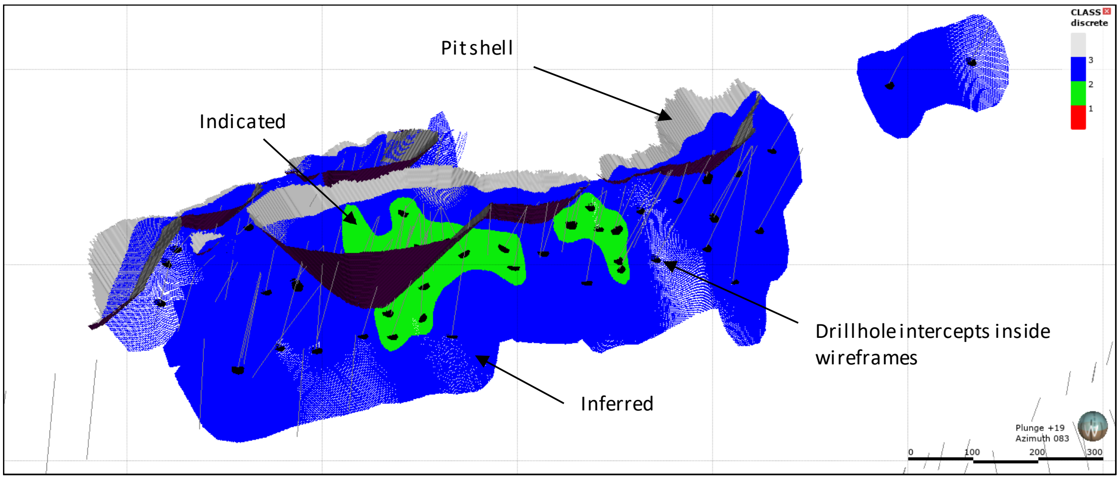


Figure 14-21: 3D view showing SRK's wireframe-defined Mineral Resource Classification for the Mestiza Prospect with Resource Pit outline

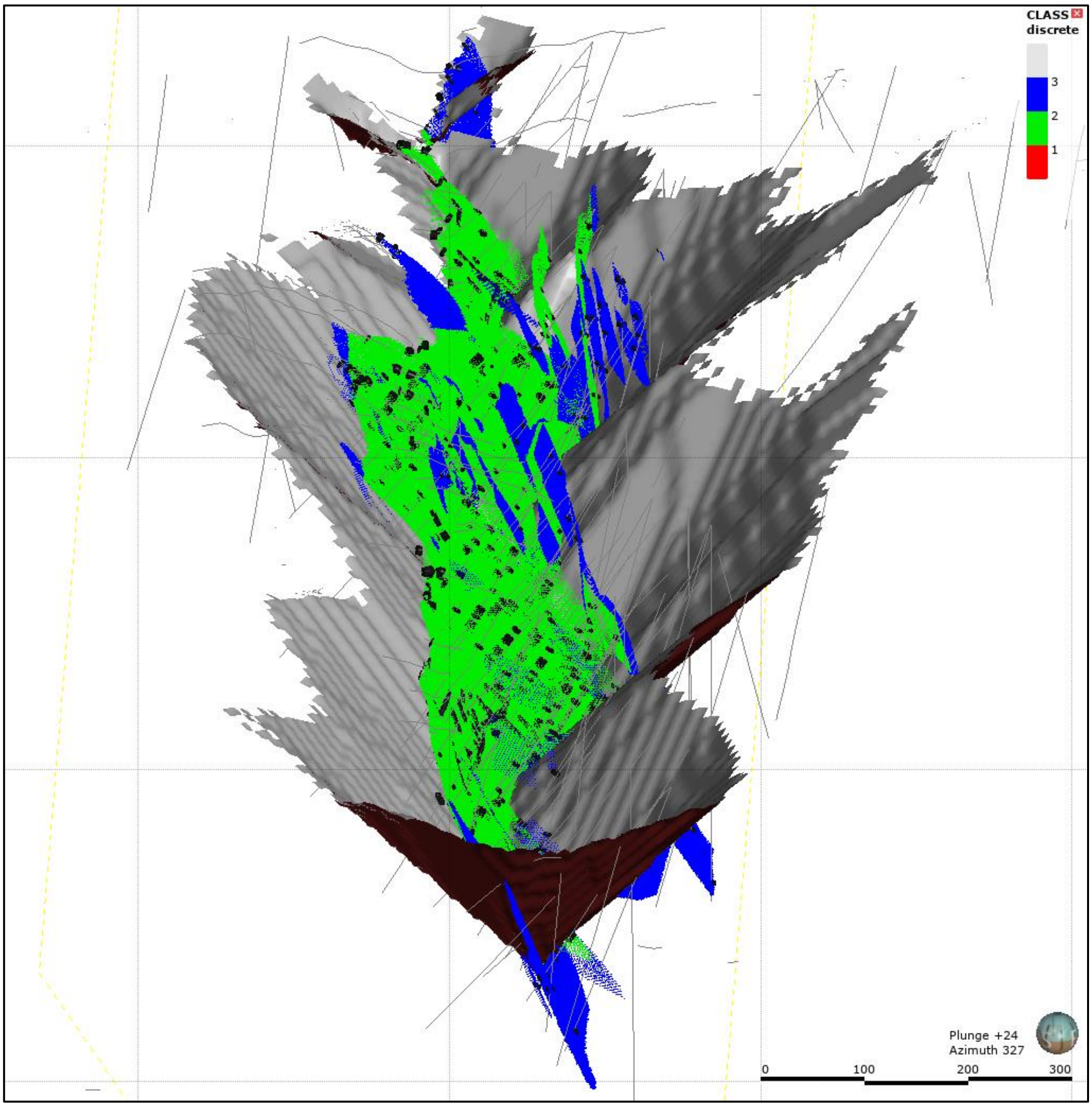


Figure 14-22: 3D view (looking NW) showing SRK's wireframe-defined Mineral Resource Classification for the La India Deposit with Resource Pit outline

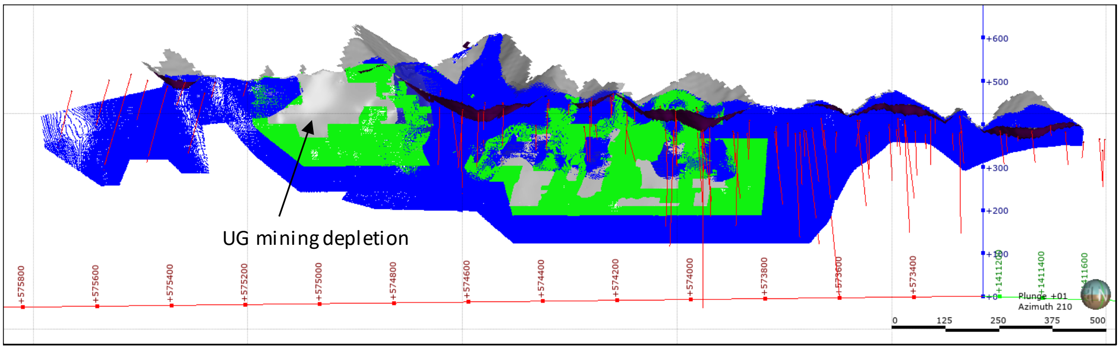


Figure 14-23: 3D view showing SRK's wireframe-defined Mineral Resource Classification for the America Project with Resource Pit outline

14.13 Mineral Resource Statement

The CIM Code defines a mineral resource as:

"(A) concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge".

The "reasonable prospects for eventual economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade, taking into account extraction scenarios and processing recoveries.

Reporting Criteria and Cut-off Derivation

SRK has applied basic economic considerations to determine which portion of the in-situ Mineral Resource has reasonable prospects for economic extraction by open-pit mining methods. To determine this, the Mineral Resource has been subject to a pit optimisation study using Datamine NPVs, using a set of assumed technical and economic parameters shown for the La India, Mestiza and Cacao deposits in Table 14-13 to Table 14-15.

SRK has used a gold price of USD1,500/oz to derive a pit outline and underground cut-off grade to restrict the resource estimate to that material with potential to be exploited at the project.

SRK has applied a cut-off grade of 0.5 g/t Au for the material with potential to be mined by open-pit mining methods, which is based on benchmarking against similar projects.

SRK has applied an underground Mining cut-off grade at 2.0 g/t Au.

For the purpose of reporting the underground Mineral Resource, SRK has assumed an accumulated grade of 2.0 g/t Au is required over a mineralisation width of 1.0 m, to eliminate areas of lower-grade material within thinner portions of the vein.

Mineral Resources which have not required model updates as part of the January 2019 MRE remain as previously quoted by SRK (September 2014 MRE), and have not been subject to updated economic reporting criteria.

The Resource Statement for the La India Project reported in compliance with the CIM Code is shown per deposit is shown in Table 14-16 with a summary of the global Mineral Resource shown in Table 14-17.

Table 14-13: La India Optimisation Parameters

Parameter	Value	Unit
Gold Price	1,500	USD/oz
Silver Price	20.00	USD/oz
Mining Cost	2.35	USD/t_{moved}
Processing Cost	19.36	USD/t_{ore}
General and Administrative	4.55	USD/t_{ore}
Mining Dilution Open Pit	regularised model, block size 2.5 x 2.5 x 2.5m	-
Mining Recovery Open Pit	regularised model, block size 2.5 x 2.5 x 2.5m	-
Overall Pit Slope	40 – 48 based on geotechnical domains	Degrees
Gold Process Recovery	91	%
Silver Process Recovery	69	%
Royalty	3.00	%
Selling Cost Au	5.25	USD/oz

Table 14-14: Cacao Optimisation Parameters

Parameter	Value	Unit
Gold Price	1,500	USD/oz
Silver Price	-	USD/oz
Mining Cost	2.35	USD/t_{moved}
Processing Cost	19.36	USD/t_{ore}
General and Administrative	4.55	USD/t_{ore}
Mining Dilution Open Pit	regularised model, block size 2.0 x 2.0 x 2.5m	-
Mining Recovery Open Pit	regularised model, block size 2.0 x 2.0 x 2.5m	-
Overall Pit Slope	40	Degrees
Gold Process Recovery	91	%
Silver Process Recovery	-	%
Royalty	3.00	%
Selling Cost Au	5.25	USD/oz

Table 14-15: Mestiza Optimisation Parameters

Parameter	Value	Unit
Gold Price	1,500	USD/oz
Silver Price	20.00	USD/oz
Mining Cost	3.60	USD/t_{moved}
Processing Cost	19.36	USD/t_{ore}
General and Administrative	5.69	USD/t_{ore}
Mining Dilution Open Pit	regularised model, block size 2.5 x 2.5 x 2.5m	-
Mining Recovery Open Pit	regularised model, block size 2.5 x 2.5 x 2.5m	-
Overall Pit Slope	45(1)	Degrees
Gold Process Recovery	96	%
Silver Process Recovery	86	%
Royalty	3.00	%
Selling Cost Au	5.25	USD/oz

(1) High level review of the core photos from the recent Mestiza drilling suggests that the rock mass has undergone significant alteration and deformation, resulting in a rock mass that is considered poor to fair. Therefore, whilst a pit a slope angle of 45° is considered appropriate in terms of reporting a Mineral Resource with reasonable prospects for eventual extraction, if the open pit mining studies at Mestiza were to be progressed to a PEA level, there is a risk that this parameter may decreased to be in line with the values applied at the other La India satellite deposits (CBX and America), of the order 40°. Based on initial sensitivity assessment, a reduction in slope angle from 45 to 40 degrees is considered to have a potential impact of 20% reduction in metal in the open pit.

Table 14-16: SRK CIM Compliant Mineral Resource Statement as at 25 January 2019 for the La India Project

MINERAL RESOURCE STATEMENT SPLIT PER VEIN as of January 2019 (4),(5),(6)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
Indicated	La India veinset	La India/ California(1)	0.5 g/t (OP)	8,377	3.1	837	5.4	1,459
		La India/ California(2)	2.0 g/t (UG)	678	4.9	107	10.6	231
	America veinset	America Mine(1)	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine(2)	2.0 g/t (UG)	470	7.3	110	4.7	71
	Mestiza veinset	Tatiana	0.5 g/t (OP)	92	12.1	36	19.5	57
		Tatiana	2.0 g/t (UG)	118	5.5	21	11.3	43
Inferred	La India veinset	La India/ California(1)	0.5 g/t (OP)	883	2.4	68	4.4	124
		Teresa(3)	0.5 g/t (OP)	3	6.5	1		
		La India/ California(2)	2.0 g/t (UG)	1,165	5.6	209	12.4	464
		Teresa(2)	2.0 g/t (UG)	82	11.0	29		
		Arizona(3)	1.5 g/t	430	4.2	58		
		Agua Caliente(3)	1.5 g/t	40	9.0	13		
	America veinset	America Mine(1)	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine(2)	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol(3)	1.5 g/t	751	4.8	116		
	Mestiza veinset	Tatiana(1)	0.5 g/t (OP)	220	6.6	47	13.6	97
		Tatiana(2)	2.0 g/t (UG)	615	3.9	77	8.8	174
		Buenos Aires(1)	0.5 g/t (OP)	120	9.8	38		
		Buenos Aires(2)	2.0 g/t (UG)	188	7.1	43		
		Espenito(2)	2.0 g/t (UG)	181	8.4	49		
	Central Breccia	Central Breccia(1)	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas(3)	1.5 g/t	330	5.6	59		
	Cristalito-Tatescame	Cristalito-Tatescame(3)	1.5 g/t	200	5.3	34		
	El Cacao	El Cacao(1)	0.5 g/t (OP)	188	2.3	14		
		El Cacao(2)	2.0 g/t (UG)	474	3.0	46		

(1) The La India, America, Central Breccia, Mestiza and Cacao pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A Gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, slope angles defined by the Company Geotechnical study which range from angle 40 - 48°, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.36/t for processing, USD4.55/t G&A and USD50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au, and have not been updated as part of the current study due to no further detailed exploration.

(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(5) The reporting standard adopted for the reporting of the 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.

(6) SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

Table 14-17: Summary of La India Project, dated 25 January 2019

SRK MINERAL RESOURCE STATEMENT as of January 2019 (4),(5),(6)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz) (7)
Indicated	Grand total	All veins	0.5g/t (OP) (1)	8,583	3.3	902	5.6	1535
			2.0 g/t (UG) (2)	1,267	5.8	238	8.5	345
		Subtotal Indicated		9,850	3.6	1140	5.9	1880
Inferred	Grand total	All veins	0.5g/t (OP) (1)	3,014	3.0	290	6.0	341
			2.0 g/t (UG) (2)	3,714	5.1	609	9.6	860
			1.5 g/t (3)	1,751	5.0	280		
		Subtotal Inferred		8,479	4.3	1,179	8.2	1201

(1) The La India, America, Central Breccia, Mestiza and Cacao pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, slope angles defined by the Company Geotechnical study which range from angle 40 - 48°, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.36/t for processing, USD4.5/t G&A and USD50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au, and have not been updated as part of the current study due to no further detailed exploration.

(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(5) The reporting standard adopted for the reporting of the 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.

(6) SRK Completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

(7) Back calculated Inferred silver grade based on a total tonnage of 4569 kt as no silver estimates for Teresa, Central Breccia, Arizona, Auga Caliente, Guapinol, San Lucas, Cristalito-Tatescame or El Cacao.

Grade Sensitivity Analysis

The results of grade sensitivity analysis completed per deposit are tabulated in Table 14-18 to Table 14-23.

This is to show the continuity of the grade estimates at various cut-off increments at each of the vein sub areas and the sensitivity of the Mineral Resource to changes in cut-off. The tonnages and grades in these figures and tables should not, however, be interpreted as Mineral Resources. Table 14-18 indicates that the La India Open pit resources is relatively insensitive to increases in cut-off grade, that is to say an increase in cut-off grade from 0.5 g/t Au to 3.0 g/t Au is reflected in a drop from 832 koz at a grade of 3.13 g/t Au, to 547 koz at a grade of 6.36 g/t Au respectively.

Table 14-18: Block Model Quantities and Grade Estimates*, La India Open Pit at various cut-off Grades

Grade - Tonnage Table, La India Open Pit 25January 2019										
Cut-off Grade	Indicated					Inferred				
	Quantity	Gold		Silver		Quantity	Gold		Silver	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)
0.10	8,904	2.95	843	5.15	1,475	990	2.17	69	4.00	127
0.20	8,904	2.95	843	5.15	1,475	990	2.17	69	4.00	127
0.30	8,760	2.99	842	5.23	1,473	959	2.23	69	4.11	127
0.40	8,684	3.01	841	5.27	1,471	950	2.25	69	4.14	127
0.50	8,377	3.11	837	5.42	1,459	883	2.39	68	4.38	124
0.60	8,185	3.17	833	5.52	1,453	875	2.41	68	4.41	124
0.70	7,898	3.26	827	5.67	1,439	851	2.46	67	4.49	123
0.80	7,497	3.39	818	5.86	1,412	824	2.51	67	4.56	121
0.90	7,011	3.57	804	6.11	1,378	787	2.59	66	4.67	118
1.00	6,734	3.68	796	6.26	1,356	703	2.78	63	5.03	114
1.50	5,533	4.20	747	6.98	1,242	426	3.82	52	6.64	91
2.00	4,375	4.85	682	7.81	1,099	328	4.46	47	7.31	77
2.50	3,441	5.56	615	8.77	970	262	5.01	42	7.75	65
3.00	2,644	6.41	545	10.00	850	220	5.44	38	8.10	57

**The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. All figures are rounded to reflect the relative accuracy of the estimate.*

Table 14-19: Block Model Quantities and Grade Estimates*, La India Underground at various cut-off Grades

Grade - Tonnage Table, La India Underground 25January 2019										
Cut-off Grade	Indicated					Inferred				
	Quantity	Gold		Silver		Quantity	Gold		Silver	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)
1.60	904	4.12	120	9.18	267	1,453	4.83	225	11.02	515
1.70	839	4.32	116	9.57	258	1,350	5.07	220	11.52	500
1.80	788	4.48	114	9.86	250	1,280	5.25	216	11.86	488
1.90	723	4.72	110	10.25	238	1,225	5.40	213	12.15	479
2.00	678	4.90	107	10.60	231	1,165	5.58	209	12.39	464
2.10	653	5.01	105	10.81	227	1,118	5.73	206	12.69	456
2.20	622	5.15	103	11.11	222	1,065	5.91	202	13.09	448
2.30	579	5.37	100	11.48	214	1,006	6.12	198	13.53	438
2.40	519	5.72	95	12.31	205	931	6.42	192	14.10	422
2.50	482	5.97	93	12.89	200	882	6.65	188	14.60	414

Table 14-20: Block Model Quantities and Grade Estimates*, Mestiza Open Pit at various cut-off Grades[1]

Grade - Tonnage Table, Mestiza Open Pit 25 January 2019										
Cut-off Grade	Indicated					Inferred				
	Quantity	Gold		Silver		Quantity	Gold		Silver	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)
0.10	92	12.09	36	19.46	58	345	7.57	84	11.99	133
0.50	92	12.09	36	19.46	58	337	7.76	84	12.29	133
1.00	92	12.09	36	19.46	58	329	7.92	84	12.55	133
1.50	92	12.09	36	19.46	58	315	8.21	83	12.94	131
2.00	92	12.14	36	19.47	58	299	8.57	82	13.02	125
3.00	92	12.14	36	19.47	58	285	8.87	81	13.35	122
4.00	92	12.14	36	19.47	58	236	9.99	76	13.91	106
5.00	92	12.15	36	19.49	58	165	12.32	66	15.06	80
6.00	87	12.50	35	19.89	56	143	13.42	62	16.13	74
8.00	73	13.55	32	21.40	50	129	14.12	59	16.88	70
10.00	59	14.60	28	22.94	43	117	14.65	55	17.40	66

[1] Grade and tonnage sensitivity table includes silver grades from both the Tatiana and Buenos Aires veins. Silver grades at Buenos Aires are excluded from the Mineral Resource Statement due to insufficeint confidence in the silver estimates.

Table 14-21: Block Model Quantities and Grade Estimates*, Mestiza Underground at various cut-off Grades[1,2]

Grade - Tonnage Table, Mestiza Underground 25 January 2019										
Cut-off Grade	Indicated					Inferred				
	Quantity	Gold		Silver		Quantity	Gold		Silver	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)	(kt)	Grade (g/t)	Metal (koz)	Grade (g/t)	Metal (koz)
1.00	132	5.06	21	11.44	49	1,044	4.01	135	7.25	243
1.50	124	5.28	21	11.41	46	1,007	4.11	133	7.29	236
2.00	118	5.49	21	11.27	43	807	4.65	121	8.43	219
2.50	115	5.57	21	11.34	42	698	5.03	113	8.97	201
3.00	107	5.79	20	11.40	39	540	5.69	99	10.29	179
4.00	79	6.59	17	12.79	32	344	6.98	77	10.69	118
5.00	45	8.10	12	15.11	22	215	8.47	58	11.33	78
6.00	31	9.35	9	16.95	17	148	9.83	47	12.35	59
7.00	20	10.99	7	20.46	13	111	10.97	39	13.59	49
10.00	10	13.13	4	23.93	8	60	13.14	26	15.02	29

[1] Grade and tonnage sensitivity table includes silver grades from both the Tatiana and Buenos Aires veins. Silver grades at Buenos Aires are excluded from the Mineral Resource Statement due to insufficeint confidence in the silver estimates.

[2] Exludes the (Mestiza) Espenito vein, which was previously reported by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au and has not been updated as part of the current study due to no further detailed exploration.

Table 14-22: Block Model Quantities and Grade Estimates*, Cacao Open Pit at various cut-off Grades

Grade - Tonnage Table, Cacao Open Pit 25 January 2019			
Cut-off Grade	Inferred		
	Quantity	Gold	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)
0.00	515	1.01	17
0.20	468	1.09	16
0.50	188	2.30	14
1.00	188	2.30	14
1.50	175	2.37	13
2.00	125	2.58	10

Table 14-23: Block Model Quantities and Grade Estimates*, Cacao Underground at various cut-off Grades

Grade - Tonnage Table, Cacao Underground 25 January 2019			
Cut-off Grade	Inferred		
	Quantity	Gold	
Gold (g/t)	(kt)	Grade (g/t)	Metal (koz)
0.00	1,874	1.02	61
0.50	579	2.79	52
1.00	579	2.79	52
2.00	474	3.02	46
3.00	251	3.56	29
4.00	47	4.43	7

14.13.1 Vein Thickness Variability

A summary of the average true thickness per vein on the La India Project is illustrated in Table 14-24.

The reported thickness data has been restricted to areas of appropriate geological confidence and is shown sub-divided by open pit and underground resource categories.

Table 14-24: Summary of Average True Thickness per Vein on the La India Project

Type	Vein	Type	Average True Thickness (m)
Underground Resource	America-Escondido	WR	5.1
		HGC	1.5
	Constancia	WR	3
		HGC	1
	Arizona	Single domain	2
	Buenos Aires		0.9
	Cacao		3.3
	Espinito		0.8
	Guapinol		1.5
	San Lucas		1.6
	Tatiana		1.8
	Teresa		1
	Agua Caliente		1.4
	La India/ California (main)	WR	4.4
		HGC	1.4
	La India/ California (Hanging Wall)	Single domain	1
Open Pit Resource	America-Escondido	WR	3.8
		HGC	1.7
	Constancia	WR	1
		HGC	1
	Buenos Aires	Single domain	1.3
	Cacao		4.1
	Tatiana		2.1
	La India/ California (main)	WR	6.5
		HGC	1.8
	La India/ California (Hanging Wall)	Single domain	2.6
	La India/ California (Breccia Zone)		4.7

14.13.2 Comparison to Previous Mineral Resource Estimates

When compared with SRK's 2014 MRE, SRK's 2019 MRE results in a small (3.1%) increase in Indicated tonnage accompanied by a (2.9%) increase in gold grade, with resulting (5.3%) increase in gold metal. In the Inferred category, SRK's 2019 MRE results in a small (0.6%) reduction in tonnage accompanied by a (3.9%) decrease in gold grade, with resulting (4.3%) reduction in gold metal. Overall, the changes in gold metal associated with the 2019 MRE update are considered small.

SRK considers the following to be the key observations and changes at La India, Mestiza and Cacao, in comparison with the previous SRK 2014 MRE:

La India

- At La India, the new drilling in general confirmed the previous resource block model, with only marginal (<5%) changes to the total gold metal content in comparison to the PFS open pit and underground Indicated Mineral Resource.
- Most of the changes impacted the underground Inferred Mineral Resource with an overall (15%) increase in gold metal based on better than expected thickness in part of the southern area of the model and slight extension to depth (Figure 14-24). SRK notes that while the vein has been intersected at a depth of 150 m below the current high-grade intersections, the limit of the Inferred category material has been restricted to minimise the potential smoothing of high grades at depth noted during the estimation process.
- Additional drilling at depth may result in a furtherincrease in the Mineral Resource, but the recent intersections returned narrower intersections at lower grades in the area highlighted in Figure 14-24.

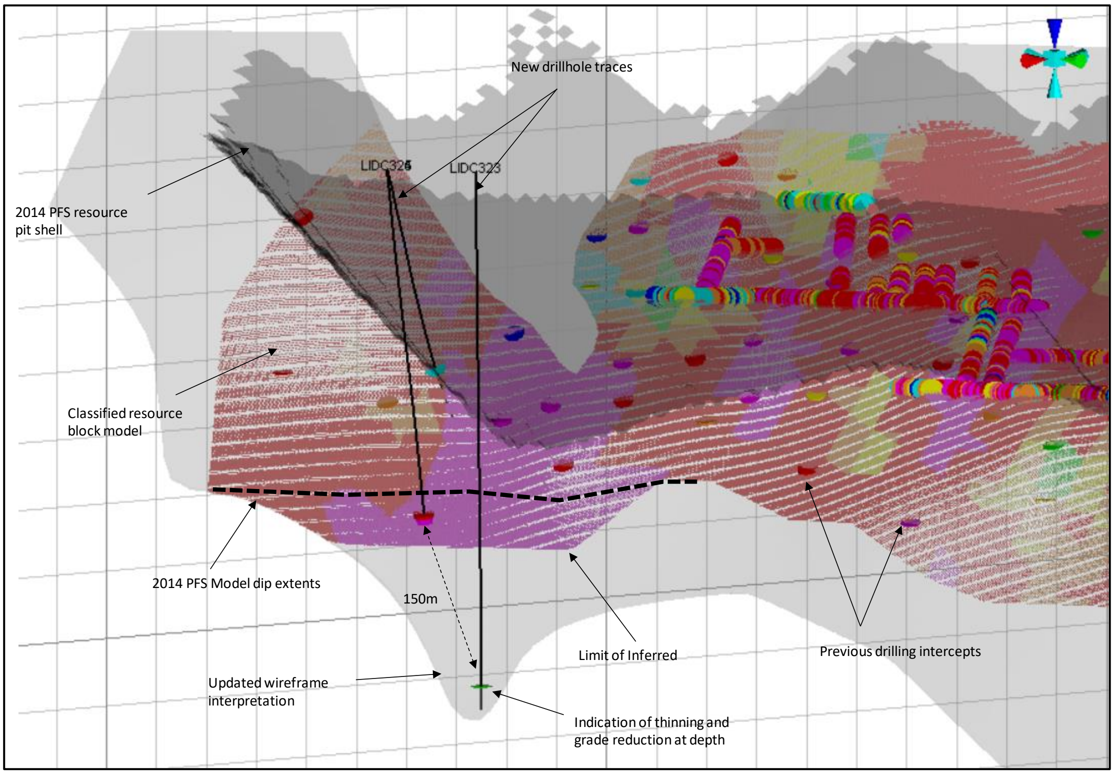


Figure 14-24: La India High Grade Structure, southern grade shoot area, looking south west

Mestiza

- In terms of a global reconciliation on the Mestiza Veinset, the recent drilling has resulted in a decrease in the Mineral Resources by some 15 koz of gold metal between 2014 to 2018. This reduction is mainly related to a decrease in the average grades of the Tatiana vein from 6.7 g/t to 5.4 g/t Au (associated with lower grades intercepted in new drilling on the eastern portion of the structure), and partly due to increase in cut-off grade for the underground mineral resource from 1.5 g/t Au to 2.0 g/t Au. This is offset to some extent by an increase in the volume of the Buenos Aires vein, which resulted in an increase in the contained ounces of approximately 28 koz Au.

- Notably, within the areas of new infill drilling where tighter drill spacing exists in the Tatiana vein, SRK has sufficient confidence in the data quality, geological and grade continuity such that a total of 57 koz Au metal has been reported in the Indicated category, of which 36 koz is considered to be potential extractable through open pit methods and 21 koz underground mining methods.

Cacao

- The new drilling at Cacao confirmed continuation of the mineralisation down-dip, albeit at a slightly lower grade and slightly thicker than predicted by the previous model. In comparson to the 2014 MRE, the updated 2019 Inferred MRE shows a slight increase (12%) in tonnage and reduction (-7%) in mean grade, with an overall small (3%) increase in gold metal.
- In addition, the increase in mineralised thickness in certain parts of the wireframes, and subsequent increase in tonnage for the 2019 MRE, is considered partly due to the reduction to the cut-off grade from 1.5 g/t to 0.5 g/t Au in the parts of the model considered to have open pit potential,
- The new infill drilling also flagged that the distribution and control on the highest grades is not yet well understood and requires further investigation to add confidence to the model, prior to being suitable for use in mine planning.

14.14 Interpretations and Conclusion

SRK considers the exploration data accumulated by the Company is generally reliable and suitable for the purpose of this Mineral Resource Estimate.

SRK has undertaken 3D modelling to construct updated mineralisation wireframes for the La India, Mestiza and Cacao deposits.

SRK used the 3D solids created in Leapfrog to code the drillholes to differentiate between mineralisation and waste. Statistical and geostatistical analyses was undertaken on the composited data, as constrained by the modelled wireframes, and sample grades were subsequently interpolated into 3D block models, to which classification boundaries were applied.

Conceptual pit shells have been used as a depth constraint for reporting. In addition to this, a cut-off grade has also been applied, based on gold grades. A cut-off grade of 0.5 g/t Au has been used for reporting of the Open Pit Mineral Resource. For the reporting of the Underground Mineral Resource, SRK has assumed a minimum accumulated grade of 2.0 g/t Au is required over a mineralisation width of 1.0 m to eliminate areas of lower-grade material within thinner portions of the vein. Input parameters have been benchmarked against similar projects or based on outputs from previous studies.

The 2019 Mineral Resource Estimation on the project area is a CIM-compliant Indicated Mineral Resource of 9.85 Mt at 3.6 g/t Au for 1,140,000 oz gold, and a further 8.48 Mt at 4.3 g/t Au for 1,179,000 oz gold in the Inferred Category, all contained within a 9 km radius within the Project area. In addition, there is 1,880,000 oz silver at a grade of 5.9 g/t Ag, in the Indicated category, and 1,201,000 oz at a grade of 8.2 g/t Ag within the Inferred category, which is restricted to the La India, America-Escondido, Constancia, and Mestiza (Tatiana) deposits.

The majority of the focus of the 2019 MRE update has been on the Mestiza prospect where the majority of targeted infill drilling has been completed. As a result, where tighter drill spacing exists on the the Tatiana vein, SRK has sufficient confidence in the data quality, geological and grade continuity such that a portion of the Tatiana model has been reported in the Indicated category (57 koz Au), with the remainder in Inferred (254 koz Au).

In comparison with SRK's 2014 MRE, SRK's 2019 MRE results in a small (3.1%) increase in Indicated Mineral Resource tonnage accompanied by a (2.9%) increase in gold grade, with resulting (5.3%) increase in gold metal for the Project. In Inferred, SRK's 2019 MRE results in a small (0.6%) reduction in tonnage accompanied by a (3.9%) decrease in gold grade, with resulting (4.3%) reduction in gold metal. Overall, the changes in gold metal associated with the 2019 MRE update are not considered material.

The geological interpretation used to generate the Mineral Resource presented herein is generally considered to be robust; however, there are areas of lower geological confidence which will require more drilling and may be subject to further revision in the future.

During 2021 SRK have worked with Condor's geological team to develop individual drilling plans for the Mestiza open pits, and the initial stater pits proposed along the La India Vein. The drilling programs have been aimed at reducing the drill spacing for increased understanding and assessment of the geological and grade continuity. The La India infill program has been aimed at increasing the confidence in the potential first year of production via a denser drilling pattern. The drilling reduces the current spacing from 50x50 m, to a 25x25m drilling grid, plus tests for extensions currently defined as Inferred within the current slopes of the valley. The drilling program consists of a number of short holes ranging from 20 to 75m. At Mestiza SRK has proposed a phased program which reduces the drill spacing to a 50x50m grid (Phase 1), and thereafter a 25x50m grid (Phase 2), with potential to infill further to a 25x25m within the current pits, based on the results from the first two phases. Drillholes range in depth from 20 to 225m at Tatiana, with an average depth approximately 75m. At Buenos Aires the holes range from 30 to 170 m with an average depth of approximately 75m. The Mestiza program has been designed to infill drilling and replace historical holes (pre-Condor), where required, to cover the 2019 Mineral Resource limiting pit-shell. SRK has also included additional holes at the base of each pit to test for continuity. In each case the drilling is designed to hit the vein at a suitable angle for representative sampling and modelling to be achieved.

The resource drilling programs for the La India deposit have been completed (totalling 3,370 metres for 58 holes) and the assay values have been received but not been included in the current study due to timing. Condor is currently working to update the geological interpretations which will be subject to a future resource update. The resource drilling program at Mestiza remains ongoing, scheduled for completion in November 2021.

It is recommended that following the completion of the drilling, data quality reviews and update to the geological interpretations that Condor update the geological model and the Mineral Resource based on the latest drilling.

Finally, SRK recommend that Condor continue with exploration of the La India Property, specifically to:

- Complete the proposed 5,000m exploration drilling program at Cacao, and,

- Explore, through field mapping the minerlization trends to develop drill targets with an aim of sourcing additional open pit Mineral Resources.

15 MINERAL RESERVE ESTIMATE

No Mineral reserves are currently reported for the Project.

16 MINING METHODS

16.1 Introduction

The strategic study reported in this Technical Report covers two scenarios:

- Scenario A, in which the mining is undertaken from four open pits: La India, America, Mestiza and Central Breccia Zone (CBX), targeting a plant feed rate of 1.225 Mtpa; and
- Scenario B, where mining includes the four open pits included in Scenario A, but is extended to cover three underground operations, at La India, America and Mestiza respectively, targeting a plant feed rate of 1.4 Mtpa.

The following sections present the technical studies to support both Scanerio A and B, where Scenario A represents and open pit mining operation and Scenario an open pit plus underground operation.

16.2 Geotechnics

16.2.1 Open Pit Geotechnics

Introduction

Both Scenario A and Scenario B consider open pit mining from the four deposits: La India, America, Mestiza, and CBX. Varying degrees of geotechnical studies have been competed for the four potential open pits, where theses range from a detailed pre-feasibility level investigation for La India, to scoping and benchmark values for Mestiza, America and Central Breccia. The below section details the level of study and resultant input parameters assumed for the open pit optimisation studies, Section 16.4.3.

La India

The study envisages the development of a large open pit to exploit the La India deposit, which is planned to be approximately 1,275 m long, 475 m wide, with a maximum depth of 370 m. The main geotechnical challenge to the project is the variability in rockmass strength. Several large-scale structures exist in the pit area (Figure 16-1). Most of these are favourably orientated; however, a few structures are unfavourably orientated or positioned, and thus may affect the stability of some of the slopes.

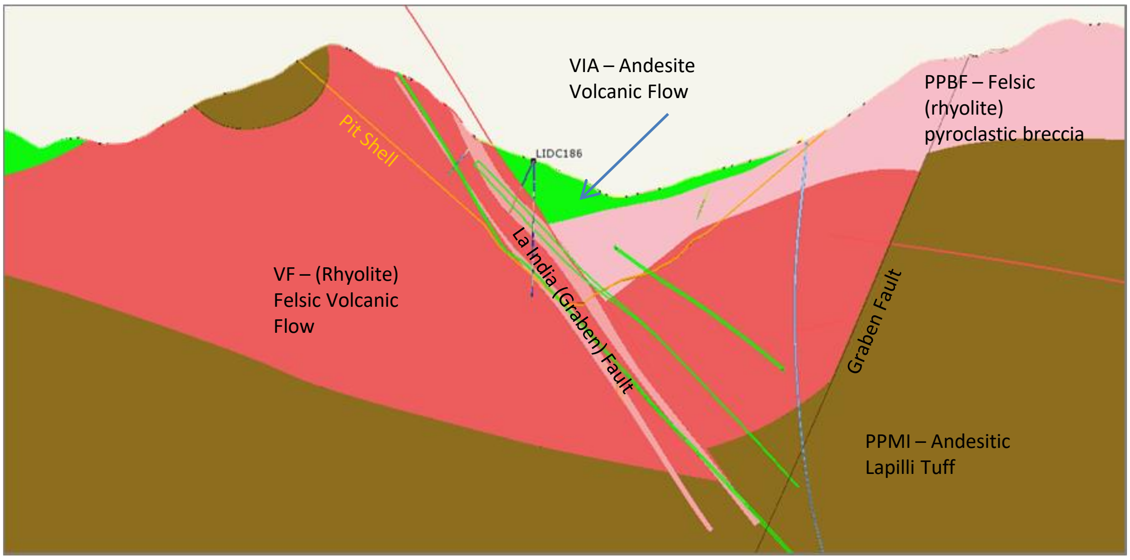


Figure 16-1: Geological cross section through the central portion of the La India gold deposit

A drilling program, comprising a total of 10 inclined cored and orientated boreholes, 1,700 m in total has been completed for the La India deposit. Five of these drillholes were drilled at the perimeter of the provional final pits (at the time) while a further five were spread across the length of the pit and were drilled deeply into the footwall.

Geotechnical data of high quality and accuracy have been collected from a comprehensive geotechnical drilling program supplemented by some limited surface and underground geotechnical mapping. Analysis of the geotechnical information concluded that rockmass strength varies significantly over the length of the pit which required defining a set of geotechnical domains for both the hangingwall and footwall slopes in order to provide greater flexibility in the pit slope stability analysis.

The geotechnical drilling program completed for the PFS focussed on obtaining a reasonable geotechnical characterisation of the entire pit area. The main focus of the investigation, however, was on the rockmass of the central pit portions as it is here that the pit slopes are highest and optimised slopes angles for this area have the greatest impact on reducing the amount of waste rock to be mined. SRK considers that the geotechnical information of these domains has been sufficiently well defined. Future geotechnical studies should therefore focus more on resolving remaining geotechnical uncertainties and the hydrogeological understanding.

The confidence of the slope angles is a function of the confidence in all the data forming the geotechnical model which comprise all geotechnical, geological, structural and hydrogeological information. Geotechnical, geological structural, and hydrogeological data have all been defined to a high level of confidence.

SRK proposed the following slope geometry for all fresh rock slopes to be used when developing the engineered pit, to achieve the recommended inter-ramp angle:

- 20 m bench height;
- 75° bench face angle;
- 8 m berm width;

- 100 m maximum stack height;
- 30 m ramp/geotechnical berm width; and
- 56° inter-ramp angle.

The overall slope angle is therefore governed by the overall slope height and overburden thickness.

The inter-ramp slope was limited to a height of 100 m. On the south west slopes, however, (Domains 1 and 2), factor of safety calculated were higher (see Table 16-1), giving an opportunity to steepen the overall slope angle by reducing the geotechnical berm width to 20 m, where possible. A factor of safety above the acceptance criteria was obtained on all the slopes analysed except for the northern footwall slopes due to the fault behind this pit wall.

Table 16-1 summarises the slope design adopted by domain.

Table 16-1: Updated Recommended Pit Slopes Design

Pit Slope	Domain ID	Design Bench Face Angle (°)	Bench Height (m)	Bench Width (m)	Maximum Bench Stack Height (m)	GT Berm/Ramp Width (m)	Design IRA (°)	Indicative Overall Slope Angle (°)
Overburden	1-8	35	10	5	n/a	n/a	35	27
Footwall	1	75	20	8	100	30/20	56	47-49
	2	75	20	8	100	30/20	56	48-50
	3	75	20	8	100	30	56	47
	4	75	20	8	100	30	56	49
Hanging-wall	5	75	20	8	100	30	56	49
	6	75	20	8	100	30	56	46
	7	75	20	8	100	30	56	49
	8	75	20	8	100	30	56	48

America, Mestiza and Central Breccia deposits

No specific geotechnical data have been collected for the America, Mestiza or CBZ deposits, therefore, an assessment of core photographs from a number of boreholes located in proximity to the proposed pit slopes as well as understanding gained from the La India results, has been used to inform overall angles for pit slope optimisation purposes.

This assessment indicates that overall slope angles for optimisation purposes should be around 40°. On the assumption that a final design pit will carry a 30 m wide ramp offsets on each wall, inter-ramp slope angles of up to 50° will be required to achieve a 40° overall slope angle.

SRK notes that these slope angles are similar to the lower bound slope angles of those developed for the main La India detailed open pit study conducted in 2013. A more detailed geotechnical assessment of the three deposits may allow slightly steeper slope angles to be developed in later study stages.

An overall slope angle of 40° has been assumed when developing optimised pits for America, Mestiza and CBZ.

16.2.2 Underground Mining Geotechnics

Introduction

Scenario B considers the inclusion of underground mining at the La India, America and Mestiza deposits. To support the underground mining studies, SRK has reviewed and assessed the rock mass classification, and assessed the requirements for crown pillar design, sill pillar design, and support. This study is based on the summarised geotechnical information from earlier studies including those referred to the SRK 2014 and 2017 NI 43-101 Technical Reports, with no further drill core or logging data added subsequently. As such, the rock mass characterisation is based on a Leapfrog database of 66 boreholes used to examine a 15 m thick zone within the immediate hangingwall and footwall of the orebody using approximately 2,300 m of core. This has been used to infer principal rock mass characteristics of hangingwall, ore zone and footwall rocks that are referred to in the section below.

Rock Mass Classification

One of the most widely used rock mass classification systems used to guide mine designs is the Q-system which can be used to estimate stand-up times, stope dimensions, excavation support and pillar design.

On the basis of a review of the available geotechnical logging data and hydrogeological conditions, the weighted average, minimum and maximum values of Q assumed are as shown in Table 16-2:

Table 16-2: Assumed range of Q and Q' for basic domains

	Weighted Average		Min		Max	
	Q'	Q	Q'	Q	Q'	Q
FW	1.10	0.29	0.09	0.02	20.37	5.38
HW	1.70	0.45	0.06	0.02	711.11	187.73
Ore Body	4.60	1.21	0.06	0.02	711.11	187.73

The hydrogeological conditions were considered to correspond to ‘Medium inflow, occasional outwash of joint fillings (many drips/”rain”)’ based upon a review of likely seepage beneath a crown pillar, but with the caveat that under extreme conditions (recognising surface water controls would try to ameliorate the situation) conditions could deteriorate (where this value could be halved).

Crown Pillar Design

The current assessment of crown pillar design at La India, has followed an empirical approach which has followed the Guidelines for use of the Scaled Span Method for Surface Crown Pillar Stability Assessment (Carter, 2014), with adjustment for shallow dipping orebodies as shown in Figure 16-2. This is based on a database of over 500 cases with more than 70 analysed failures.

The final Scaled Span, Cs relationship used in this design chart is as follows:

$$C_S = S\left(\frac{\gamma}{T(1+S_R)(1-0.4cos\emptyset)}\right)^{0.5}$$

where: S = crown pillar span (m);

γ = specific gravity (tonnes/m^3);

T = thickness of crown pillar (m);

$\emptyset$ = orebody/foliation dip, and;

S_R = span ratio = S/L (crown pillar span/crown pillar strike length)

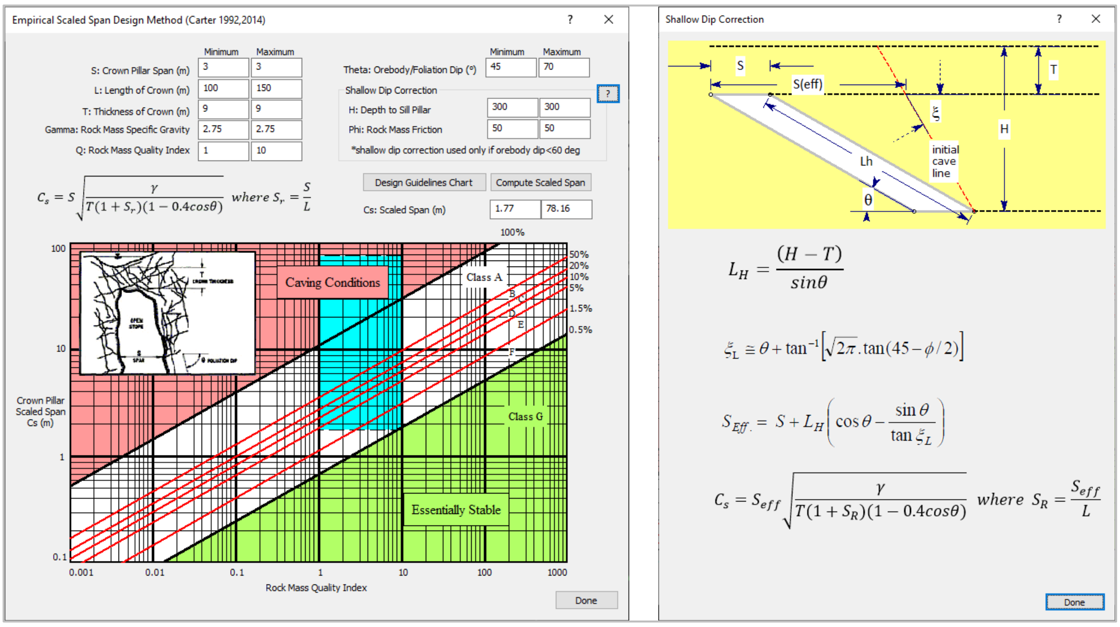


Figure 16-2: Empirical Scales Span Design Method (Carter 1992, 2014)

Any near-surface mining excavation will create stress changes within the crown pillar that will remain above the new opening. The role of in situ stress within the crown pillar zone is still far from clearly understood. In certain situations, lateral clamping stresses are significant and in other cases they seem to be ineffective or completely absent. Theoretically, the presence of clamping stresses and the development of a compression arch within a crown pillar will significantly enhance the stability of the pillar. As it is of such importance, there is a case to be made that determination of the in-situ stress state in a stable thin crown pillar would provide invaluable data to further current understanding of crown pillar behaviour in a marginal stability state.

Whether the degree of change will be enough to create problems depends on crown thickness, rock competence, original in situ stress state and on a host of other factors.

Pillar designs have been considered for the following situations:

- Crown Pillar under pit floor;
- Crown Pillar along pit walls;
- Crown Pillar under surface in areas without pits; (previously assumed 10m – artisanal miners working in the weathered surface);
- Sill Pillars under old stopes (stope width assumed to be 3m); and
- Rib pillars around old stopes (presumed to be filled with unconsolidated rockfill).

These situations are illustrated in the long sections as shown in Figure 16-3. Crown pillar designs are guided by various levels of allowable risk from the perspective of different stakeholders which are shown in Table 16-3 and used to provide the design guidance for the various conditions shown in Figure 16-3 for stopes dipping below and above 60 degrees, as shown in Table 16-4.

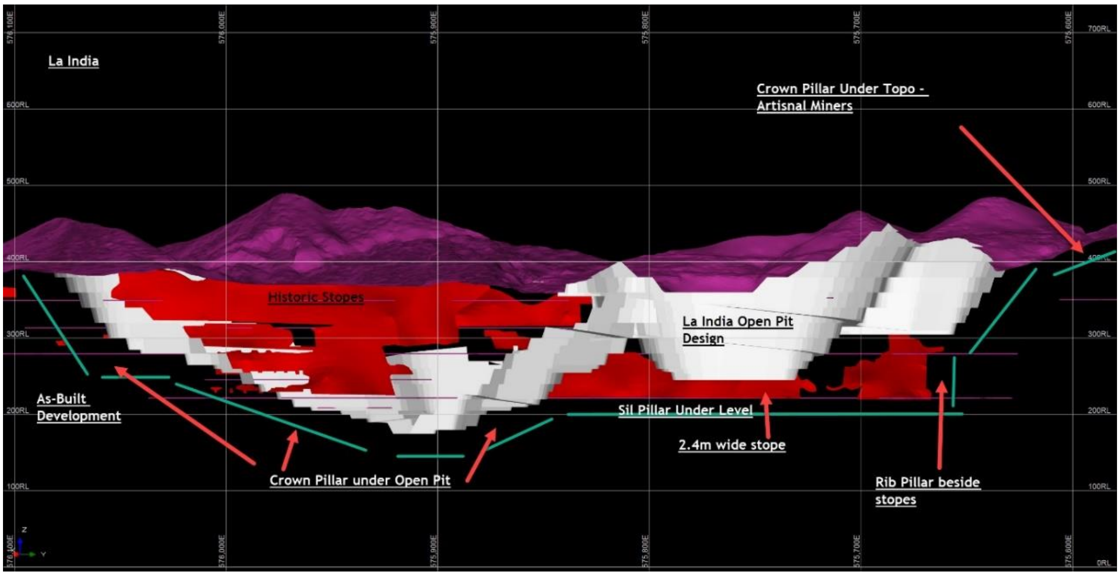


Figure 16-3: Crown and sill pillar configurations (shown with reference to La India)

Table 16-3: Design Guidelines Chart - Empirical Scaled Span Design Method (Carter 1992, 2014)

Class	Probability of Failure %	Minimum Factor of Safety	Maximum Scaled Span, Cs (= Sc)	ESR (Barton et al. 1974)	Design Guidelines for Pillar Acceptability/Serviceable Life of Crown Pillar				
					Expectancy	Years	Public Access	Regulatory position on closure	Operating Surveillance Required
A	50 – 100	<1	$11.31Q^{0.44}$	>5	Effectively zero	< 0.5	Forbidden	Totally unacceptable	Ineffective
B	20 – 50	1.0	$3.58Q^{0.44}$	3	Very, very short-term (temporary mining purposes only ; unacceptable risk of failure for temporary civil tunnel portals	1.0	Forcibly Prevented	Not acceptable	Continuous sophisticated monitoring
C	10 – 20	1.2	$2.74Q^{0.44}$	1.6	Very short-term (quasi-temporary stope crowns ; undesirable risk of failure for temporary civil works)	2 – 5	Actively prevented	High level of concern	Continuous monitoring with instruments
D	5 – 10	1.5	$2.33Q^{0.44}$	1.4	Short-term (semi-temporary crowns, e.g.under non-sensitive mine infrastructure)	5 – 10	Prevented	Moderate level of concern	Continuous simple monitoring
E	1.5 – 5	1.8	$1.84Q^{0.44}$	1.3	Medium-term (semi-permanent crowns, possibly under structures)	15–20	Discouraged	Low to moderate level of concern	Conscious superficial monitoring
F	0.5 – 1.5	2	$1.12Q^{0.44}$	1	Long-term (quasi-permanent crowns, civil portals, near-surface sewer tunnels)	50–100	Allowed	Of limited concern	Incidental superficial monitoring
G	<0.5	>>2	$0.69\ Q^{0.44}$	0.8	Very long-term (permanent crowns over civil tunnels)	>100	Free	Of no concern	None required

Table 16-4: Recommended crown pillar thicknesses

Situation	Stopes <60 degrees	Stopes >60 degrees
Crown Pillar under pit floor	pillar thickness needs to be 30 m	pillar thickness needs to be 3 x span
Crown Pillar along pit walls	pillar thickness needs to be 3 x span	pillar thickness needs to be 3 x span
Crown Pillar under surface in areas without pits	30 m pillar is required	pillar thickness needs to be 3 x span
Pillars adjacent to old 'filled' stopes where stope parallel to pitwall	30 m pillar is required - also a function of slope design	30 m pillar is required - also a function of slope design
Pillars adjacent to old 'filled' stopes where stope orthogonal to pitwall	pillar thickness needs to be 3 x span	pillar thickness needs to be 3 x span

Sill Pillar Design

For the determination of the size of sill pillars under old stopes, a series of 2D elastic analyses were undertaken, for depths of 100 m, 200 m and 300 m assuming 3 m stopes and a k-ratio of 2 (which is reasonably conservative) and rock strength values as shown in Figure 16-4.

This example shows that for 75 m high stopes, the given stress field and a 25 m thick pillar, the strength factor is greater than 1 (stable) for all areas shown in white. In this case, there is a stable core throughout the pillar, but this is not maintained at lesser pillar thicknesses with everything else remaining the same.

The required sill pillars dimensions at different depths and different heights of mined stopes above and being mined-out below, for a k-ratio of 2.0 are shown in Table 16-5.

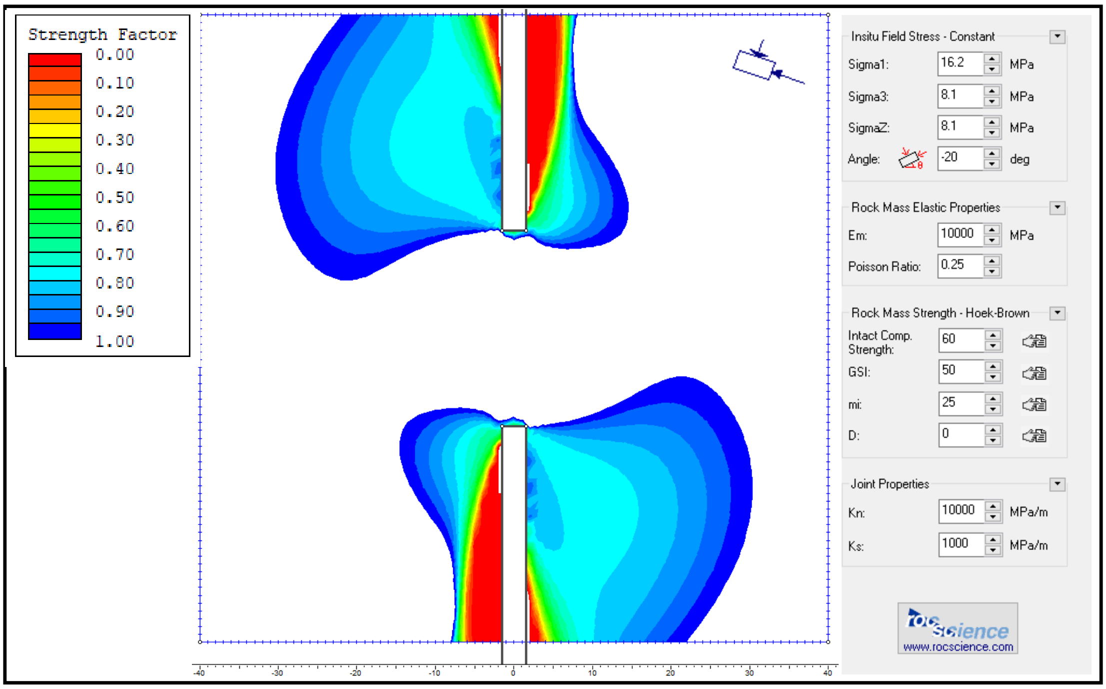


Figure 16-4: Example Strength Factor plot of 2D elastic analysis of sill pillar

Table 16-5: Recommended Sill Pillar dimensions

		Stope Height (m)			
K-ratio = 2		30	50	75	100
Depth (m)	100	10	10	15	20
	200	10	15	20	25
	300	10	15	25	30

Support

Excavation support using the Q-system assuming weighted average Q-values for hangingwall, ore zone and footwall of a 4.5 m wide excavation are shown in Figure 16-5. If it is assumed that development lying within respective weighted-average strength rock masses and applying the (NGI) Rock Mass Quality and Rock Support Chart, then the following support specifications would apply:

- Hangingwall: 6-9 cm of fibre reinforced sprayed concrete (see note[1]) and 2.4 m long bolts at 1.5 m spacing.
- Ore zone: 5-6 cm of fibre reinforced sprayed concrete (see note[1]) and 2.4 m long bolts at 2.0 m spacing.
- Footwall: 9-12 cm of fibre reinforced sprayed concrete (see note[1]) and 2.4 m long bolts at 1.5 m spacing.

It should be stressed that the range of Q values is wide (indicated by arrows) and it is not known (at this stage) what proportion of development may traverse through rock masses ranging from Extremely poor to Extremely good. Also tunnel usage (such as production drift) and design life will dictate the type of support. Friction-type bolts may be well suited to drift development. For longer-term infrastructure, resin or cement grouted bolts would be more appropriate. Additionally, where Q = >7, shotcrete may be eliminated altogether, and spot bolting suffice.

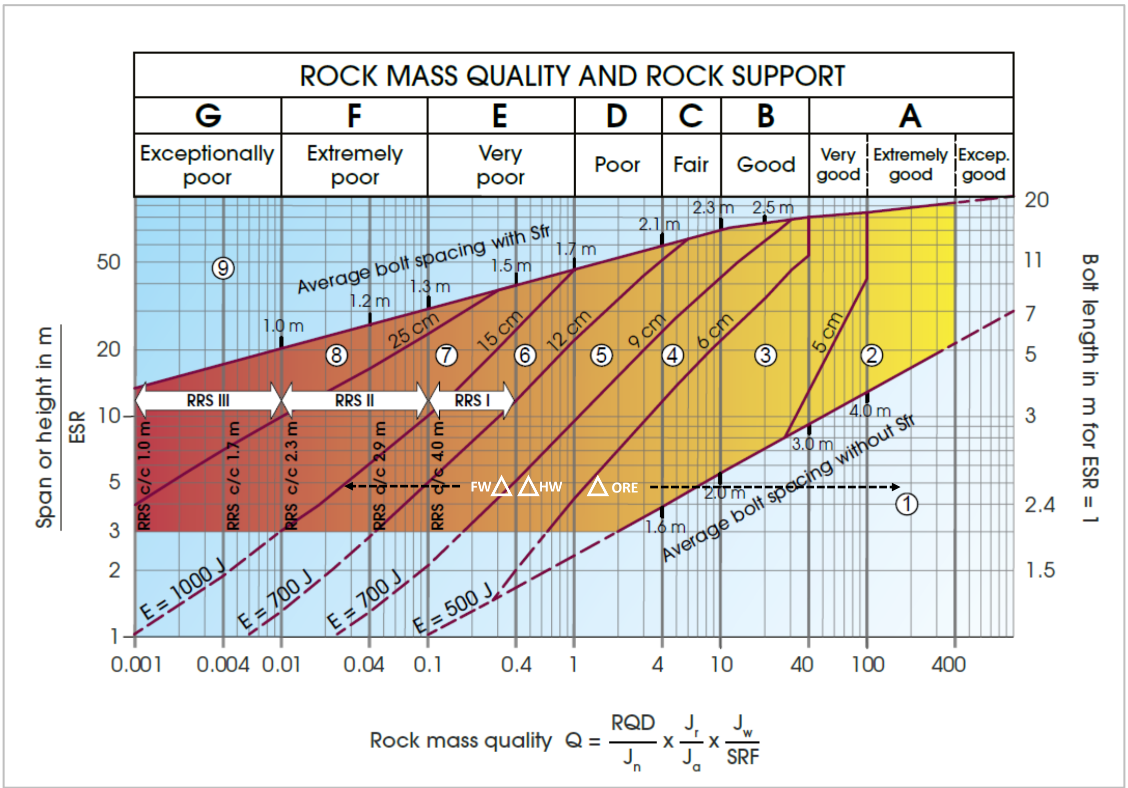


Figure 16-5: Rock Mass Quality and Rock Support Chart with guidance for La India

1 Screening (sheets of welded mesh) is a common alternative to shotcrete and is reasonable to be allowed for at this stage. Consideration should be given to the alternative use of fibre reinforced sprayed concrete (FRS) when the characteristics and variability of the rock mass are better understood. The exact specifications for support should be refined as the project steps through the next phases of development and into production, where the specifications should be based on reliable mapping / logging data and adjusted according to performance.

16.3 Hydrology and Hydrogeology

16.3.1 Open Pit Water Management

La India Open Pit

Hydrology and Surface Water Management

The Project is situated in the Agua Fria catchment and its nested sub-catchments, which together constitute a sub-catchment of the much larger Rio Sinecapa Basin. There is a total of six sub-catchments that will naturally drain into the La India open pit with a combined area of 13.85 km^2. The Project area is subject to intense rainfall events and the alignment of the existing river flows through the proposed La India pit footprint. The mine plan cannot be developed without altering the river within the pit area. Mitigating the effects of the river is a major consideration with respect to the viability of the Project. Surface water management options have therefore been investigated in greater detail than would normally be anticipated for a PEA level design.

Various methods were analysed to mitigate the pit flood risk due to the river, and the most viable option is an attenuation dam upstream of the pit with a pumping system to discharge water into a neighbouring catchment. A preferred dam location has been identified to the north east of the existing La India village, the “La Simona Dam”, which minimises construction costs while maximising the watershed area and storage capacity.

Insufficient long term flow data was available for the Agua Fria or neighbouring catchments to complete an in-depth analysis of flow during the PFS in 2014. In order to address this data gap a weir was installed immediately downstream of the proposed La Simona Dam by Condor with the specific objective of providing a design flow record for the dam. The station measures water level every 15 minutes at the fixed cross section delineated by a Trapezoidal Weir. Further details of the station and the analysis undertaken in support of the current PEA are included as Appendix B

During the PFS all structures were sized to accommodate a 1 in 10-year 24 hour design storm event which is similar to the perceived life of mine. Spillways were designed to a 1 in 100-year events to reduce the risk of failures of the structures during extreme events. Analysis presented in Appendix B suggests the La Simona Dam will be able to receive the flow from a 1:25 year rainfall event without the risk of overtopping. Given that the PFS level design was specified for a 1:10 year flood event, this data review undertaken in support of this PEA has indicated that the storage capacity of the La Simona dam used for the PFS remains valid and is likely to accommodate a more extreme flood event than that assumed at the time of the PFS when a suitable flow record was not available to support the design. SRK considers, however, that the design criteria for the dam spillway must be increased from a 1 in 100-year event to a Probable Maximum Flood (“PMF”) as the La India village, which is located downstream of the dam, is no longer being relocated (as was the case in the 2014 PFS). This presence of the village raises the consequence category of the dam to *Extreme* according to Canadian Dam Safety guidelines and all dams with an extreme consequence of failure must be designed to withstand the PMF.

Runoff from the catchment downstream of the La Simona Dam is still significant and could lead to an unacceptably high runoff discharging into the pit. Due to the proposed pit location, terrain and alignment of existing and proposed roads, placement of a river diversion around the pit was not deemed viable and it is rather proposed that an additional structure ("Lagunas") be built at the confluence between the proposed pit and the La India village. The structure will be located close to the final pit limit and it is therefore believed that the structure should be lined to minimise infiltration.

Pumps will be located at the La Simona Dam and Lagunas pond, as well as in-pit sumps, to transfer the water between the respective holding facilities and the neighbouring catchment to the south east as applicable. It is considered preferable to concentrate pumps within a small area to aid maintenance and operational activities. An of overview of the La India mine water management system adopted for the current PEA is presented in Figure 16-6. This will be reviewed as part of the ongoing site water balance study and refinements to pond and pipeline allignments in the vicinity of the La India village are being reviewed in light of community and land access issues.

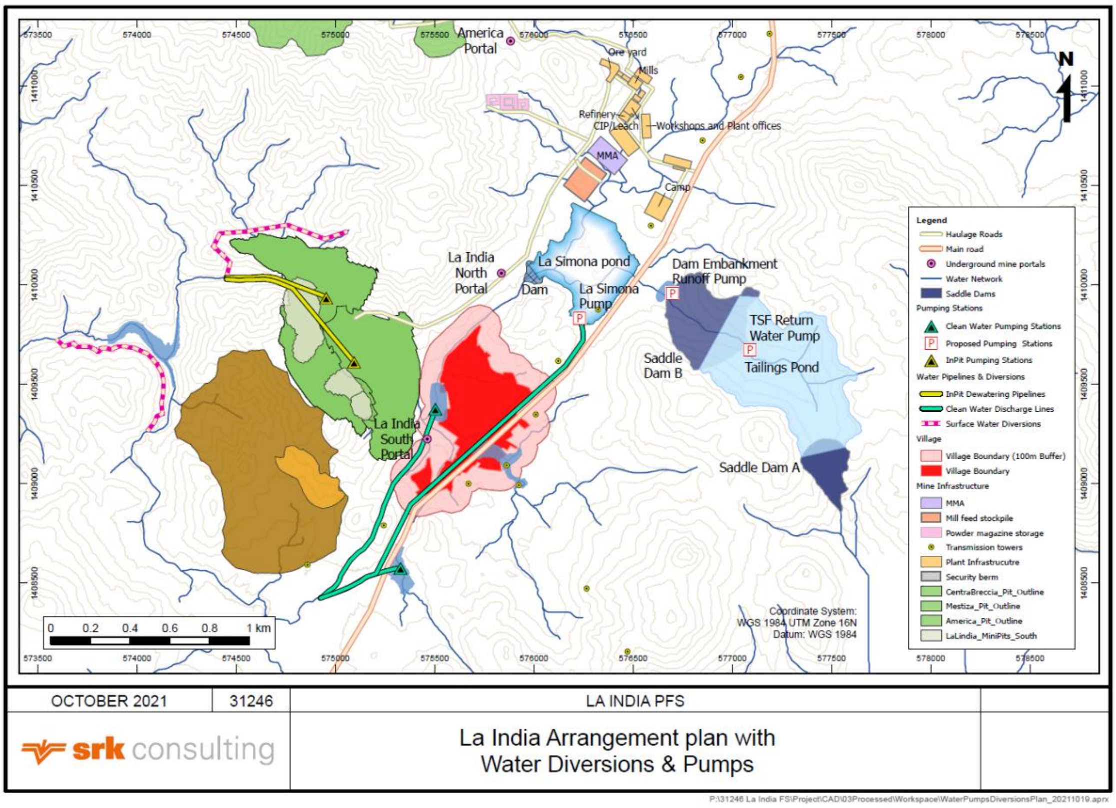


Figure 16-6: La India Mine Wanagement System

Hydrogeology and Dewatering

The La India area is essentially a brownfield site with respect to groundwater. Water levels are unlikely to ever recover to their pre-mining levels due to the presence of historical workings and the San Lucus drainage adit. This does not appear to have had a major impact on the community water supplies in the area which target a shallow perched groundwater system.

Interpretation of historical data (Malouf (1978)) suggests that a groundwater inflow rate of 1200 to 1400 gpm (75.7 to 88.3 L/s) corresponds to the average long-term discharge rate from the San Lucas drainage adit when the groundwater level in the historical workings is maintained at an elevation of 213 masl. At some point since the closure of the previous mining operations in 1958, the San Lucas drainage adit has become blocked and has resulted in heads backing up to an elevation of approximately 310 masl through the La India workings, demonstrated inFigure 16-7.

Hydraulic properties have been estimated from falling head tests and a long duration pumping test. Attempts were made to carry out spinner and heat pulse testing during the 2013 geotechnical drilling campaign; however, both methods were unsuccessful.

Thirty-eight falling head tests have been completed at twenty-six locations in the La India project area to generate typical values of hydraulic conductivity for the bedrock aquifer. The tests indicate that faults and historical workings are typically more permeable than the bedrock matrix implying that groundwater flow is structurally controlled. Interaction between the water column and fault structures is visible in a number of locations. Estimated average hydraulic conductivity range from 3E-09m/s (matrix) through 1E-07m/s (faults) to 3E-02m/s (workings).

A 14-day pumping test was completed in March/April 2013 in the historical La India mine workings (just above Level 6 at 279 masl), maintaining a discharge rate of approximately 75 L/s. Groundwater levels were monitored in 30 observation wells throughout the test. The maximum drawdown achieved at the pumping well and in the monitoring network was 2.07 m and 2.41 m, respectively. Approximately 45% of wells do not appear to show a response to pumping due to insufficient hydraulic connection with the pumping station, including all wells in the shallow alluvial aquifer and a number of deep bedrock wells. All other wells do show a response and are typically connected by structures (faults, historical workings, drainage adit) to the pumping station. The influence of pumping, shown by the ‘maximum drawdown’ crosses in Figure 16-7, can be observed over distances of several kilometres, including in the America workings to the north.

The groundwater system at La India is relatively well understood for a project at PEA due to the availability of historical dewatering information (Malouf, 1978) and the groundwater monitoring program initiated during the 2014 PFS. It is suggested that the groundwater regime comprises two aquifers; a shallow, perched aquifer in the colluvial/alluvial material and a deep, fractured bedrock aquifer.

The system is dominated by the historical underground workings and drainage adit which continue to have a significant impact on the deep bedrock groundwater system in the La India catchment. There are also permeable structures and veins within the deep bedrock which have caused the impacts of historical workings to extend into adjacent catchments. The impact of the La India workings on the America deposit is demonstrated in Figure 16-7.

Away from the mine workings and major permeable structures groundwater levels are expected to mimic topography in a subdued form. Groundwater level monitoring, summarised in Figure 16-7, demonstrates this effect. For example, groundwater levels in isolated fracture networks to the south of La India are significantly higher (400 – 450 masl) than observed in the region of the historical workings (300 – 350 masl). The impact of the historical workings is significantly more limited in the shallow perched groundwater system at La India, demonstrated by higher groundwater levels in Figure 16-7, implying that the shallow and deep aquifers are broadly independent.

Groundwater recharge at La India occurs as a result of direct infiltration of rainfall through the soil zone (primary mechanism) and infiltration through stream beds where the groundwater table is lower than the elevation of the stream bed (secondary mechanism). A recharge assessment estimates groundwater recharge of 72–771 mm/year (average 279 mm/year). Whilst it is acknowledged that groundwater recharge is subject to large uncertainty, it is evident that significant inter-annual variability can be expected.

The principle groundwater discharges in the La India area comprise discharge to natural springs and baseflow to streams, discharge from abandoned mine working via the San Lucas drainage adit and abstraction from community water supply wells (shallow aquifer only). There is also seepage from the shallow aquifer to the deeper aquifer which could potentially be exacerbated by exploration boreholes creating a hydraulic connection between the shallow and deep groundwater system.

In order to estimate the possible extent of the cone of depression from the dewatered La India workings the historical dewatering rates and estimated groundwater recharge rate have been used to estimate the total area of the cone of depression. A total groundwater catchment in the order of 8km^2 is inferred, suggesting that no widespread regional propagation of drawdown is occurring. The area of influence will be extremely sensitive to the extent of the connected, permeable network.

A summary of the conceptual model is shown in Figure 16-7.

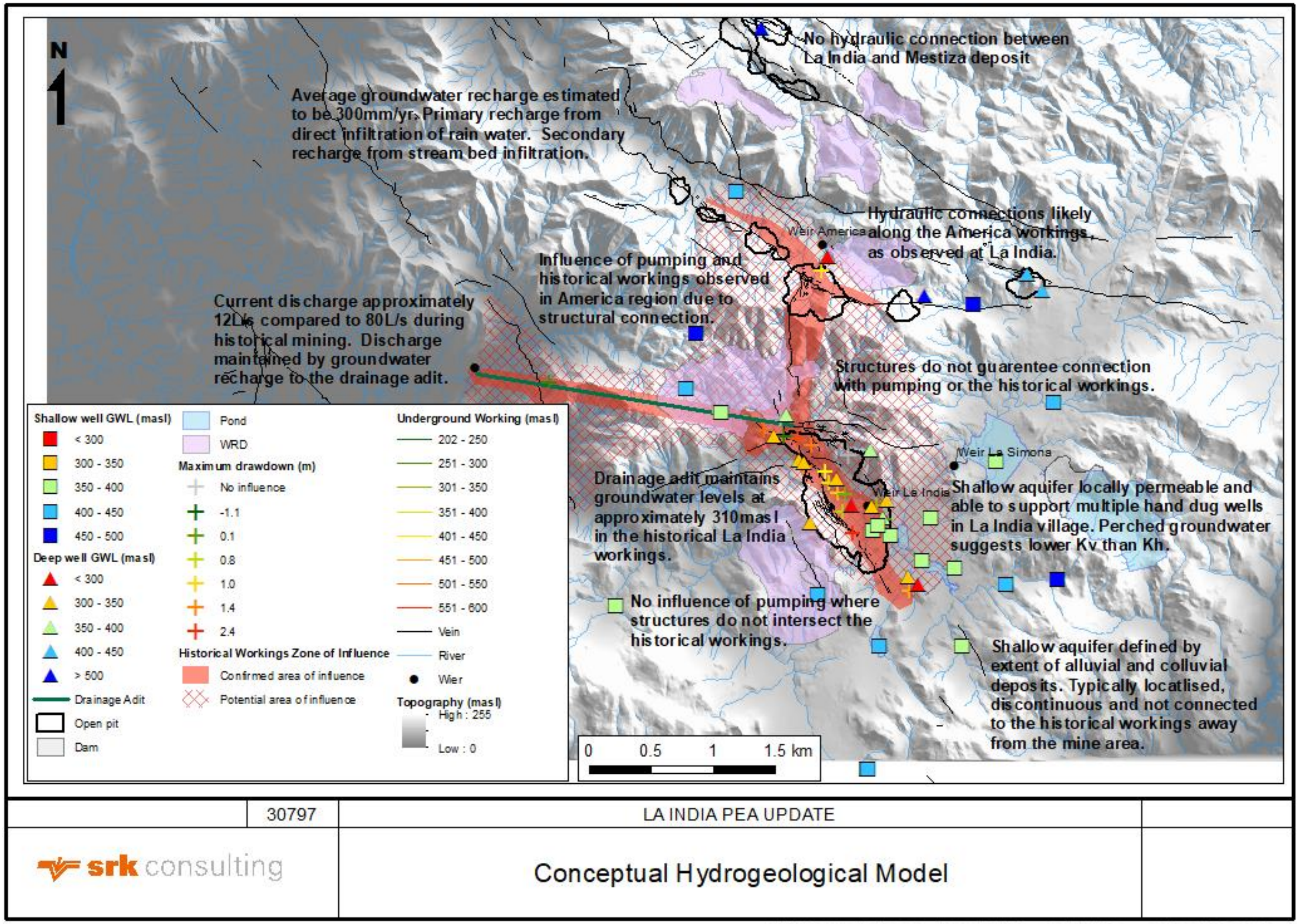


Figure 16-7: Conceptual Hydrogeological Model

The proposed dewatering operations at La India will result in groundwater levels dropping further, and close to the levels of drawdown observed during the historical mining activity in the 1950s. The impacts on the regional groundwater levels will therefore be greater than currently observed but comparable to what was observed historically. This will likely impact on several springs, the discharge from the San Lucas drainage adit, and baseflow to the Aquas Frias river. The consequences of these impacts are likely to be small as the dewatering water is of good quality and will be discharged to the Aquas Frias. Any flow reductions will therefore be mitigated by dewatering discharge and a net increase in flow is considered more likely as a result. SRK is not aware of any negative impacts that will arise from an increase in flow and no such impacts have been reported as part of the Environmental and Social Impact Asessment ("ESIA") process.

It is anticipated that dewatering impacts will be less severe in the other mining areas of America, Central Breccia and Mestiza. In all three instances the minimum elevation of the proposed future workings is lower than the current observed groundwater level; however, the difference is lower (25 – 50 m) than at La India (~130m).

Pre-dewatering of the La India open pit will be achieved through pumping of the abandoned workings. Full dewatering of the deepest sections of the pit will not be achievable and it is assumed that the operation will need to revert to sump pumping when the pit floor cuts through the lowest workings. The logistics of dewatering the underground workings requires further evaluation as there is not currently an open shaft that penetrates to the deepest levels of the historical workings.

The long-term benefit of unblocking the San Lucas drainage adit along its full length is clear, with greatly reduced dewatering costs through life of mine. A detailed assessment of the practicalities of refurbishing the San Lucas drainage adit should be undertaken early in the construction phase of the project. It is noted that water level data suggests that there may be multiple blockages along the course of the drainage tunnel and there is strong possibility that full refurbishment of the drainage adit will not be practicable.

Site Wide Water Balance

The site-wide water balance developed as part of the 2014 PFS has historically been used to inform the surface water management design and size the various pumping systems throughout the site. This water balance has not been updated as part of this PEA study, but a separate study is currently underway to advance the water balance to a feasibility study level and satisfy the local MARENA and MEM requirements for design of all water management related infrastructure.

The PFS level water balance included an investigation of the impact of an extreme rainfall event using data collected in 1998 during Hurricane Mitch. In this case, the surface water structures cannot accommodate the high rainfall intensity and overflow occurs into the pit. The depth of modelled flooded water within the pit following the rainfall event is relatively high (13.2 m) but below the expected bench height which will minimise the loss of mining productivity. The model predicts that it takes approximately 280 days for the pit flooding to dissipate to zero after the initial rainfall from the hurricane; this accounts for additional rainfall during the period. The de-watering time could be reduced by introducing additional pumps to remove the water faster. The occurrence of a hurricane is extreme, and therefore designing a pit dewatering system to accommodate such an event would be considered excessive, but the implications of an extreme event on both open pit and underground operations will need to be considered during detailed mine design.

America Open Pit

Hydrology and Surface Water Management

The America pits are located within a separate catchment to La India (Figure 16-8). The pits cut across several minor tributaries to the main drainage immediately north of the pits. The deepest sections of the pits are generally located on the interfluves of these tributaries. A surface water management plan will need to be developed during future studies to minimise run-off into the pits. This plan will incorporate interception trenches, sumps and diversion channels.

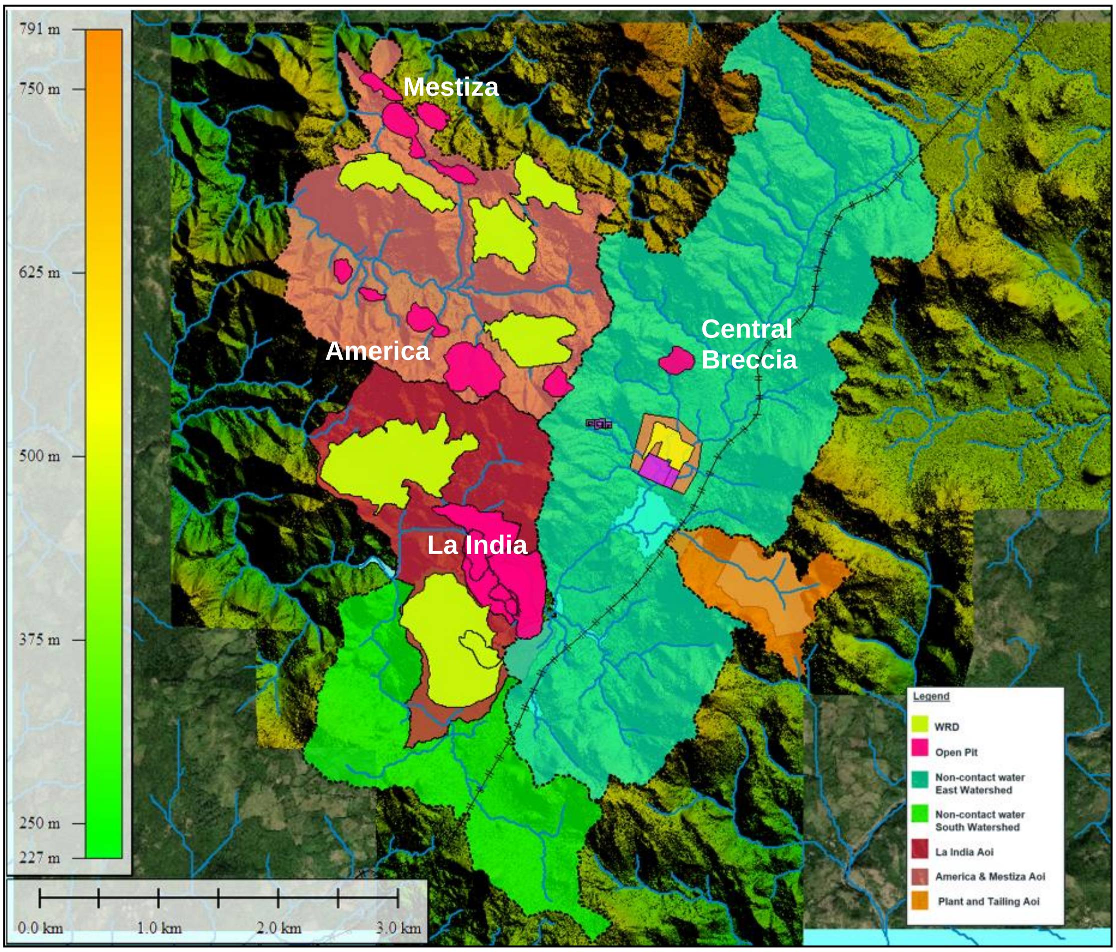


Figure 16-8: La India Project area showing pits, waste dumps and major infrastructure relative to surface water catchments and drainages

It is anticipated that the America waste rock dump ("WRD") will impact on the main drainage to the north of the pits. Sediment control on the main drainage will also be required to manage sediment from stripping and WRD runoff. It will not be practical or cost effective to pump the affected America waters into the current La India catchment. The design will therefore require the identification of an appropriate discharge point and an additional compliance location, which will likely be positioned downstream of the sediment pond location shown on Figure 16-9.

The amount of water anticipated to drain into the open pits is minimal when compared to the La India pit; however, some diversion of upstream surface water may be required as shown on Figure 16-9.

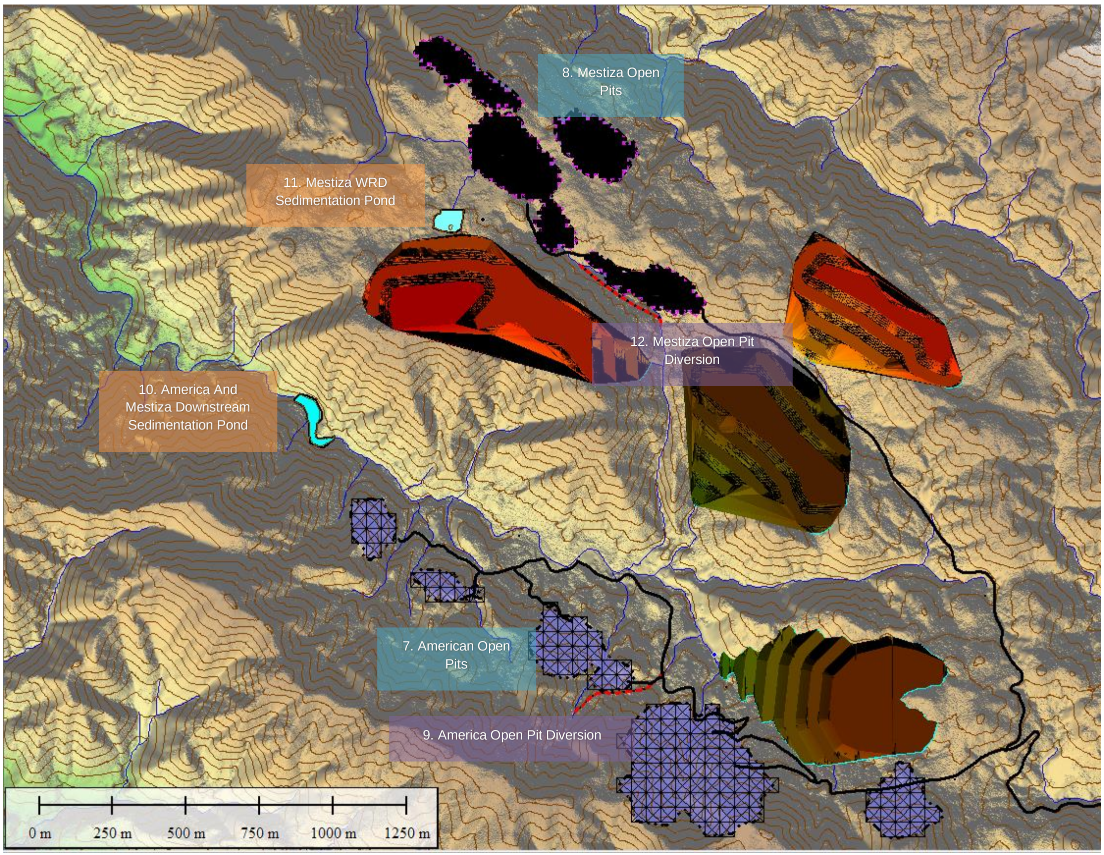


Figure 16-9: America and Mestiza areas showing proposed surface water management infrastructure

Hydrogeology and Dewatering

Malouf (1978) states that historical mining in the America Vein system was above the water table. The access from La India to America is at the 349 masl elevation. The workings were dry down to the 700 level at 237 masl. The only realistic explanation for dry conditions at this depth is a strong hydraulic connection with the dewatered La India workings to south. Further evidence of the strong hydraulic connection was obtained from PFS pumping test in the La India underground workings as shown on Figure 16-7.

The dewatered workings are demonstrated by drillhole LIDC291 which is drilled directly beneath the deepest portions of the proposed America pit. The water level in LIDC291 is currently at approximately 271 masl and the deepest section of the open pit is at 370 masl. This suggests that the main pit at America will be dry and dewatering will only be required to manage incident precipitation and storm water inflows, not groundwater. This assumption will need to be verified and water level monitoring immediately north of the America pits suggests that perched groundwater is present (Figure 16-7), and it is not known whether all the historical workings remain drained. It is envisaged that the data required to confirm the absence of perched groundwater can be obtained from water level surveys of existing and proposed exploration boreholes, or from piezometers installed as part of a future geotechnical drilling program.

The pits to the west of the main pit at America are elevated above the stream bed elevation. SRK considers there is a strong possibility that the pits will be dry and significant groundwater inflows are not anticipated. Water levels in this area should be confirmed during future studies through the conversion of exploration and geotechnical holes to standpipe piezometers.

Mestiza Open Pit

Hydrology and Surface Water Management

The Mestiza pits are situated immediately north of the America pits (Figure 16-9). The pits are situated on elevated ground close to the catchment divide and most of the mining area drains south into the America catchment. It is currently anticipated that a single downstream sediment control pond will serve both America and the majority of the Mestiza area, where it is intended this will be confirmed as part of the ongoing site wide water balance study. Additional sediment control will also be required on the portion of the waste rock dump draining to the north and a storm water diversion channel will also be required to reduce inflows to the easternmost open pit (as shown on Figure 16-9)

Hydrogeology and Dewatering

Groundwater level monitoring at Mestiza was initiated in May 2020 and currently indicates depth to water of approximately 75 mbgl compared to a total pit depth of approximately 110 mbgl. For the purposes of the PEA it has been assumed that an in-pit pumping system will be used to pump in-pit storm water runoff and any groundwater inflows that are encountered in the final third of the pit. The Mestiza open pits are considered to be low risk from a dewatering perspective and no dedicated hydrogeology drilling and testing programs are currently considered necessary. It is however advisable to undertake permeability testing and install additional piezometers as part of future geotechnical and resource drilling programs.

Central Breccia Zone Open Pit

Hydrology and Surface Water Management

No significant surface water management issues are anticipated at CBZ. The upstream catchment is relatively small, and the pit rim is significantly higher than the flood levels on the La Simona River to the east.

Hydrogeology and Dewatering

An initial evaluation of the available data for the CBZ area has indicated that it comprises massive material and is very different to La India. It appears to be a very well healed thermal breccia with very few, if any, open joints. Two boreholes at CBZ were monitored during the 2014 PFS pumping test and, unlike America, showed no response to pumping of the La India workings.

Based on the available information, it is considered likely that the deposit is of low permeability and cannot be effectively dewatered by abstraction boreholes. If this is the case, the deposit will be mined wet with sump pumps used to manage groundwater inflows. The acceptability of this approach from a geotechnical perspective will need to be evaluated as part of any future study and a horizontal drain programme may be required during operations if slopes are sensitive to pore pressure.

Permeability testing should be built into future resource and geotechnical drilling programs. A dedicated hydrogeological drilling program will only be required if high permeability structure is encountered during resource and geotechnical drilling. If a high permeability structure is encountered, pilot dewatering holes should be drilled to evaluate the potential to dewater the pit in advance of mining.

16.3.2 Underground Water Management

La India Underground

The development of underground workings beneath the open pit will require detailed evaluation and risk assessment given the potential for flooding of the open pit. A flooded pit would pose a significant risk to the underground workings due to the presence of historical workings, open drill holes and permeable structures between the open pit and the underlying workings.

The risks posed from flooding of the open pit can be mitigated in several ways.

Systematic grouting of exploration drillholes that have potential to connect the open pit with underground development should be carried out from surface prior to mining where practicable. Drillholes intercepted during underground development can also be plugged to prevent water inrushes.

Inflows from high permeability zones that are structurally controlled can be controlled through implementation of a systematic cover drilling and pre-grouting program during underground development. This is standard practice in underground mines that have limited pumping capacity or are prone to significant groundwater inrushes.

Open pit surface water management can also be tailored to reduce the risk of inrushes to underground.

PEA Scenario B considers the inclusion of a tunnel to divert the flow of surface water away from the La India pit whilst underground operations are in place. The entrance to the tunnel will be located along the line of the current water course below the La Simona Dam, and will consist of an intake cutting (approximately 225m in length) leading to a 1,580m long tunnel, which will outflow downstream of the pit. It is proposed the dewatering tunnel be developed using drill and blast methods with a 3.7mW x 3.5mH profile. The tunnel dimensions are designed to accommodate a 1:100 flood event. A straight smooth tunnel is desired with minimal turbulence during flood events. Liner options will depend on rock properties including full concrete rings, where the percentage to be lined will require more investigation as the rock conditions are better understood. SRK has considered a 12 month duration for contrstruction with an additional month required for initial preparation work, accessing the site, leveling, installing services, materials laydowns, etc. The tunnel will be constructed in Year 2 such that it is in place in advance of the mining activities in Year 3.

In addition to the diversion tunnel sumps created on the pit floor to manage direct rainfall or over flow should be located such that they are not directly above active stoping areas, and where this is unavoidable sumps will be lined.

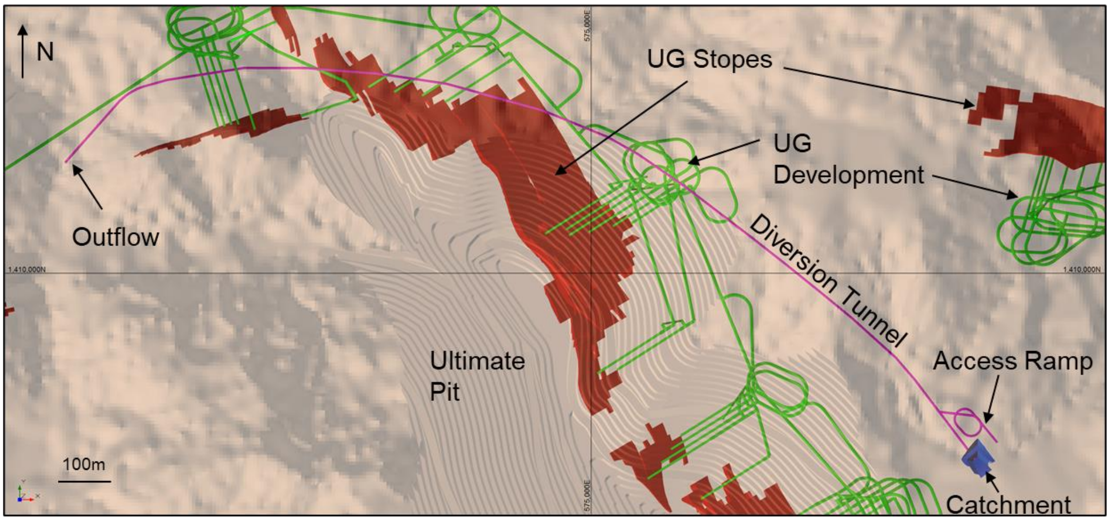


Figure 16-10: Diversion tunnel Alignment

Future studies which incorporate underground operations at La India should expand on the options presented herein and consider various trade offs. These options should include engineering the surface water management system to handle larger storm events, pre-grouting of the underground development to minimise the connection with the overlying pit, or engineering the underground dewatering system such that it can accommodate the anticipated peak inflows. The method for construction of the tunnel should also be considered (if selected), trading off drill and blast versus mechanical excavation. Should a tunnel be considered then it will require greater geotechnical information to inform on rock conditions along the alignment, potential support requirements and excavatability.

It is envisaged that the underground dewatering system would have comparable pumping capacity to the proposed in-pit dewatering system, and the point of discharge would be the same as for the open pit dewatering system. The underground pumping system will comprise a primary pumping station at the base of the workings comprised of Challenge WEARTUFF “dirty water” pumps. Dirty water will be discharged to the environment via the primary settlement pond downstream of the La India pit. The primary pumping station will be supplemented with a a travelling decline pump system which can be used for the development of the declines. In addition to the WEARTUFF pumps, submersible Flygt pumps are proposed to feed the WEARTUFF pumps and fulfil minor duties.

SRK also considers that there is an opportunity of using the underground workings to drain the open pit in a controlled manner. This could be achieved through over-engineering of the underground dewatering system and targeting the open pit with drain holes drilled from underground. These drain holes would be equipped with ball valves and pressure gauges which enable full control of inflows to the underground workings. Such opportunities should be evaluated in detail during future studies.

America Underground

The amount of water anticipated to drain into the open pits in the case of America is considered to be minimal when compared to the La India pit, given that the upstream catchments are significantly smaller, and no groundwater seepage is expected.

Direct precipitation to the open pit and runoff from the upstream catchments will, however, need to be accounted for in the design of the underground dewatering system and for the purposes of the current PEA it is also assumed that the open pit dewatering systems will also be maintained for the life of the underground operation. It is envisaged that the pumping rates will be substantially lower than La India, and the flooding risks can be minimised at a reasonable cost through correct sizing of the underground pumping stations. Furthermore, America underground workings may be drained by the La India dewatering system, further reducing the demands on the America dewatering system. Historical workings at America were drained down to the 700 level (237 masl) due to the strong hydraulic connection with La India.

Mestiza Underground

Groundwater level monitoring at Mestiza was initiated in May 2020 and data collected to date suggest there is no hydraulic connection with the La India deposit with groundwater elevations of approximately 495 masl (~75 mbgl). This should be reviewed as additional groundwater level monitoring is put in place during future resource and geotechnical drilling programs. Inflows from the open pits above the Mestiza pose a relatively low risk to underground workings due to their ridgeline position and small catchment areas. It is recommended that the open pit dewatering systems be maintained through the full life of the underground operations. The Mestiza underground dewatering strategy will follow the same design philosophy as La India with a dirty water pumping station near the base of workings discharging to a sediment pond at surface.

16.4 Mining

16.4.1 Introduction

The mining study supporting this Technical Report includes open pit optimization ("OP") and underground ("UG") stope optimisations, UG development designs and strategic schedules for two of the scenarios. The scheduling scenarios include:

1. Scenario A: OP only case assessing the potential of the Project by mining the La India, America, Mestiza and CBZ OP mines at a production rate of 1.225 Mtpa.
2. Scenario B: Combined OP and UG case assessing the upside potential of a greater milling capacity (1.4 Mtpa) and longer life of mine ("LoM") plan to accommodate the additional feed from the La India, Mestiza and America UG mines.

16.4.2 Mine Layout

The La India project site is expected to be run as a conventional drill, blast, load and haul operation. The material from the OP and UG operations, will be hauled to WRD, backfill areas, low-grade ("LG") stockpiles or directly tipped at the crusher.

The mine layout shown in Figure 16-11 is a representation of Scenario B, which includes both OP and UG operations at La India, Mestiza, and America, and OP operations at CBZ. For Scenario A, with the exception of the removal of the UG portal locations, the mine layout would remain unchanged.

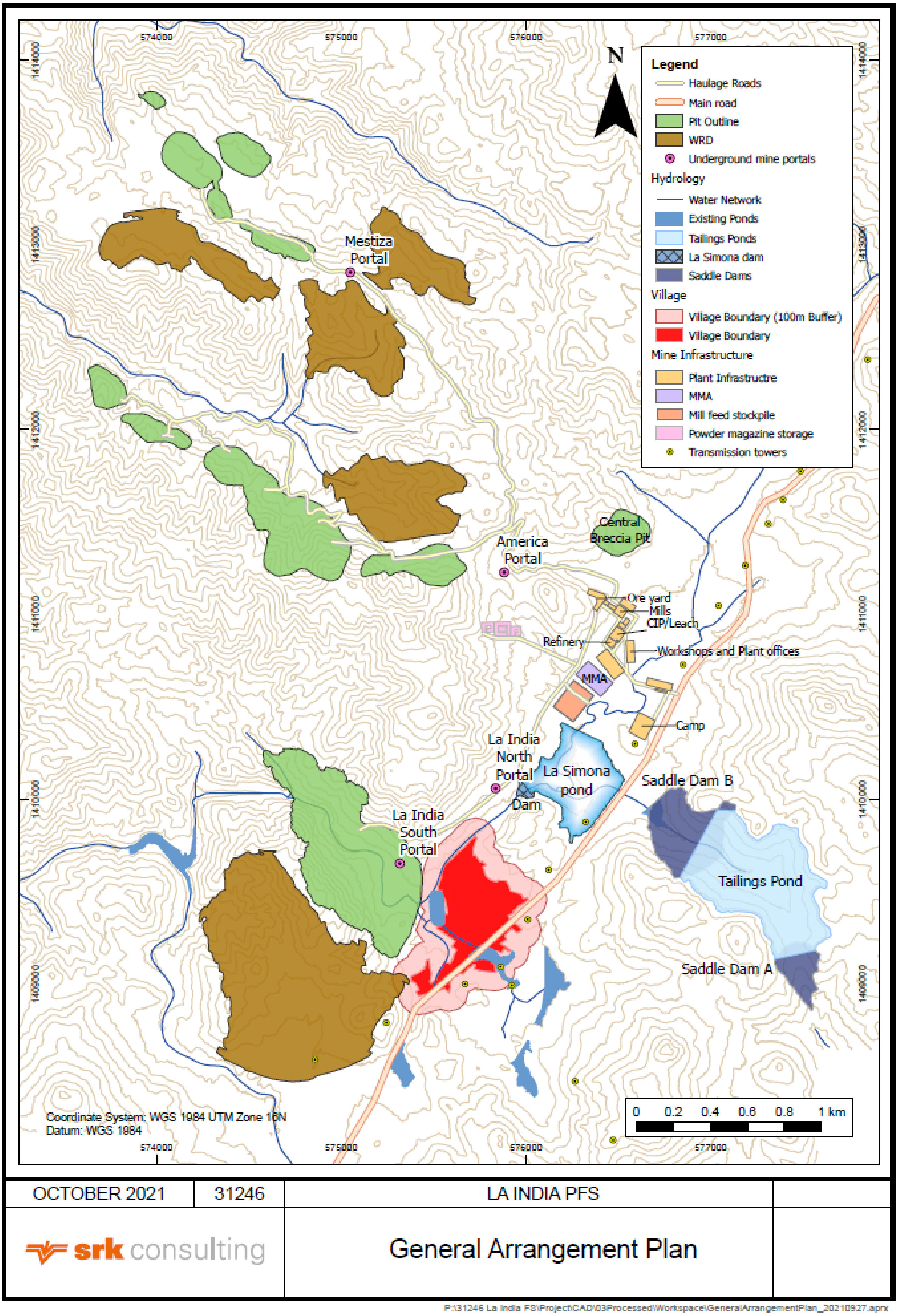


Figure 16-11: Mine Site Layout

16.4.3 Open Pit Mining

Mining Model

La India

The Mineral Resource model developed by SRK contains both ore and waste blocks. Mining recovery and dilution factors for the La India OP have been based on a regularised 2.5x2.5x2.5 m diluted mining model and a marginal cut-off grade ("MCoG") of 0.65 g/t Au. The MCoG has been derived from preliminary cost and technical parameters defined at the commencement of the Mandate. The average ore loss and dilution within the pit design is 6% and 4.0% to 8.5%, respectively. The mining operations assume a highly selective mining method in mineralised zones with 2.5m flitches and 24 hours pit geologist supervision using detailed mapping and GPS and visual grade control.

Mestiza

SRK has estimated the mining dilution and losses for the Mestiza deposit using a dilution skin approach. This approach uses the Mineable Shape Optimiser module provided by Deswik, to generate shapes of specific dimensions above a certain cut-off grade ("CoG") with the application of a dilution skin on the hanging wall and footwall of the orebody. Dilution skin approach provides an improved local dilution estimate in comparison to regularisation for a narrow high-grade style deposit.

The dilution skin parameters applied for Mestiza are:

- CoG 0.7g/t Au cutoff used to generate the skin (0.65 subsequently applied as a breakeven cutoff);
- minimum shape width 1.5m;
- shape length (along strike) 10m;
- shape height 6m;
- hangingwall dilution skin width 0.4m; and
- footwallwall dilution skin width 0.4m.

The assessment results in an average dilution of 57% and 97% recovery above a 0.70 g/t Au CoG, constrained within the USD1,500/oz pit shell used for reporting the Mineral Resources. Figure 16-12 shows an example cross section through the Mineral Resource block model modified to include the dilution skin and the pit shell used for reporting the Mineral Resources.

Table 16-6: Mestiza Dilution Skin Results

	Unit	0.7 (g/t Au)
Resource Model		
Tonnage	(Mt)	0.4
Grade	(g/t Au)	8.70
Contained Metal	(koz Au)	121
Skin Dilution Model		
Tonnage	(Mt)	0.7
Grade	(g/t Au)	5.5
Contained Metal	(koz Au)	115
Dilution	(%)	57
Recovery	(%)	97

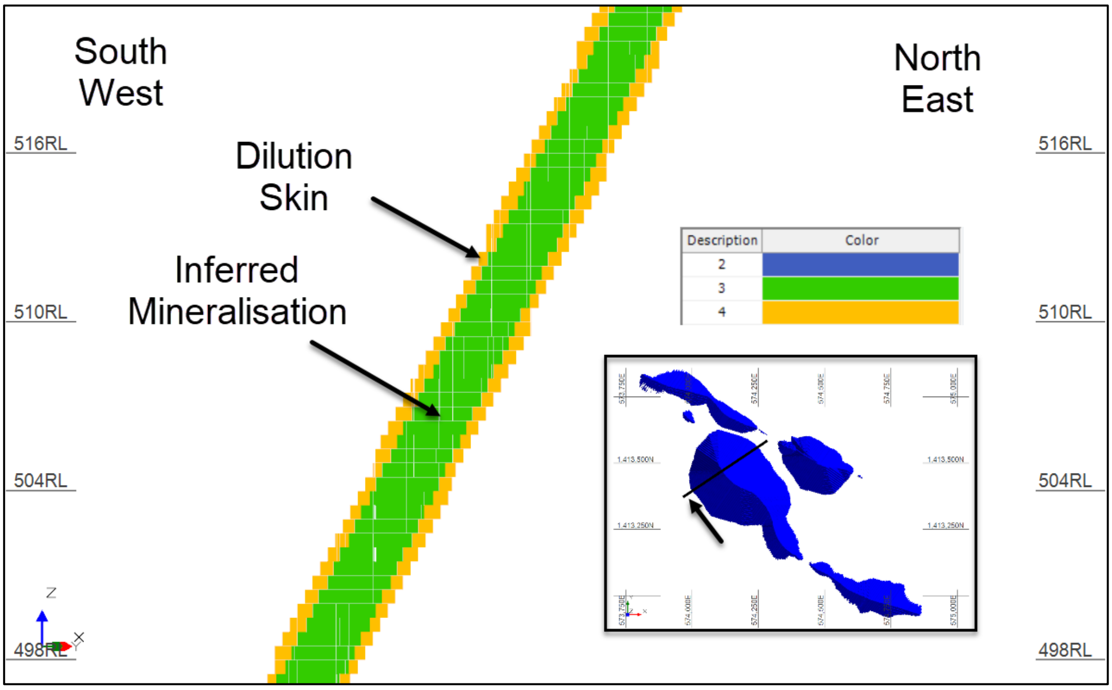


Figure 16-12: Mestiza Dilution Skin Approach Section View

America

Similar to Mestiza, SRK has estimated the mining dilution and losses for the America deposit using a dilution skin approach. This approach also utilized the Deswik Mineable Shape Optimiser module, to generate shapes of specific dimensions above a certain CoG grade with the application of a dilution skin on the hanging wall and footwall of the orebody.

The dilution skin parameters applied for America are:

- CoG grade 0.7g/t Au cutoff used to generate the skin (0.65 subsequently applied as a breakeven cutoff)
- minimum shape width 1.5m;
- shape length (along strike) 10m;
- shape height 6m;
- hangingwall dilution skin width 0.4m; and
- footwallwall dilution skin width 0.4m.

The assessment results in an average dilution of 35% and 91% recovery above a 0.70 g/t Au CoG, constrained within the USD1,500 /oz pit shell used for reporting the Mineral Resources. Figure 16-13 shows an example cross section through the Mineral Resource block model modified to include the dilution skin and the pit shell used for reporting Mineral Resources.

Table 16-7: America Dilution Skin Results –Resource Pit Shell Constrained

	Unit	0.7 (g/t)
Resource Model		
Tonnage	(Mt)	0.74
Grade	(g/t Au)	4.0
Contained Metal	(koz Au)	94
Skin Dilution Model		
Tonnage	(Mt)	0.90
Grade	(g/t Au)	3.0
Contained Metal	(koz Au)	86
Dilution	(%)	35
Recovery	(%)	91

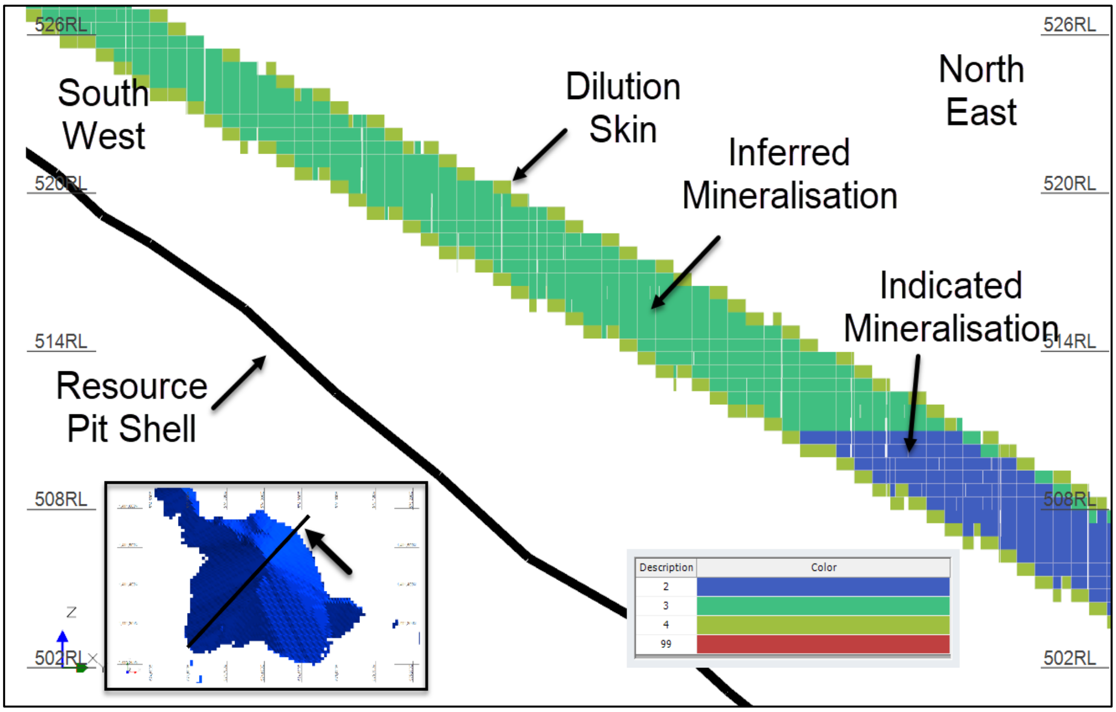


Figure 16-13: America Dilution Skin Approach Section View

Central Breccia

Mining recovery and dilution factors for the CBZ OP have been based on a regularised 2.5x2.5x2.5 m diluted mining model and a MCoG of 0.65 g/t Au. CBZ has a more disperse style of stockwork mineralisation than the other deposits which is therefore reflected in higher recovery and lower dilution values, at 92% and 3%, respectively.

Pit Optimisation

In order to assess the OP potential for La India, Mestiza, America and CBZ, SRK has undertaken OP optimisation using Maptek Vulcan LG. Vulcan LG uses the Lerchs-Grossmann algorithm for determining the shape of an optimal pit by applying a set of techno-economical input parameters.

The optimisation process produces a series of “nested” pit shells, where each shell provides the mining inventory which generates the maximum undiscounted cashflow (excluding capital costs) at a given metal price. The nested pit shells provide an indication of the sensitivity of the deposit at various metal prices given the same input costs and modifying factors. Revenue Factor (“RF”) is the factor by which the revenue for each block is scaled in order to produce one of the nested pit shells.

The nested pit shells were evaluated at a base case metal price of USD1,550/oz Au.

The objective of the open pit optimisations is to assess the potential economic pit extents, understand the physical characteristics of the deposit, and to select a pit shell to use as the basis for the strategic scheduling. The optimisation process included both Indicated and Inferred Mineral Resources.

SRK has undertaken OP optimisations for the La India, Mestiza, America and CBZ deposits; a single optimisation scenario has been run for each deposit inclusive of Indicated and Inferred Mineral Resources. The pit optimisation parameters applied for the La India deposit is shown in Table 16-8 and the parameters for the three other deposits are shown in Table 16-9. These parameters were representative of the best estimate of cost, recovery and geotechnical parameters at the time of optimisation based on previous studies and internal benchmarking.

Table 16-8 : La India Pit Optimisation Parameters

Parameters	Units	La India - Base Case	Basis
Geotechnical			
Weathered	(°)	35	Geotechnical Assessment
North Hanging wall	(°)	47	Geotechnical Assessment and Ramps
North Foot Wall	(°)	48	Geotechnical Assessment and Ramps
Central Hanging Wall	(°)	47	Geotechnical Assessment and Ramps
Central Foot Wall	(°)	47	Geotechnical Assessment and Ramps
South Hanging Wall	(°)	48	Geotechnical Assessment and Ramps
South Foot Wall	(°)	46	Geotechnical Assessment and Ramps
Mining Factors			
Dilution	(%)	Regularised Block Model 2.5x2.5x5 m	
Recovery	(%)	Regularised Block Model 2.5x2.5x5 m	
Processing			
Recovery Au	(%)	91.0	Test work 90-92 %
Recovery Ag	(%)	69.0	Test work 65-73 %
Operating Costs			
Mining Cost - Waste	(USD/t)	2.88	Client Data
Mining Cost - Ore	(USD/t)	4.02	Client Data
Processing	(USD/t_{ore})	18.11	Based on combined mill feed of 1.4 Mtpa
G&A	(USDM/Year)	4.50	
	(USD/t_{ore})	5.63	SRK Assumption
Selling Cost Au	(%)	0.7	Client Data
	(USD/oz)	10	
	(USD/g)	0.32	
Royalty	(%)	3.0	Client Data
	(USD/oz)	42	
	(USD/g)	1.35	
NSR Deduction	(%)	3.0	Client Data
	(USD/oz)	42	
	(USD/g)	1.35	
Metal Price			
Gold	(USD/oz)	1,550	Client assumption
	(USD/g)	49.8	
Silver	(USD/oz)	17	
	(USD/g)	0.55	
Other			
Discount Rate	(%)	5	
CoG Grade			
Marginal	(USD/t_{ore})	24.88	
	(g/t Au)	0.65	

Table 16-9 : Mestiza, America and CBZ Pit Optimisation Parameters

Parameters	Units	Mestiza - Base Case	America - Base Case	CBZ - Base Case	Basis
Production					
Production Rate - Ore	(tpa)	250,000	250,000	250,000	4 ktpd for 350 days per year, factored for production from America SRK Assumption
Geotechnical					
Fresh	(°)	40	40	40	SRK 2020 PEA
Weathered	(°)	40	40	40	SRK 2020 PEA
Mining Factors					
Dilution	(%)	57	35	1	Skin model for America/Mestiza & regularisation model for CBZ
Recovery	(%)	97	91	92	
Processing					
Recovery Au	(%)	96.0	94.5	87.0	SRK PEA
Recovery Ag	(%)	86.0			SRK PEA
Operating Costs					
Mining Cost - Waste	(USD/t)	2.57	2.57	2.57	Client Data
Mining Cost - Ore	(USD/t)	4.79	4.42	4.42	Client Data
Ore Grade Control Costs	(USD/t_{ore})	1.34	1.34	0.00	SRK Estimate
Total ore mining cost	(USD/t_{ore})	6.13	5.76	4.42	
Processing	(USD/t_{ore})	18.11	18.11	18.11	Based on combined mill feed of 1.4 Mtpa
G&A	(USDm/Year)	1.41	1.41	1.41	
	(USD/t_{ore})	5.63	5.63	5.63	SRK Assumption
Selling Cost Au	(%)	0.7	0.7	0.7	Client Data
	(USD/oz)	10	10	10	
	(USD/g)	0.32	0.32	0.32	
Royalty	(%)	3.0	3.0	3.0	Client Data
	(USD/oz)	42	42	42	
	(USD/g)	1.35	1.35	1.35	
NSR Deduction	(%)	3.0	3.0	3.0	Client Data
	(USD/oz)	42	42	42	
	(USD/g)	1.35	1.35	1.35	
Metal Price					
Gold	(USD/oz)	1,550	1,550	1,550	Client assumption
	(USD/g)	49.8	49.8	49.8	
Silver	(USD/oz)	17	17	0	Client assumption
	(USD/g)	0.55	0.55	0	
Other					
Discount Rate	(%)	5	5	5	
MCoG Grade					
Marginal	(USD/t_{ore})	24.88	24.88	24.88	
	(g/t Au)	0.65	0.65	0.65	

Pit Optimisation Results

The pit optimisation results for the four deposits are presented in separate metal price sensitivity tables (Table 16-10 to Table 16-13), which illustartes how the physical characteristics of the deposits influence the outputs, and the sensitivity of the results to various metal prices. These graphs compare how cash costs, contained metal, diluted tonnes, diluted grade, Pre-Tax/Capex cash flow and stripping ratio are affected by metal price.

La India

The pit optimisation results for La India indicate that:

- Mining in 5 meter benches will assist sinking rate and access to the ore faster.
- cash costs, diluted tonnage and contained metal are sensitive to the gold price, steeply increasing after USD1,050/oz;
- diluted grade decreases gradually as metal price increases; and
- pit 10 ($1163) shows a slowdown in increase cash flow. Incremental waste tonnes at pit 10 increases over 15 to 1 where open pit mining still more economically than underground mining.

The jump in strip ratio and cash costs after USD1,150/oz indicates that USD1,100 /oz is a conservative pit shell to use for the OP schedule. Based on the pit optimisation results and the Company’s key drivers to maximize NPV, the USD1,100 /oz was selected for the development of the strategic schedule. During the pit design exercise, SRK noted that in some areas a wider mining width was needed and SRK designed these areas to a USD1,300/oz pit shell.

It is also worth noting that the La India pit extents are limited to the south where a boundary is in place to represent a 100m buffer between the pit and the La India village.

Mestiza

The pit optimisation results for Mestiza indicate that:

- cash costs, diluted tonnage and contained metal are sensitive to the gold price, steeply increasing after USD1,100/oz;
- diluted grade decreases gradually as metal price increases; and
- discounted cashflow and strip ratio gradually increases between USD650/oz and USD1,800/oz, with a notable increase in strip ratio between USD1,100/oz and USD1,150/oz.

The jump in strip ratio and cash costs after USD1150/oz indicates that USD1,100 /oz is a conservative pit shell to use for the OP schedule. Based on the pit optimisation results and the Company’s key drivers to maximize NPV, the USD1,100 /oz was selected for the development of the strategic schedule. During the pit design exercise, SRK noted that in some areas a wider mining mining width was needed and SRK designed these areas to a USD1,300/oz pit shell.

America

America pit optimisation results indicate that:

- cash costs, diluted tonnage and contained metal increase with metal price;
- diluted tonnes gradually decrease with metal price;
- strip ratio gradually increases with metal price, with no notable step changes; and
- discounted cash flow, increases with metal price and plateaus between USD1,200 /oz and USD1,550 /oz.

As a result of the cash cost, discounted cash flow and strip ratio showing minimal sensitivity to metal price variability after USD1,200 /oz, the RF1 pit shell at USD1,400 /oz was selected for the strategic schedule. During the pit design exercise, SRK noted that insome areas a wider mining mining width was needed and SRK designed these areas to a USD1,300/oz pit shell.

Central Breccia

The pit optimisation for CBZ shows that the results are relatively unsensitive to metal price variability after USD800 /oz. Where the physicals gradually increase with metal price, therefore the RF1 pit shell at USD1,400 /oz was selected for the strategic schedule.

Table 16-10: La India Pit Optimisation Results

Pit	Rev Factor	Au Sell Price (USD/oz)	SR	Total Tonnes (Mt)	Mineralized Tonnes (Mt)	Waste Tonnes (Mt)	Contained Au KToz	Contained Ag KToz	Recovered Au KToz	Recovered Ag KToz	Au g/t	Ag g/t	Revenue at Rev Factor 1 (USDM)	Pre-Tax/Capex Cash Flow (USDM)
1	0.30	465	4.3	4.5	0.9	3.7	117	205	107	142	4.27	7.46	169	125
2	0.35	543	4.9	6.8	1.1	5.7	152	262	138	181	4.11	7.08	219	157
3	0.40	620	5.1	8.5	1.4	7.1	173	297	158	205	3.86	6.62	250	176
4	0.45	698	6.2	14.1	2.0	12.1	227	384	206	265	3.62	6.12	327	218
5	0.50	775	8.2	35.0	3.8	31.2	396	678	361	468	3.22	5.52	571	341
6	0.55	853	7.9	44.9	5.1	39.8	480	832	437	574	2.95	5.12	692	396
7	0.60	$ 930	7.8	49.0	5.6	43.4	512	883	466	609	2.87	4.95	737	415
8	0.65	1,008	8.1	56.1	6.1	50.0	555	958	505	661	2.81	4.85	799	438
9	0.70	1,085	8.4	61.3	6.5	54.8	582	1,004	530	693	2.77	4.78	839	450
10	0.75	1,163	8.5	64.5	6.8	57.7	599	1,034	545	714	2.74	4.73	862	456
11	0.80	1,240	8.6	68.1	7.1	60.9	616	1,066	561	735	2.69	4.65	888	462
12	0.85	1,318	8.6	71.2	7.4	63.8	631	1,091	574	753	2.65	4.58	908	466
13	0.90	1,395	8.9	79.0	8.0	71.0	662	1,150	603	793	2.57	4.47	954	471
14	0.95	1,473	9.0	82.0	8.2	73.8	673	1,169	613	807	2.55	4.43	970	473
15	1.00	1,550	9.0	83.7	8.3	75.3	679	1,181	618	815	2.54	4.41	979	473
16	1.05	1,628	9.4	89.8	8.6	81.2	697	1,218	634	841	2.52	4.41	1,004	472
17	1.10	1,705	9.6	92.9	8.8	84.2	706	1,238	642	854	2.50	4.39	1,017	471
18	1.15	1,783	9.7	94.6	8.9	85.8	711	1,247	647	861	2.49	4.37	1,024	470

19	1.20	1,860	10.0	99.9	9.1	90.8	723	1,270	658	876	2.48	4.36	1,042	467
20	1.25	1,938	11.4	120.0	9.7	110.3	766	1,384	697	955	2.46	4.45	1,105	453
21	1.30	2,015	12.0	129.1	9.9	119.2	784	1,428	714	985	2.46	4.48	1,131	446

*Pit Optimization sensitivity was run with $1500/toz and current spot price of $1750/toz. Some pit optimization were ran with different selling prices and the tables above may not reflect the exact sell price

Table 16-11: Mestiza Pit Optimisation Results

Pit	Rev Factor	Au Sell Price (USD/oz)	SR	Total Tonnes (Mt)	Mineralized Tonnes (Mt)	Waste Tonnes (Mt)	Contained Au KToz	Contained Ag KToz	Recovered Au KToz	Recovered Ag KToz	Au g/t	Ag g/t	Revenue at Rev Factor 1 (USDM)	Pre-Tax/Capex Cash Flow (USDM)
1	0.20	310	10.7	0.6	0.0	0.5	12	15	12	13	7.57	9.64	17	14
2	0.25	388	12.6	1.1	0.1	1.0	19	24	18	21	7.44	9.56	26	21
3	0.30	465	13.6	1.7	0.1	1.5	26	32	25	28	7.03	8.88	35	28
4	0.35	543	15.7	2.2	0.1	2.1	30	38	29	33	7.11	8.99	41	32
5	0.40	620	16.8	3.6	0.2	3.4	41	56	40	48	6.31	8.47	56	41
6	0.45	698	21.7	6.1	0.3	5.9	56	79	54	68	6.44	9.04	76	53
7	0.50	775	21.6	7.3	0.3	7.0	63	91	61	79	6.04	8.73	86	58
8	0.55	853	21.4	8.0	0.4	7.7	67	99	64	86	5.80	8.64	91	61
9	0.60	930	22.4	8.9	0.4	8.5	70	105	68	90	5.77	8.61	96	63
10	0.65	1,008	23.3	10.0	0.4	9.6	75	113	72	98	5.63	8.52	102	65
11	0.70	1,085	23.3	10.7	0.4	10.2	77	118	74	101	5.50	8.36	106	66
12	0.75	1,163	24.3	11.7	0.5	11.2	81	122	77	105	5.44	8.21	110	68
13	0.80	1,240	30.5	17.4	0.6	16.9	97	149	94	128	5.48	8.36	133	73
14	0.85	1,318	31.9	20.5	0.6	19.9	106	165	102	142	5.29	8.25	145	75
15	0.90	1,395	32.0	21.1	0.6	20.5	108	169	104	145	5.24	8.21	147	76
16	0.95	1,473	31.8	22.0	0.7	21.3	110	174	106	150	5.11	8.08	151	76
17	1.00	1,550	32.0	22.4	0.7	21.7	111	175	107	151	5.10	8.04	152	76
18	1.05	1,628	32.9	24.5	0.7	23.8	116	185	111	159	4.99	7.97	158	76

19	1.10	1,705	35.0	28.2	0.8	27.4	124	195	119	168	4.91	7.75	169	75
20	1.15	1,783	35.3	28.7	0.8	27.9	124	197	119	169	4.90	7.75	170	75
21	1.20	1,860	40.1	38.4	0.9	37.5	142	228	137	196	4.73	7.58	195	70
22	1.25	1,938	40.4	39.9	1.0	39.0	145	235	139	202	4.68	7.57	199	70
23	1.30	2,015	40.3	40.1	1.0	39.1	146	235	140	202	4.66	7.54	199	69

*Pit Optimization sensitivity was run with $1500/toz and current spot price of $1750/toz. Some pit optimization were ran with different selling prices and the tables above may not reflect the exact sell price

Table 16-12: America Pit Optimisation Results

Pit	Rev Factor	Au Sell Price (USD/oz)	SR	Total Tonne s (Mt)	Mineralize d Tonnes (Mt)	Waste Tonne s (Mt)	Containe d Au KToz	Containe d Ag KToz	Recovere d Au KToz	Recovere d Ag KToz	Au g/t	Ag g/t	Revenu e at Rev Factor 1 (USDM)	Pre-Tax/Cape x Cash Flow (USDM)
1	0.25	388	6.7	0.8	0.1	0.7	18	27	17	23	5.08	7.74	27	22
2	0.30	465	8.5	1.6	0.2	1.5	26	40	25	35	4.73	7.22	40	31
3	0.35	543	8.7	2.6	0.3	2.4	37	57	36	49	4.20	6.49	56	42
4	0.40	620	9.4	3.5	0.3	3.2	44	73	42	63	4.08	6.81	67	49
5	0.45	698	12.2	6.9	0.5	6.3	66	99	63	85	3.91	5.92	99	67
6	0.50	775	16.1	11.9	0.7	11.2	90	127	87	109	4.04	5.70	136	87
7	0.55	853	17.6	13.8	0.7	13.1	98	137	94	118	4.13	5.77	149	93
8	0.60	930	18.7	15.1	0.8	14.4	103	143	99	123	4.17	5.79	156	96
9	0.65	1,008	19.0	16.2	0.8	15.4	107	150	103	129	4.12	5.77	162	98
10	0.70	1,085	21.7	20.1	0.9	19.2	119	163	115	140	4.19	5.71	180	104
11	0.75	1,163	22.6	21.3	0.9	20.4	122	168	118	144	4.22	5.78	185	106
12	0.80	1,240	23.9	23.5	0.9	22.6	128	176	123	152	4.22	5.80	194	108
13	0.85	1,318	24.4	24.5	1.0	23.5	131	180	126	154	4.23	5.80	198	109
14	0.90	1,395	25.3	25.8	1.0	24.9	134	183	129	158	4.24	5.79	202	109
15	0.95	1,473	28.8	32.0	1.1	30.9	147	202	141	173	4.26	5.85	222	111
16	1.00	1,550	29.6	33.7	1.1	32.6	151	208	145	179	4.25	5.86	228	111
17	1.05	1,628	29.8	34.2	1.1	33.1	151	209	145	180	4.25	5.87	229	111

18	1.10	1,705	31.5	37.1	1.1	36.0	157	217	150	187	4.27	5.92	237	110
19	1.15	1,783	33.8	41.1	1.2	39.9	164	225	157	193	4.30	5.92	247	109
20	1.20	1,860	34.3	42.0	1.2	40.8	165	226	158	195	4.31	5.92	249	109
21	1.25	1,938	34.9	43.3	1.2	42.1	167	229	160	197	4.32	5.92	252	108
22	1.30	2,015	37.0	46.8	1.2	45.6	172	235	165	202	4.34	5.92	260	106

*Pit Optimization sensitivity was run with $1500/toz and current spot price of $1750/toz. Some pit optimization were ran with different selling prices and the tables above may not reflect the exact sell price

Table 16-13: Central Breccia Pit Optimisation Results

Pit	Rev Factor	Au Sell Price (USD/oz)	SR	Total Tonne s (Mt)	Mineralize d Tonnes (Mt)	Waste Tonne s (Mt)	Containe d Au KToz	Containe d Ag KToz	Recovere d Au KToz	Recovere d Ag KToz	Au g/t	Ag g/t	Revenu e at Rev Factor 1 (USDM)	Pre-Tax/Cape x Cash Flow (USDM)
1	0.20	310	-	0.0	0.0	-	0	-	0	-	3.82	-	0	0
2	0.25	388	0.3	0.0	0.0	0.0	1	-	1	-	3.11	-	1	1
3	0.30	465	0.5	0.0	0.0	0.0	1	-	1	-	2.80	-	2	1
4	0.35	543	1.3	0.1	0.1	0.1	5	-	4	-	2.36	-	7	5
5	0.40	620	1.5	0.9	0.4	0.5	22	-	20	-	1.91	-	31	18
6	0.45	698	2.4	2.3	0.7	1.6	43	-	39	-	1.95	-	60	35
7	0.50	775	2.5	2.5	0.7	1.8	45	-	41	-	1.95	-	64	36
8	0.55	853	2.5	2.6	0.8	1.9	47	-	42	-	1.93	-	66	37
9	0.60	930	2.7	2.9	0.8	2.1	48	-	44	-	1.94	-	68	38
10	0.65	1,008	3.0	3.3	0.8	2.4	51	-	46	-	1.94	-	72	40
11	0.70	1,085	3.1	3.5	0.8	2.6	52	-	48	-	1.93	-	74	40
12	0.75	1,163	3.2	3.6	0.9	2.8	53	-	48	-	1.92	-	75	41
13	0.80	1,240	3.3	3.7	0.9	2.8	54	-	49	-	1.91	-	76	41
14	0.85	1,318	3.3	3.8	0.9	2.9	54	-	49	-	1.91	-	77	41
15	0.90	1,395	3.3	3.9	0.9	3.0	54	-	50	-	1.90	-	77	41
16	0.95	1,473	3.5	4.1	0.9	3.2	55	-	50	-	1.89	-	78	41

17	1.00	1,550	3.5	4.1	0.9	3.2	56	-	51	-	1.89	-	78	41
18	1.05	1,628	3.6	4.2	0.9	3.3	56	-	51	-	1.89	-	79	41
19	1.10	1,705	3.6	4.3	0.9	3.3	56	-	51	-	1.87	-	79	41
20	1.15	1,783	3.6	4.3	0.9	3.4	56	-	51	-	1.87	-	79	41
21	1.20	1,860	3.7	4.4	0.9	3.5	57	-	52	-	1.86	-	80	41

*Pit Optimization sensitivity was run with $1500/toz and current spot price of $1750/toz. Some pit optimization were ran with different selling prices and the tables above may not reflect the exact sell price

Pit Phasing and Mine Design

The engineered final and cutback designs for La India have been completed by SRK. The pit design quantities and grades are presented in Table 16-14 with the cutback sequence shown in Figure 16-14.

High level engineered phase designs have also been completed for Mestiza, America and CBZ at this stage of the project development. The phase designs prepared for Mestiza, America and CBZ are presented in Figure 16-15 to Figure 16-17.

Table 16-14: La India PEA Phase Design Quantities and Grade

BIN	Ore > 0.65 g/t						Marginal > 0.5 and < 0.65 g/t						Waste		
REGION	**Au g/t**	**Ag g/t**	**Volume**	**Tonnes**	**Contained Au Toz**	**Contained Ag Toz**	**Au g/t**	**Ag g/t**	**Volume**	**Tonnes**	**Contained Au Toz**	**Contained Ag Toz**	**Volume**	**Tonnes**	**SR**
Phase 1	3.85	7.13	371,923	903,567	111,728	207,013	0.57	1.36	30,529	74,065	1,364	3,248	1,770,640	4,419,325	4.97
Phase 2	4.12	5.96	135,056	319,802	42,402	61,301	0.58	0.70	9,471	23,085	428	517	613,981	1,533,951	4.87
Phase 3	3.33	5.11	39,831	98,591	10,562	16,194	0.58	1.10	2,699	6,723	125	238	819,931	2,049,782	20.86
Phase 4	3.05	4.37	180,728	447,787	43,838	62,942	0.57	1.13	24,882	61,887	1,136	2,242	1,701,636	4,251,412	9.63
Phase 5	2.30	4.61	769,524	1,877,875	138,923	278,148	0.57	1.38	73,071	176,997	3,266	7,836	5,027,917	12,538,000	6.77
Phase 6	3.74	5.18	238,676	594,779	71,538	99,074	0.57	1.02	18,983	46,892	861	1,541	2,665,458	6,662,856	11.28
Phase 7	2.40	4.20	337,444	836,125	64,490	112,878	0.58	1.16	41,453	102,266	1,894	3,824	3,548,732	8,867,120	10.73
Phase 8	1.80	3.40	728,156	1,796,257	104,125	196,296	0.57	1.34	131,805	325,918	6,015	14,020	5,931,027	14,815,435	8.43
Phase 9	2.08	3.52	594,831	1,463,401	98,004	165,661	0.58	0.94	86,973	213,089	3,953	6,460	9,385,483	23,450,233	16.17
Totals	**2.56**	**4.47**	**3,396,168**	**8,338,184**	**685,609**	**1,199,506**	**0.57**	**1.20**	**419,866**	**1,030,921**	**19,042**	**39,927**	**31,464,806**	**78,588,115**	**9.55**

*Note: Includes Indicated and Inferred Mineral Resources only at 0.65 g/t Au cut-off.

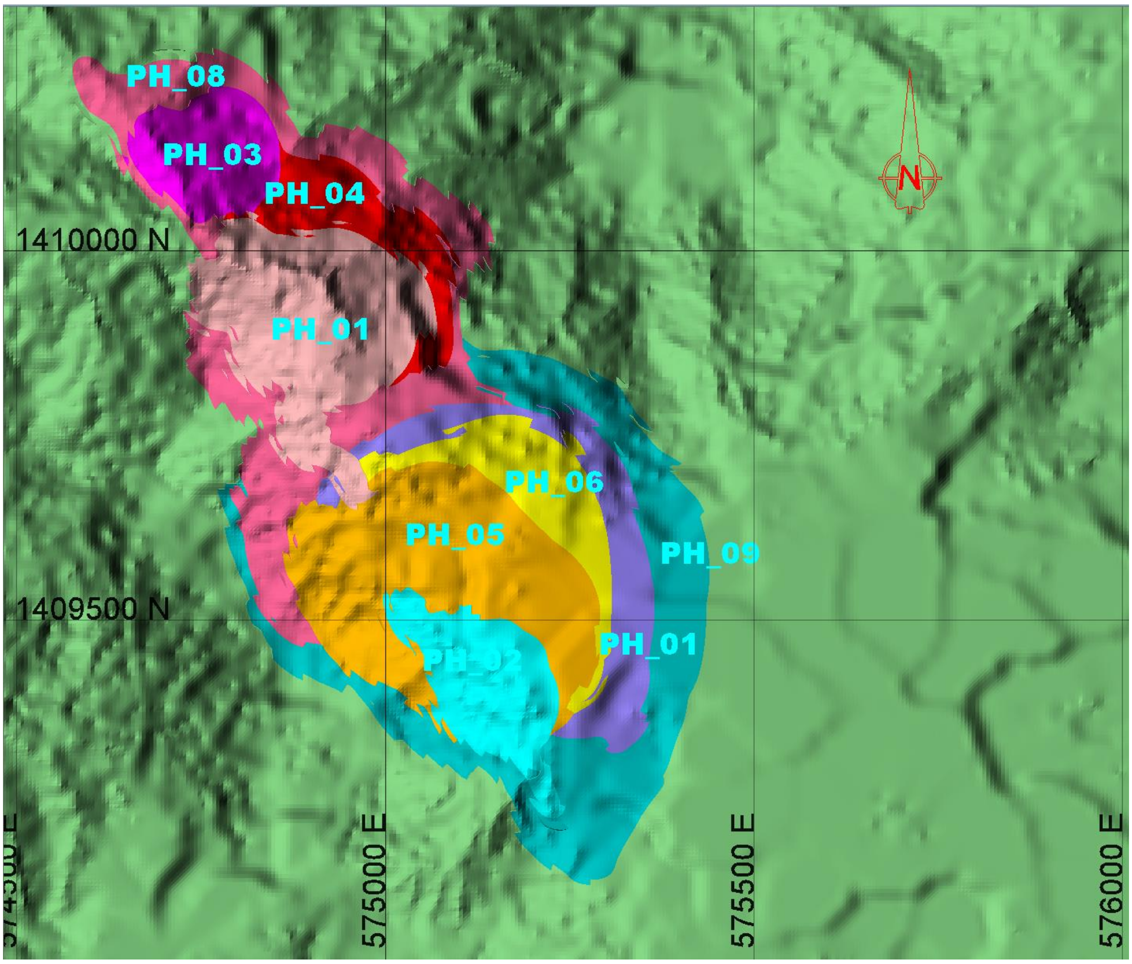


Figure 16-14: La India Phase Designs

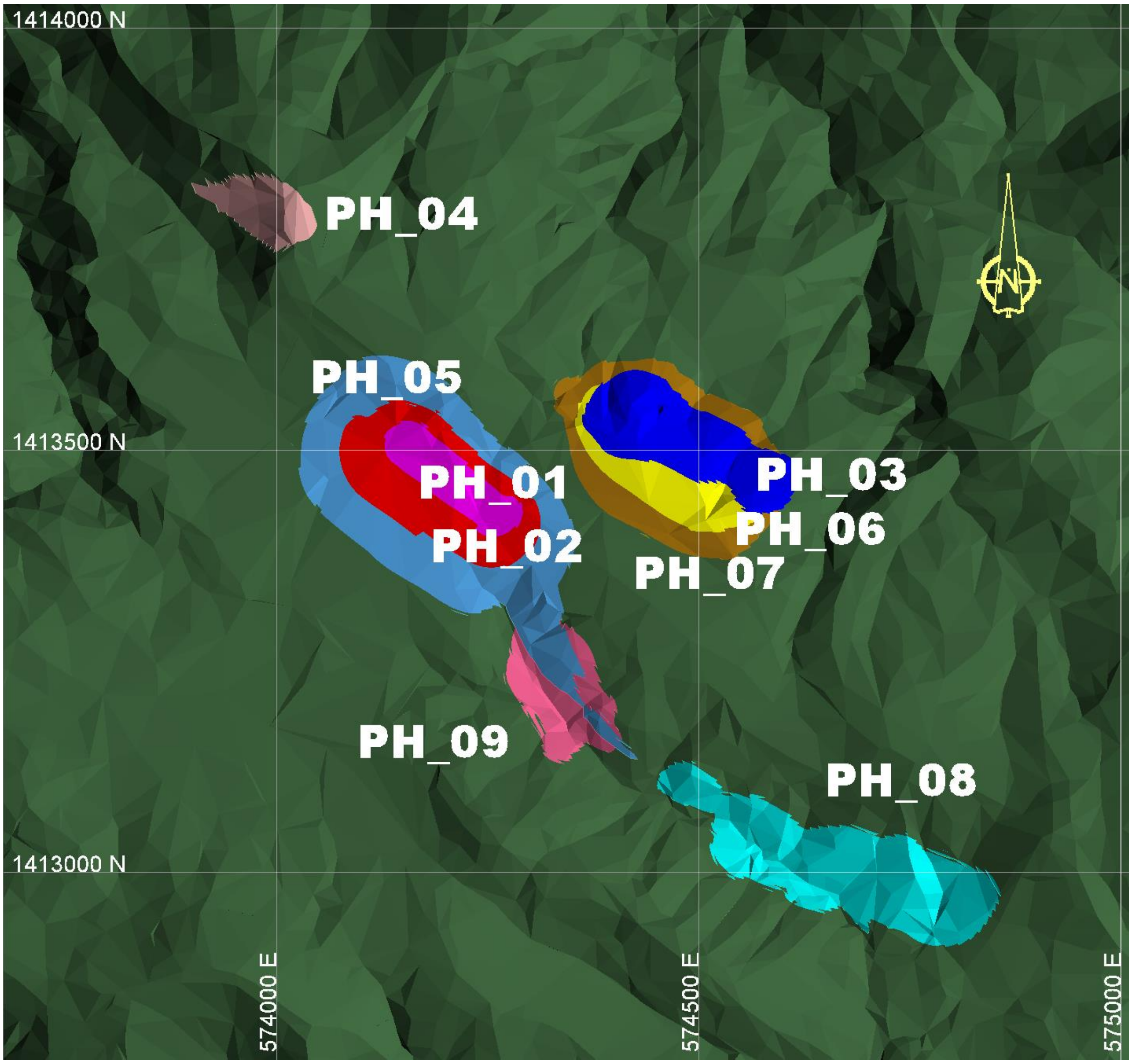


Figure 16-15: Mestiza Phase Designs

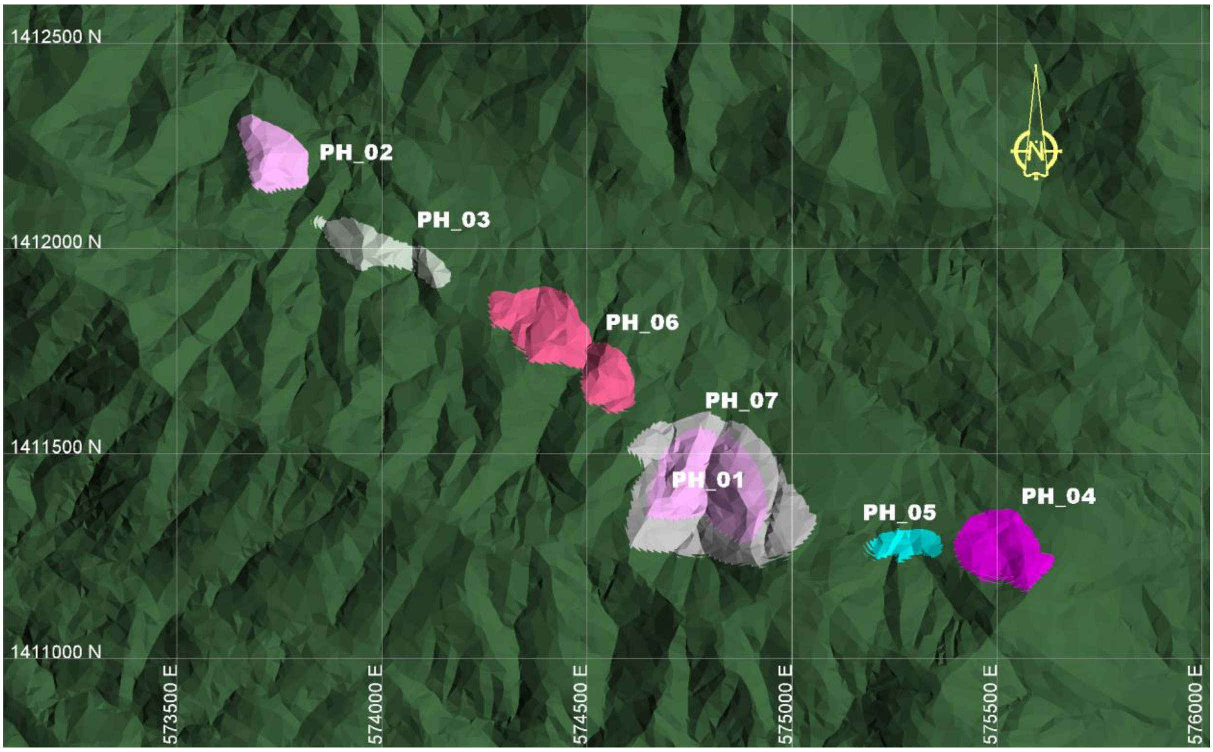


Figure 16-16: America Phase Designs

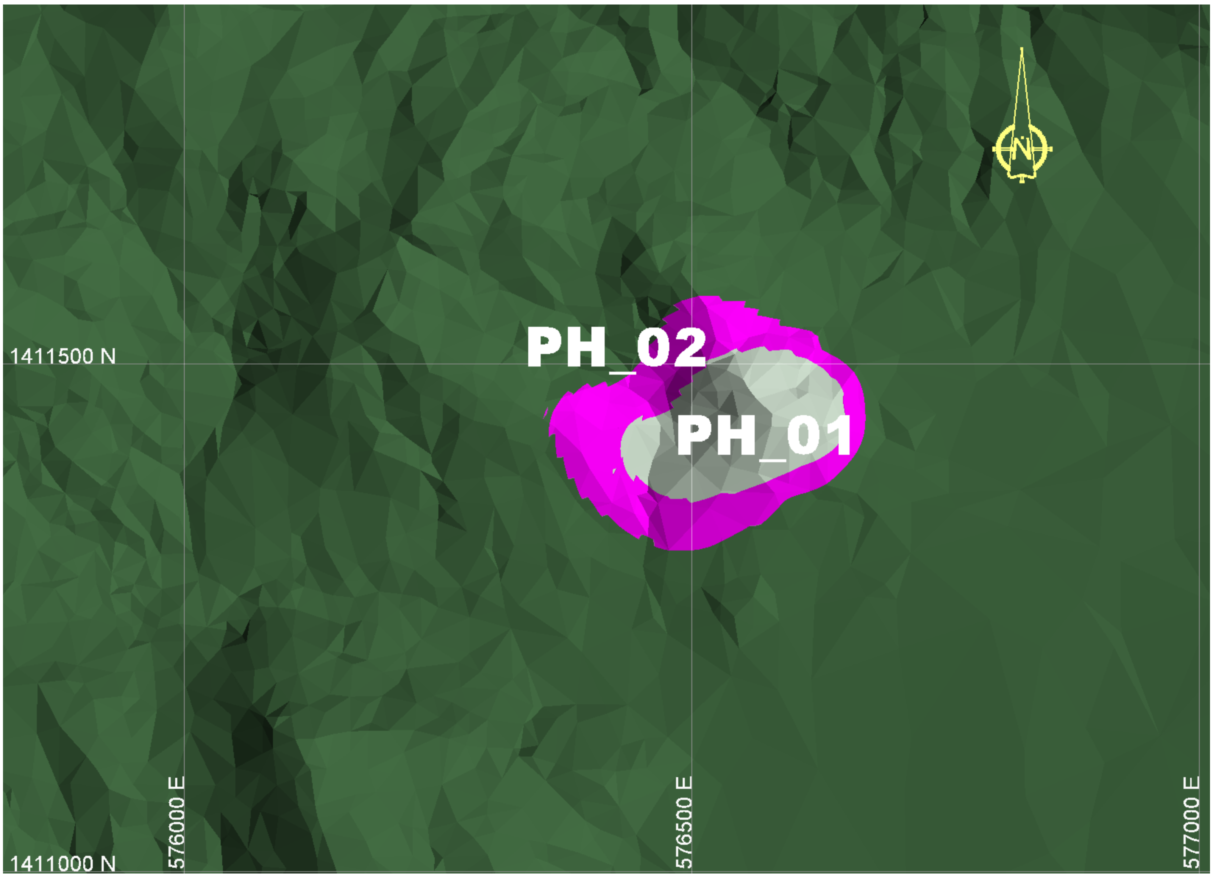


Figure 16-17: Central Breccia Phase Designs

Table 16-15 shows the open pit run of mine (“RoM”) inventory for the La India, Mestiza, America and Central Breccia areas, representing Scenario A.

Table 16-15: Open Pit RoM Inventory for the Project as of September 15, 2021

Deposit	Total (Mt)	Waste (Mt)	Mill Feed (Mt)	Mill Feed Au (g/t)	Stri Ratio (t:t)
La India	87.96	79.62	8.34	2.56	9.5
Mestiza	13.76	13.26	0.5	5.37	26.6
America	22.17	21.29	0.88	4.2	24.3
CBZ	5.09	4.17	0.92	1.89	4.5
Total	128.98	118.34	10.63	2.77	11.1

(1) The La India, America, Central Breccia and Mestiza pits are amenable to open pit mining and the open pit RoM inventory in each case is constrained within Whittle optimised pits, which SRK based on the following parameters: A gold price of USD1,550 per ounce of gold. Prices based on experience gained from other SRK Projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t to $4.00/t for mining, slope angles defined by the Company Geotechnical study which range from 40 - 48°. A haul cost of USD1.25/t was added to the Mestiza ore tonnes to account for transportation to the processing plant.

(2) The Open pit RoM inventory is reported at a diluted cut-off grade of 0.65 g/t Au and has not been updated as part of the current study due to there being no further detailed exploration.

(3) The Open pit RoM inventory is not an Ore Reserve and is based in part on Inferred MIneral Resources. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(4) Historical Underground mining occurred and the presented values within this table reflect an approximation of the depletion.

Operating Strategy

All OP mines are expected to be conventional drill, blast, load and haul operations, with material hauled to the WRD, LG stockpile, or directly tipped at the crusher. The OP operations are assumed to be contractor operated.

Two Mining Contractors, Espinoza Ingenioros S.A. (“Esinsa”) and Explotec (“Mining Contractors”), were approached by the Client in 2019, to provide quotes for the potential mining operations. The Mining Contractors would be responsible for separate operational functions and therefore both would be required on site. The functions for Esina and Explotec include loading and hauling and drill and blast, respectively.

The quotes were based on the material profile of the Client Pit design, where the Mining Contractors were provided with ex-pit material movements and drill and blast volumes. As a result, quotes for drilling, blasting, extraction, loading and hauling were provided for the purpose of capital and operating cost estimation. The quotes were reviewed by SRK and have been considered adequate for this level of study. It is recommended that for future study work, new quotes are obtained based on the most up to date detailed designs and schedules for all the potential mining operations.

A summary of the mining fleet requirements provided by the Mining Contractors from the 2019 quote is provide in Table 16-16.

Table 16-16: Mining Fleet Estimate by Mining Contractors

Equipment Type	Fleet Maximum
Tipper Trucks	8
Rigid Truck/10X4	25
336 Excavator	2
345 Excavator	5
D8T Tractor	3
HD910 Top Hammer Drill Rig	3
Grader	1
Compactor	1
Backhoe	1
Fuel tank truck	2
Water Truck	3
Contractor ambulance	1
4x4 truck	4
Lighting Towers	4

16.4.4 Scenario A Life of Mine Schedule

Approach and Parameters

SRK has developed an OP strategic schedule, optimising the extraction of La India, Mestiza, America and CBZ to maximize NPV on an annual basis. the OP schedule was developed in Maptek Evolution and Chronos. The mining sequence was optimised in Evolution to maximize NPV.

The key scheduling parameters and targets applied are listed below:

- a targeted mill feed rate of 1.225 Mtpa case A;
- a maximum sink rate of 60 m per year per pushback (12x5 m benches);
- mill feed set at 80% capacity for the first three months of year 1, ramping up to 100% thereafter;
- primary target was to maximize NPV by mining higher Au grades and low strip ratio areas first;
- secondary target was to balance the total material movement; and
- a single pre-stripping year included to allow the schedule to bring ore tonnes forward into year 1.

Schedule Results

A detailed breakdown of the annual OP mining and mill feed schedules are shown in Table 16-17. The mill feed schedule split by deposit is also illustrated visually in Figure 16-18.

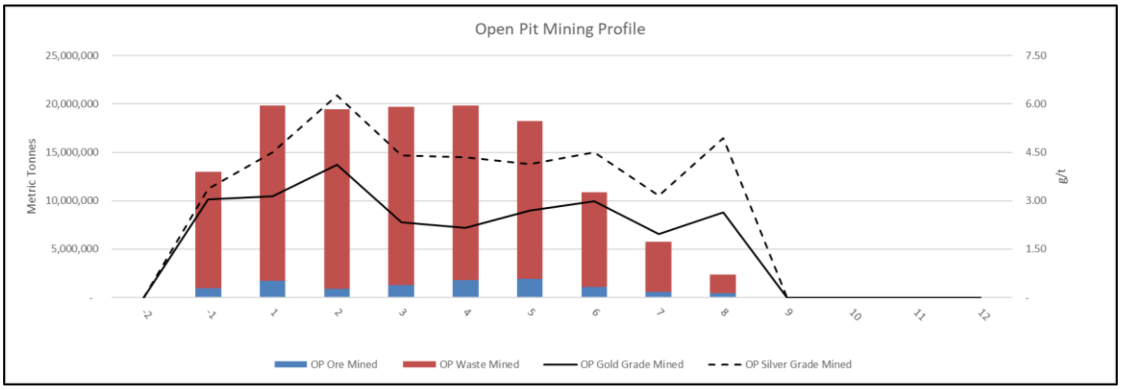


Figure 16-18: Scenario 1 – Scenario A Open Pit Mining Profile

Table 16-17: Scenario A – OP Only

	Units	Project Year Total	-1	1	2	3	4	5	6	7	8	9
Total OP Material Movement	**(kt)**	**128,976**	**13,000**	**19,800**	**19,439**	**19,690**	**19,800**	**18,251**	**10,857**	**5,776**	**2,363**	**-**
Waste Expit + Off Balance	(kt)	118,342	12,055	18,093	18,544	18,415	18,007	16,363	9,753	5,174	1,937	-
Expit Ore	(kt)	10,634	945	1,707	895	1,276	1,793	1,888	1,104	601	426	-
	(koz Au)	946	92	172	119	95	124	164	106	38	36	-
	(g/t Au)	2.77	3.05	3.13	4.12	2.32	2.16	2.70	2.98	1.96	2.64	-
	(g/t Ag)	4.39	3.36	4.50	6.27	4.41	4.35	4.14	4.49	3.15	4.94	-
Total Mill Feed to Plant	**(kt)**	**10,634**	**-**	**1,164**	**1,225**	**1,225**	**1,225**	**1,225**	**1,225**	**1,225**	**1,225**	**896**
	(koz Au)	946	-	191	152	94	106	142	110	58	63	29
	(g/t Au)	2.77	-	5.11	3.87	2.39	2.70	3.61	2.79	1.48	1.59	1.02
	(g/t Ag)	4.39	-	7.04	5.41	4.43	5.22	5.27	4.22	2.51	2.96	1.90
La India												
Waste Expit + Off Balance	(kt)	79,619	2,357	6,280	8,243	15,671	17,752	13,810	8,395	5,174	1,937	-
Expit Ore	(kt)	8,338	194	823	536	1,152	1,785	1,812	1,008	601	426	-
Mestiza												
Waste Expit + Off Balance	(kt)	13,257	4,593	4,554	3,733	376	-	-	-	-	-	-
Expit Ore	(kt)	499	185	147	110	57	-	-	-	-	-	-
America												
Waste Expit + Off Balance	(kt)	21,292	3,297	4,969	6,493	2,368	255	2,553	1,358	-	-	-
Expit Ore	(kt)	877	104	305	222	67	7	77	96	-	-	-
CBZ												
Waste Expit + Off Balance	(kt)	4,174	1,808	2,290	76	-	-	-	-	-	-	-
Expit Ore	(kt)	920	462	432	26	-	-	-	-	-	-	-

16.4.5 Underground Mining

Introduction

In summary, Scenario B comprises Scenario A with the addition of a greater milling capacity to accommodate feed from the envisaged UG mining operations at La India, Mestiza and America. The OP mining methods, mining models, pit optimisations, mine layouts, Client Pit design and equipment estimate remain unchanged from Scenario A. The OP schedule in Scenario A was modified to accommodate for new mine sequencing constraints and the revised production targets. The following section outlines the UG mining assessment undertaken to support Scenario B.

The scope of the UG mining assessment for the present study is limited to scoping level work to exploit the La India, Mestiza and America deposits. The three deposits are made up of multiple veins that are provided in Table 16-18. Figure 16-19 shows the relative locations of the veins under consideration.

Table 16-18: Veins/Vein Sets in Consideration

Deposit	Veins
La India	Agua Caliente, Arizona, La India (vein set), Teresa
Mestiza	Espinito, Tatiana. Buenos Aires
America	America, Constancia, Guapinol

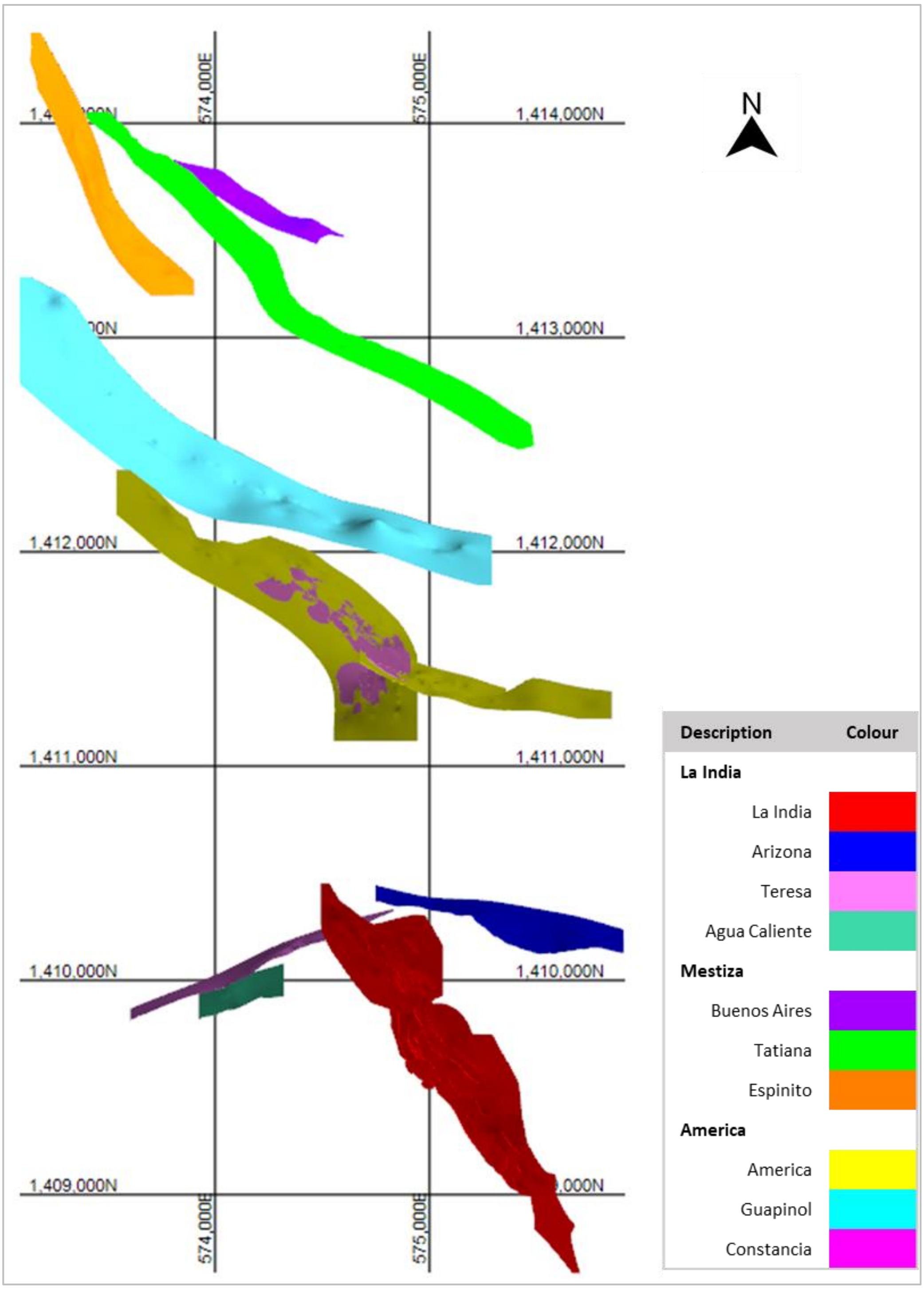


Figure 16-19: Economic Viens included in UG LOM

UG Mining Method

The main mining method selected for all deposits in the La India project is mechanized cut and fill ("MCF") with unconsolidated rockfill ("URF").

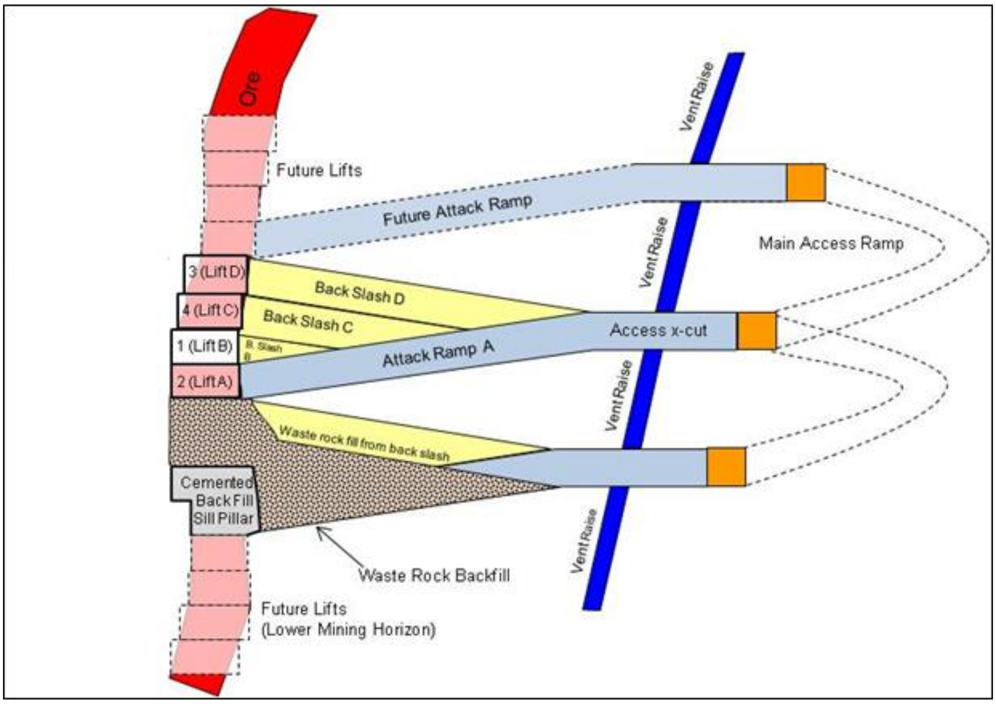


Figure 16-20: Mechanized Cut and Fill Section View (SRK, 2021)

Where the vein is much narrower than the required operating width of the smallest available load, haul, dump machine ("LHD"), SRK recommends using MCF with resuing. The concept shown in Figure 16-21 is a modification of the mining method that was in use at First Majestic Silver Corporation's La Parrilla mine in Durango State, Mexico.

As the Project moves into the next stages of exploration, additional geotechnical data should be collected to support future PFS studies. SRK expects that the mining method assumptions will be revisited several times as additional information and a better understanding of the actual ground conditions is developed. The eventual goal at production will to have developed a "tool kit" of mining methods and variations to suit the various situations encountered during production.

Based on observations on site, SRK considers that small scale open stoping could be successfully implemented in certain areas; the key to success with this method will be short stope production cycles to limit the time larger openings are left open. SRK recommends revisiting this opportunity after commercial production has been achieved and sufficient geotechnical data has become available.

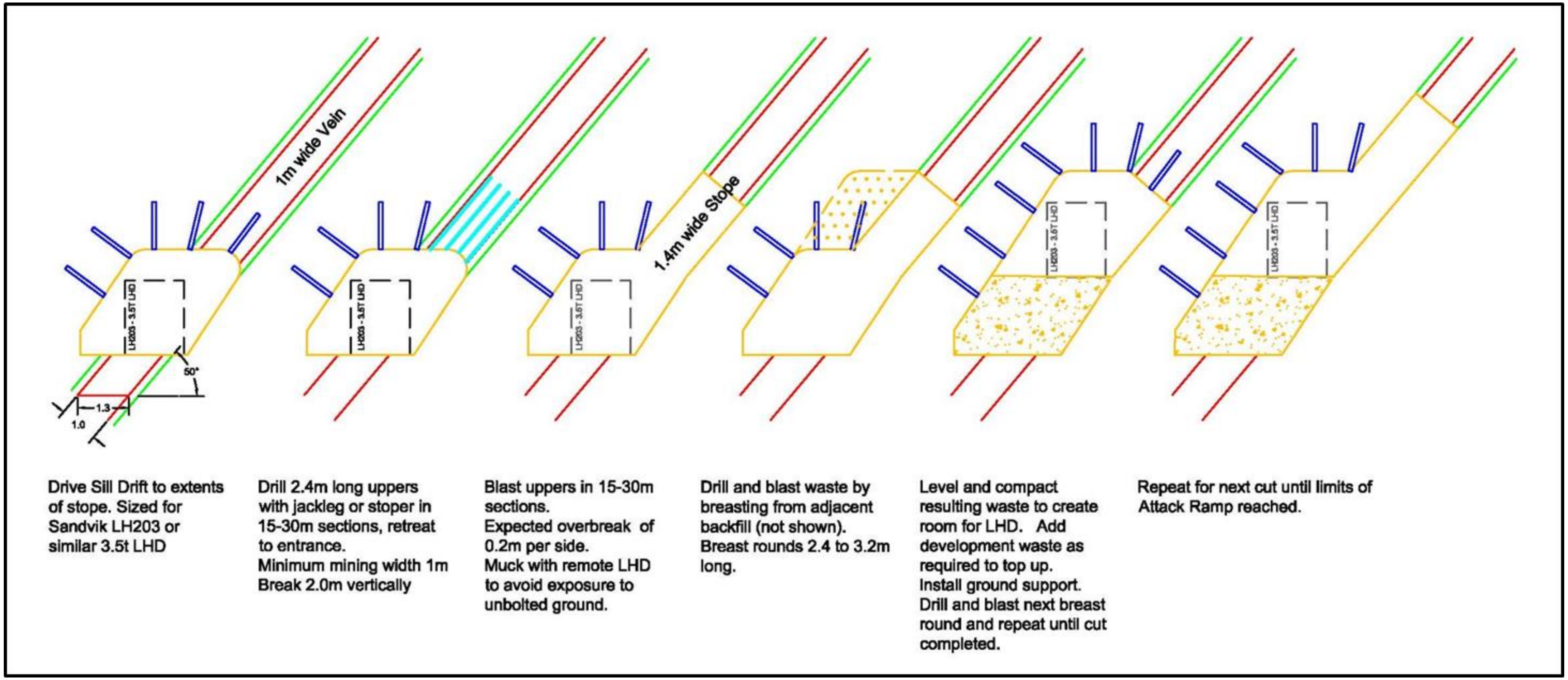


Figure 16-21: Illustration of MCF Mining Method with Resuing (SRK, 2017)

Mining Cut-off Grade (MCoG)

Based on the input parameters provided in Table 16-19, the MCoG for La India, Mestiza and America was estimated at 1.72 g/t Au, 1.81 g/t Au and 1.83 g/t Au, respectively. For strategic scheduling purposes, all mineralisation above the MCoG for each deposit has been treated as a diluted ore ton and should be processed.

The in situ block model grade was back calculated from the MCoG, which was required for the stope optimisation process. The plant and in situ MCoG are provided in Table 16-19.

Table 16-19: Mining Cut Off Grade (MCoG) Assessment

La India CoG Grade Assessment MCoG Grade Estimate	Unit	La India CoG Estimate	America CoG Estimate	Mestiza CoG Estimate
U/G production rate	tpd	1,000	1,000	1,000
U/G mining	USD/t	$42.00	$49.00	$49.00
Processing and Tailings	USD/t	$18.11	$18.11	$18.11
G&A	USD/t	$5.63	$5.63	$5.63
Site total operating cost/tonne milled	USD/t	**$65.74**	**$72.74**	**$72.74**
Gold price	USD/oz	$1,400	$1,400	$1,400
Au Payable		99.9%	99.9%	99.9%
Au Refining	USD/oz	$10.00	$10.00	$10.00
Royalty		3.0%	3.0%	3.0%
NSR Deduction		3.0%	3.0%	3.0%
Value of Au in dore	USD/oz	$1,305	$1,305	$1,305
Value of Au in dore	USD/g	41.97	41.97	41.97
Process recovery		91.0%	94.5%	96.0%
Value of Au in plant feed	USD/g	38.19	39.66	40.29
By-product credit for Ag		0%	0%	0%
MCoG	Au g/t	**1.72**	**1.83**	**1.81**
External dilution at grade		10%	15%	20%
In situ MCoG (rounded)	Au g/t	**1.9**	**2.2**	**2.2**

UG Stope Optimisation

Mine Design Process

Identification of UG stoping areas has been undertaken on each of the mineralised veins included in the Mineral Resource for the La India, Mestiza and America deposits. It is limited to those zones outside the proposed OP mining limits and incorporates both Indicated and Inferred Mineral Resources. High level geotechnical recommendations for crown, rib and sill pillars to be left in place to ensure regional stability have been incorporated based on the analysis presented in Section 16.2.2.

The process was undertaken using the Deswik Stope Optimiser (“DSO”) software package. The algorithm uses a spatial framework in conjunction with mine planning parameters to produce a set of stope wireframes. The wireframes contain a mineable tonnage that can be used for technical and economic assessment.

DSO stope shapes were filtered to eliminate outliers and unmineable shapes, compiled into stoping blocks and an initial development design was then completed. The economics of individual mining blocks in each vein were evaluated and the stope and development designs revised accordingly. It was estimated as part of this study that a mining block must contain approximately 1,000 oz of in situ gold to pay for the typical capital and operating development required to access the mining block. The economic assessment did not significantly impact La India as the OP depletes most of the historical mining areas, and there was no significant impact on Mestiza as the veins are continuous. America was, however, significantly impacted in areas of historical mining where narrow remnant areas between historical stopes remain, where these were typically excluded from the schedule.

DSO Parameters

The DSO parameters applied are listed below:

- MCoG grade assumptions as per the assessment presented above (Table 16-19);
- minimum mining width equivalent of 1.4 m true width (1 m vein plus 0.4 m overbreak when resuing);
- overbreak caused by blasting has been represented as 0.2 m of external dilution on both the hanging wall and footwall assuming 32mm drill holes (handheld pneumatic drills);
- in situ waste rock assigned a density of 2.5 g/cm^3 and zero grade;
- historical stopes at La India are almost completely depleted by the OP, and are therefore not a concern from the UG mining perspective;
- minimum mining unit ("MMU") set at 6 m in height and 10 m in length; this MMU is combined to create the MCF mining block which is ideally 30 m high, 30 m to 200 m long;
- the 6 m MMU height represents two cuts of MCF and three cuts when resuing.

A summary of input parameters used for the optimisation of the La India, Mestiza and America deposits are detailed in Table 16-20.

Table 16-20: Input Parameters Used for DSO Optimisation

Input Parameter	Value
In situ MCoG Grade	1.9 g/t Au (La India)
	2.2 g/t Au (Mestiza)
	2.2 g/t Au (America)
Minimum Mining Height	6 m
Minimum Mining Length	10 m
Planned External Dilution (HW)	0.2 m
Planned External Dilution (FW)	0.2 m
Minimum Mining Width	1.4 m
Minimum Pillar Between Parallel Stopes	10 m

DSO Results

The results of the DSO for the La India, America and Mestiza deposits have been expressed in-situ terms and are provided in Table 16-21. Table 16-21 seperates the material by Mineral Resource classification, inclusive of the total planned dilution (internal and external). The DSO stope shapes have been filtered to eliminate outliers and unmineable shapes.

The stope physicals including average dip and stope width is provided in Table 16-22.

Table 16-21: Results of UG Stope Optimisation Expressed in In situ Terms

	Indicated					Inferred					Planned Dilution
Vein	In-Situ Rock (kt)	Au Metal (koz)	Au Grad e (g/t)	Ag Metal (koz)	Ag Grade (g/t)	In-Situ Rock (kt)	Au Metal (koz)	Au Grade (g/t)	Ag Metal (koz)	Ag Grade (g/t)	Waste (kt)
La India											
Agua Caliente	0	0	0.0	0	0.0	38	11	9.0	0	0.0	29
Arizona	0	0	0.0	0	0.0	246	36	4.6	0	0.0	64
La India	950	166	5.4	295	9.7	1037	189	5.7	415	12.4	347
Teresa	0	0	0.0	0	0.0	69	27	12.1	0	0.0	73
America											
America	80	15	5.8	10	4.0	393	62	4.9	92	7.3	164
Constancia	4	1	8.9	1	3.1	62	17	8.4	21	10.4	62
Guapinol	0	0	0.0	0	0.0	388	68	5.4	0	0.0	145
Mestiza											
Buenos Aires	0	0	0.0	0	0.0	94	21	7.0	21	7.0	89
Espinito	0	0	0.0	0	0.0	141	42	9.2	0	0.0	136
Tatiana	110	22	6.3	43	12.1	305	48	4.9	107	10.9	140
Total	**1144**	**204**	**5.6**	**349**	**9.5**	**2773**	**520**	**5.8**	**656**	**7.4**	**1248**

Table 16-22: Results of Stope Optimisation Physicals

Vein	Resource Classification	Average Dip	Average Stope True Width (m)
La India			
Agua Caliente	3	50	2.1
Arizona	3	60	3.0
La India	2 & 3	55	5.3
Teresa	3	75	2.0
America			
America	2 & 3	60	2.4
Constancia	2 & 3	65	2.5
Guapinol	3	60	2.4
Mestiza			
Buenos Aires	3	60	1.8
Espinito	3	75	1.5
Tatiana	2 & 3	65	2.4

Modifying Factors

The modifying factors applied to the mineral inventory to support the mine scheduling are:

- DSO shapes include overbreak as internal (planned) dilution;
- 5% mining loss to DSO shapes to account for unrecoverable sill pillars;
- additional 5% loss to DSO shapes in areas adjacent to the open pit;
- add external (unplanned) dilution to DSO shapes to estimate diluted broken material; and
- apply 98% mining recovery of diluted broken material.

External (unplanned) dilution estimates (from sources other than overbreak) where estimated taken in to account the average dip and true width of stopes. Figure 16-22 shows an example of the calculation process and Table 16-23 shows the formulae used to estimate the external dilution in 2014.

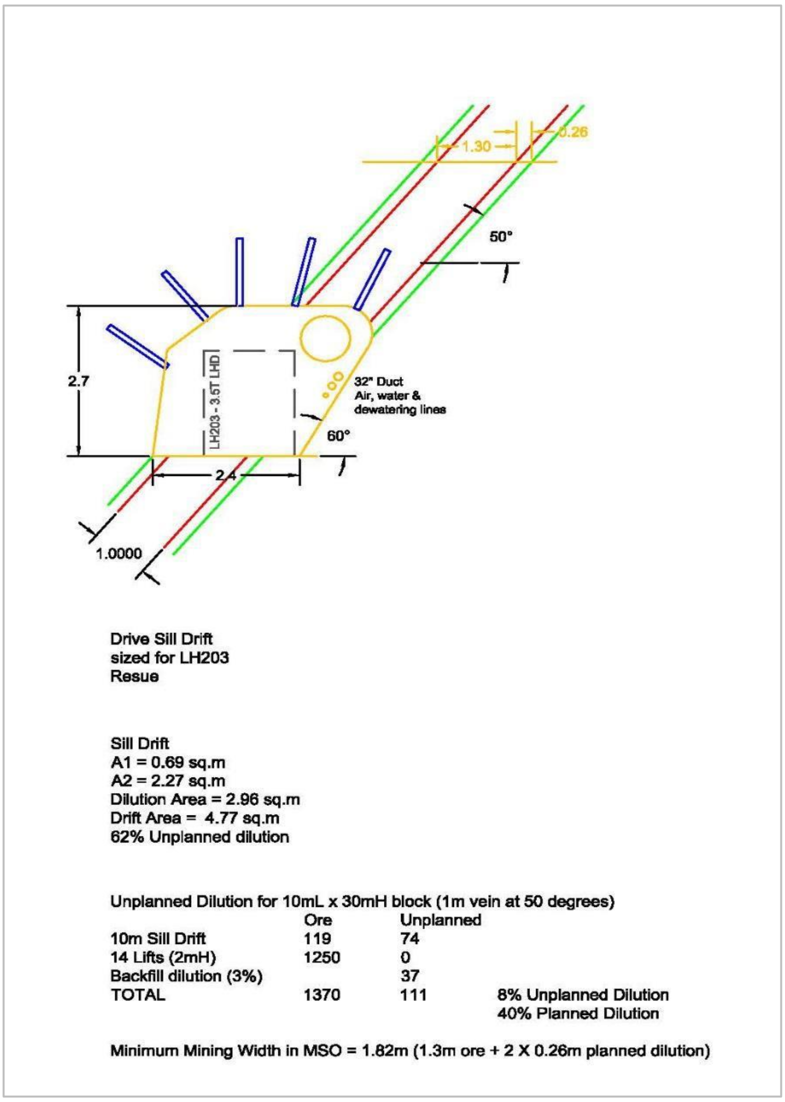


Figure 16-22: Example of Dilution Calculation (SRK, 2014)

Table 16-23: External (Unplanned) dilution formulae based on dip and true width of stope (SRK, 2014)

Dip Average	Stope Width Value from MSO			Unplanned Dilution		
	MCF + Resue	MCF + Resue	MCF			
40	<3.6	3.6 to 5.1	>5.1	12	8%+(5.1-swidth)*2.67%	8%
	MCF + Resue	MCF + Resue	MCF			
50	<1.82	1.82 to 3.7	>3.7	10	5%+(3.7-swidth)*2.7%	5%
	MCF + Resue	MCF + Resue	MCF			
60	<1.61	1.62 to 3.28	>3.28	11	5%+(3.28-swidth)*3.6%	5%
	MCF + Resue	MCF + Resue	MCF			
70	<1.48	1.48 to 2.55	>2.55	12	5%+(2.55-swidth)*6.5%	5%
	MCF + Resue	MCF + Resue	MCF			
80	<1.42	1.42 to 2.42	>2.42	12	5%+(2.42-swidth)*7%	5%

The process was simplified for this update by using the 2014 results and applying them to the design in Deswik.Sched by vein as shown in Table 16-24.

Table 16-24: Total External (Unplanned) Dilution (in addition to overbreak included in DSO shapes)

Deposit	Veins	External Dilution (%)
La India	Agua Caliente	8%
	Arizona	6%
	La India	9%
	Teresa	9%
Mestiza	Espinito	11%
	Tatiana	7%
	Buenos Aires	10%
America	America	9%
	Constancia	6%
	Guapinol	11%

Mine Production Rates

The maximum achievable production rate at a mine is usually a function of the nature of the ore body, the number of work areas (faces) that can be mined simultaneously, and the productivity of the equipment employed. The production rate applied will then be a trade-off between capital costs of the required equipment and the economic returns. This level of detail is rarely available prior to a PFS level of study. Consequently, benchmarking and comparative methods are more commonly applied to determine estimates for production rates in the early stages of a mines development. Two common methods for this are Taylor's Law (1986) and McIsaac (2006).

The results achieved from Taylor's Law are considered overly conservative since the formula does not reflect improvements in technology, mining methods and equipment. As such, McIsaac's methodology has been used as a basis for the analysis which reflects the modern advances in the mining industry. The formula used to estimate the maximum production rate for each deposit is,

$$R = 0.02 * \ T \ \hat{} \ 0.75$$

Where,

- R is production rate (in tonnes per day).
- T is reserves in tonnes of ore.

The production rates estimated using McIsaac's formula are provided in Table 16-25. Annual production rate is based on 350 operating days per year.

Table 16-25: McIsaac Formula Calculations Maximum Production Rate by Mine

Mine	Rate (t/day)	Rate (t/year)
La India	1,200	420,000
America	850	297,500
Mestiza	850	297,500
Total	2,900	1,015,000

SRK recommends that future studies develop suitable production rates using the productivity of selected equipment and availability of mining blocks taking into consideration the limitation imposed by lateral and vertical development, and stope filling requirements.

Crown Pillar

To create a crown pillar zone between the OP and UG mine and to define the upper levels of UG workings, the geotechnical recommendations and guidelines provided in Table 16-4 of Section 16.2.2 were applied during mine design. In areas where no open pits were planned, a minimum 10m Crown Pillar was maintained to account for artisinal miners working the weathered layers.

UG Mine Design

The scoping level MCF designs for the La India, Mestiza and America deposits were completed in Deswik.CAD software, where the DSO stope shapes were the basis for the layout of each UG design.

At this stage of study, the lateral and vertical development design is limited to main ramps, level accesses, stope access/attack ramps, ventilation drives and ventilation/emergency egress raises. In order to account for development not included into the design, an additional 10% has been applied to the development meters for the main ramps to account for such items as remucks, storages, refuge stations, sumps and electrical cutouts. The lateral and vertical development design dimensions are the same across the three deposits, which are provided in Table 16-26.

Table 16-26: Lateral and Vertical Design Dimensions

Description	Dimension
Decline	4.5mH x 5mW
Attack Ramps/Stope Access	3.5mH x 3.5mW
Level Drives	4.5mH x 5mW
Ventilation/Tee Drives	4.5mH x 5mW
Ventilation Raises	3mH x 3mW

The following section explains the design considerations and results unique to each deposit.

La India

Access to the UG mine will be by two main portals, one to access the La India South and central area (South Portal), and the other to access Arizona, La India North, Teresa, and Agua Caliente (North Portal).

Two access designs were developed for the South and North portals: Option 1, portals from the OP haul roads which saves capital development but delays access as these locations are not available until this section of the OP has been mined; and Option 2, additional ramping to access the deposits from surface in the event that the La India UG is mined in parallel with the OP.

Initially it had been assumed that the La India OP and UG would operate in parallel, therefore Option 2 with the additional ramp development, was advanced for the South and North portal designs.

Following the completion of the La India design and strategic schedule, the design of the South and North portals was modified, as the initial 2017 collar locations did not align with the updates made to the site infrastructure. As such, the South Portal collar location has been moved inside of the La India OP on the south-east wall and the North Portal's has been redesigned to use the Arizona portal as access. With the redesign of the North Portal, the Arizona vein is now accessible to the rest of the La India UG mine and the portal is close to the mill. The modifications have been reflected in the site layout, design and the technical economic model. This design change has only marginaly decreased the development meters from the original ramp design and therefore minimal modification will need to be made to the schedule. It is recommended that these changes be made to the schedule in future studies.

The results of the modified La India design is provided in Figure 16-23 and Figure 16-24 in a 3D plan and long section view, respectively. A vein colour code has been applied to both 3D views, which is defined by a legend on each figure.

The capital development required is provided in Table 16-27. It is estimated that approximately 12-18 months pre-production development period is required to construct the main portal infrastructure and access the initial production areas.

Table 16-27: La India Lateral and Vertical Development Metres

Description	Development Metres (m)
Attack Ramp/Stope Access	6,432
Diversion tunnel	1,804
Decline	13,582
10% Additional Decline Development[1]	1,358
Access Tee Drive	2,323
Ramp to Surface	1,919
Fresh Air Raise	1,631
Return Air Raise	908
Total Lateral Development	**27,418**
Total Vertical Development	**2,538**

[1] An additional 10% has been applied to decline development meters to account for development not included in the design

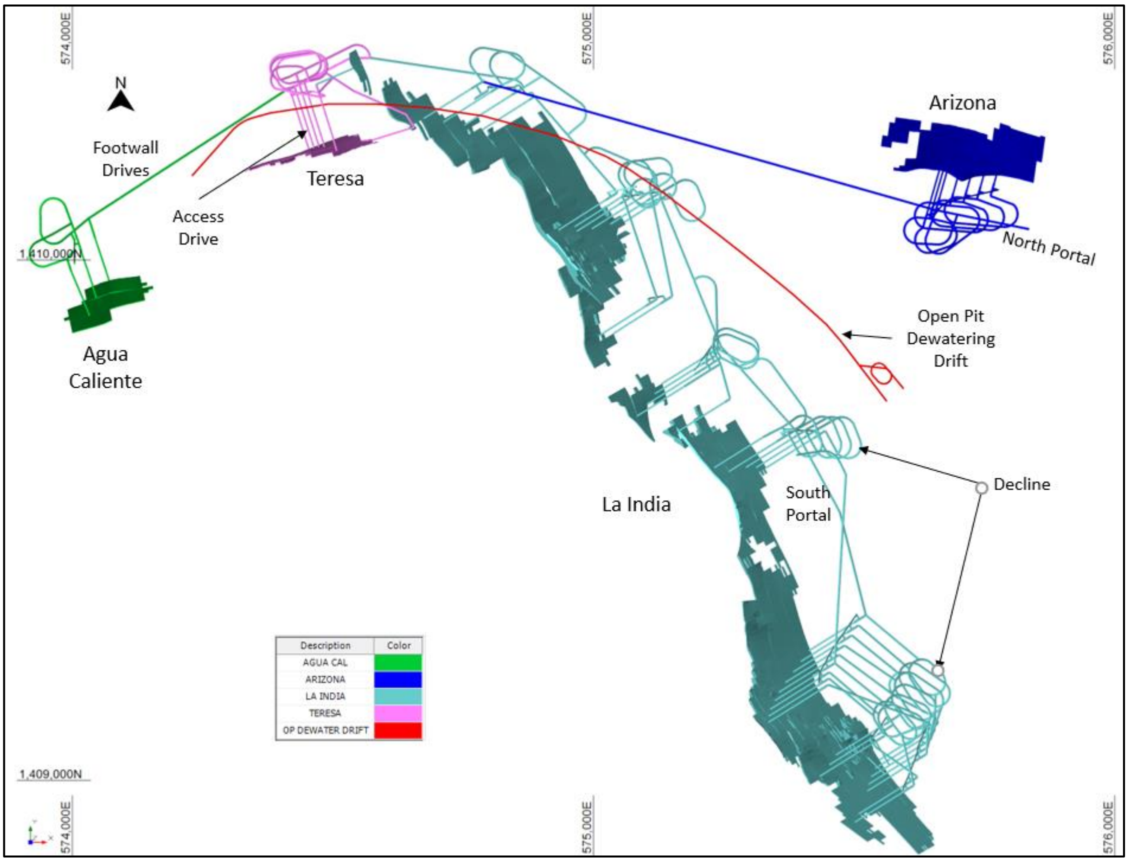


Figure 16-23: La India UG Design Plan View (Modified North and South Portals)

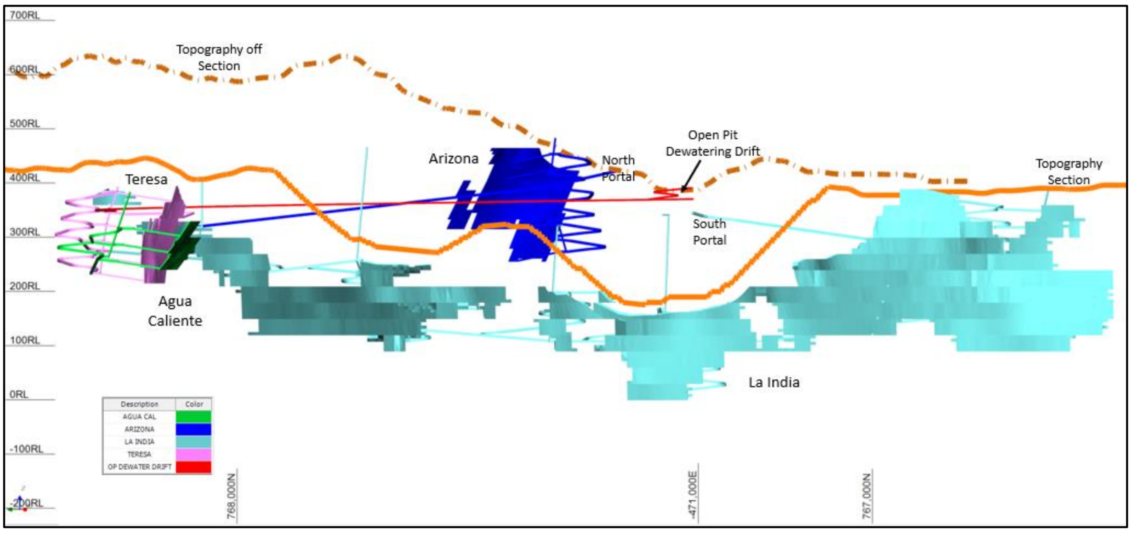


Figure 16-24: La India UG Design Long Section View (Modified North and South Portals)

America

The results of the America design is provided in Figure 16-25 and Figure 16-26, a 3D plan and long section view, respectively. A vein colour code has been applied to both 3D views, which is defined by a legend on each figure.

Access will be by one main portal, located to the south east near the Constancia vein to service Constancia, America and the Guapinol veins. In addition to the main access, a temporary surface portal has been designed to access level 400 of the Guapinol vein.

The capital development required is provided in Table 16-28. It is estimated that approximately 12-18 months pre-production development period is required to construct the main portal infrastructure and access the initial production areas.

Table 16-28: America Lateral and Vertical Development Metres

Description	Development Metres (m)
Attack Ramp/Stope Access	5,289
Decline	13,395
10% Additional Decline Development[1]	1,340
Access Tee Drive	2,255
Ore Drive	152
Fresh Air Raise	1,370
Return Air Raise	924
Total Lateral Development	**21,091**
Total Vertical Development	**2,294**

1 An additional 10% has been applied to decline development meters to account for development not included in the design

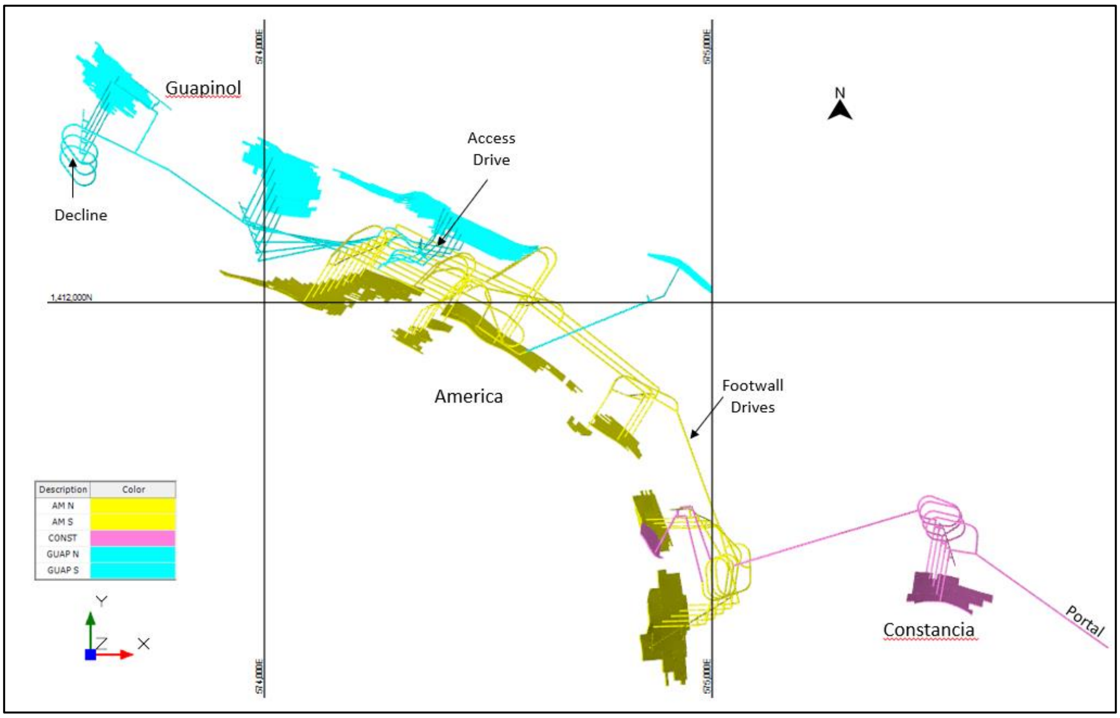


Figure 16-25: America UG Design Plan View

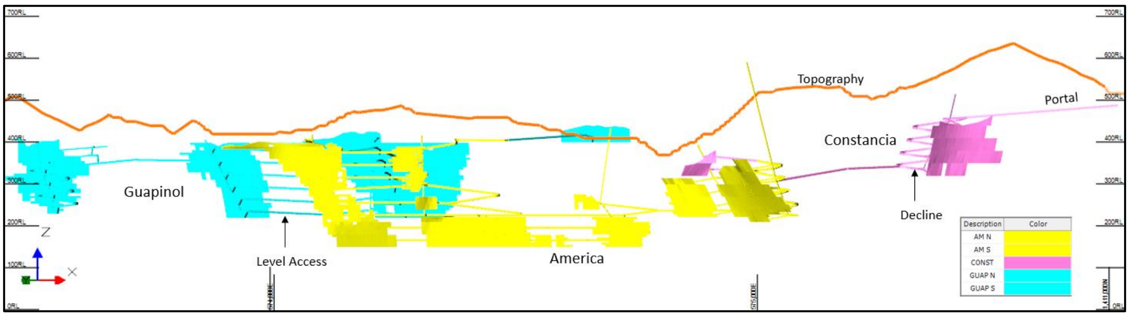


Figure 16-26: America UG Design Long Section View

Mestiza

The results of the Mestiza design is provided in Figure 16-27 and in Figure 16-28 a 3D plan and long section view, respectively. A vein colour code has been applied to both 3D views, which is defined by a legend on each figure.

Access will be by one main portal, located to the south east and proceeding along the Tatiana and Buenos Aires veins towards the Espinito vein.

The capital development required is provided in Table 16-29. It is estimated that approximately 12-18 months pre-production development period is required to construct the main portal infrastructure and access the initial production areas.

Table 16-29: Mestiza Lateral and Vertical Development Metres

Description	Development Metres (m)
Attack Ramp/Stope Access	5,806
Decline	10,223
10% Additional Decline Development[1]	1,022
Access Tee Drive	1,455
Ore Drive	99
Ramp to Surface	1,183
Fresh Air Raise	201
Return Air Raise	1,443
Total Lateral Development	**18,308**
Total Vertical Development	**1,644**

1 An additional 10% has been applied to decline development meters to account for development not included in the design

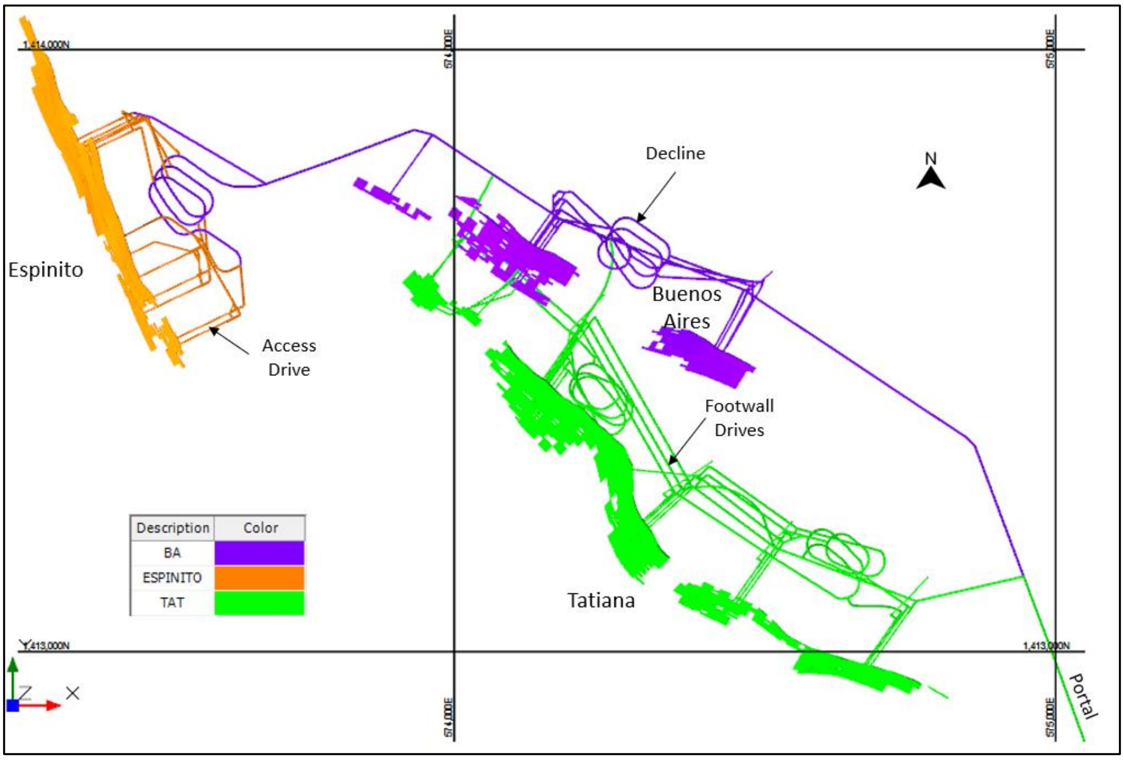


Figure 16-27: Mestiza UG Design Plan View

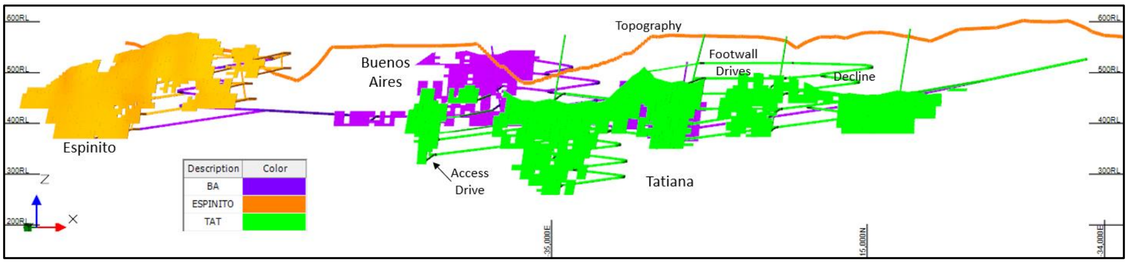


Figure 16-28: Mestiza UG Design Long Section View

Operating Strategy

It has been assumed for this level of study, that all UG mines will be run as a conventional MCF operations with an option to use resuing in stopes where the vein is narrower than the smallest available production LHD. The operation is assumed to be contractor operated.

The following has been proposed for La India, Mestiza and America UG mines:

- lateral development will be done using conventional drill and blast techniques using typical diesel equipment, ramps and levels have been sized for a haul truck;
- vertical development will be completed mainly by drop raising and raise boring with some conventional raising;
- the mining method will be conventional MCF and utilise a one boom jumbo or jacklegs for production drilling and an LHD for mucking; the LHD size will increase as stope width increases, as provided in Table 16-30;
- where the veins are narrower than the minimum width required by the smallest LHD, the mining method will be MCF with resuing and all production drilling will be by jackleg/stoper;
- broken ore will be mucked from the stopes to a remuck located near the main ramp or access drift;
- a haulage crew will move around the mine with a larger LHD and several 30 t to 40 t haulage trucks to empty the remucks regularly and haul the material to the mill; and
- the haulage crew will also backhaul waste rock from development headings or surface stockpiles to the remucks for the LHD to place in the stopes as URF backfill where a rammer jammer will compact the fill.

Labour and Equipment

Based on the peak total UG production rate of 2,700 tpd, the total contractor UG labour force will likely average between 400 to 450 personnel on a four-shift rotation (day, afternoon, night, off), including:

- average 180 production miners;
- average 120 development miners;
- average 50 on the haulage crews;
- average 24 support crew for moving materials and service activities; and
- mobile equipment mechanics, electricians and industrial mechanics.

Table 16-30: Production Equipment Based on Vein True Width

True Width of Vein (m)	Production Drilling & Mucking
<1.6	3.5t LHD and Jackleg/stoper
1.6-3.5	3.5t LHD and 1 boom
3.5-5.5	7t LHD and 1 boom
>5.5	14t LDH and 1 or 2 boom

For the purposes of this study, all mobile equipment is assumed to be supplied by the Mining Contractor as part of the development and production contract. The only equipment supplied by the Company consists of light vehicles for Company staff. Based on the peak total UG production rate of 2,700 tpd, the total contractor UG equipment fleet would consist of approximately 95 pieces of equipment as shown on Table 16- 31.

Table 16-31: Estimated Contractors Fleet at Peak Production Rate

Function	Description	Quantity
Development	2-Boom jumbo	3
	14t LHD	3
	Mechanized Bolter	3
	Anfo Loader	3
	Wet shotcrete Sprayer	1
	Transmixers	3
	Scissor Lift	3
	Forklift/Tractor/MineCat	4
Production	Pneumatic Drills	12
	1-Boom Jumbo	6
	3.5t LHD	8
	7t LHD	3
	14t LHD	3
	Anfo Loader	3
	Scissor Lift	3
	Rammer Jammer	3
	Forklift/Tractor/MineCat	8
Support	30t truck	3
	30t truck w/ Ejector box	2
	14t LHD	2
	Flatbed/Boom Truck	3
	Fuel/Lube Truck	3
	Light vehicle	6
	Forklift/Tractor/MineCat	4
Total		**95**

Underground Infrastructure

Underground infrastructure is expected to be fairly typical for shallow underground mines in Latin America, consisting of the following:

- Initial ramp development ventilation provided by portal fans with steel ducting;
- Secondary ventilation to stopes provided by auxiliary fans located on the ramps with flexible ducting to work areas;
- Main ventilation provided by surface return air fans (pull system) to keep ramps in fresh air;
- Emergency manways installed in return air raises, supplemented by dedicated escape raises as required;
- MineArc style portable refuge stations, supplemented by one or more permanent refuge stations for each mine;
- Each main portal will be equipped with office trailer, laydown areas, ore pad, waste stockpile, a compressor setup included receiver, electrical sub-station, communications, process water tanks and a settling sump to store water for recycling;
- Ramps will be equipped with appropriately sized piping for compressed air, process water and dewatering systems;

- Electrical distribution shall be along the main ramp systems with boreholes between levels as practical;
- Communications system will parallel electrical distribution;
- Dewatering will utilize skid mounted dirty water pumping stations supplemented by one or more underground decant sumps, potential for recycling for process water.

16.4.6 Life of Mine Schedule (Scenario B)

Approach

A combined OP and UG production scenario, has been developed at a mill feed rate of 1.4 Mtpa, including contributions from CBZ OP and La India, America, and Mestiza OP and UG. The OP and UG schedules were developed separately and later combined in an Excel based scheduling model.

OP Mine Schedule

Similar to Scenario A, the OP portion of the schedule was developed in Maptek Evolution and Chronos. The mining sequence was optimised by Evolution to maximize NPV.

The key scheduling parameters and considerations applied to the Scenario B OP schedule are listed below:

- A targeted mill feed rate of 1.4 Mtpa (Case B);
- Max sink rate of 60 m per year per pushback;
- Mill feed set to 80% capacity for the first three months of year three, ramping up to 100% thereafter;
- Primary target was to maximize NPV by mining higher Au grades and low strip ratio areas first; and
- Secondary target was to balance the total material movement; and
- a single pre-stripping year included to allow the schedule to bring ore tonnes forward into year 1.

UG Mine Schedule

The UG life of mine schedule, considers potential milled tonnes for each vein (summarised by deposit in Table 16-32), the theoretical range of production rates, and constraints imposed by the development design and sequencing. The UG schedules for La India, Mestiza and America, were developed in Deswik.SCHED scheduling software. The schedules were generated based on the individual designs for each deposit, which were then manually integrated and sequenced in the combined OP and UG scheduling Excel model.

The following assumptions have been made for the proposed life of mine plan:

- UG production rates are unaffected by OP production;
- MCF mining sequence is bottom up where practical, and then top down with sill pillars for the remainder; and
- OP production is given priority in the schedule, while UG production is adjusted to meet the mill feed target.

The stope shapes from the stope optimisation process formed the basis of the UG mine plan and schedule. Stope wireframes were grouped by vein set, vein and level, then sequenced in order to model the variability of the head grade over the life of the mine. Production rates for each vein were applied to the relevant stopes based on stope true width and a steady production rate from each vein set was targeted.

Table 16-32: Underground mill feed for the Project as of September 15, 2021

Deposit	Total (Mt)	Waste (Mt)	Mill Feed (Mt)	Mill Feed Au (g/t)
La India	4.04	1.28	2.76	4.30
Mestiza	1.93	0.90	1.03	3.88
America	2.35	1.07	1.28	3.57
Total	8.33	3.26	5.07	4.03

(1) The La India, America, and Mestiza underground mines are amenable to Mechanized Cut and Fill mining methods and the underground RoM inventory in each case is constrained within Deswik Stope Optimizer stope shapes, which SRK based on the following parameters: A gold price of USD1,400 per ounce of gold, metallurgical recovery assumptions of 91-96% for gold, based on testwork conducted to date and site costs including Mining, Milling and G&A of between USD65.74/t and USD72.74 depending on average vein true width and haulage distance to the processing plant.

(2) The Underground RoM inventory is reported at an insitu cut-off grade of between 1.9 g/t and 2.2 g/t Au (Diluted cut-off grade of 1.72 g/t to 1.83 g/t Au representing the break-even head grade required).

(3) The Open pit RoM inventory is not an Ore Reserve and is based in part on Inferred Mineral Resources. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(5) Historical Underground mining occurred and has been depleted from the block models. Mine designs avoid interaction with historic workings were possible to minimize risks represented by unknown conditions in the historic workings.

16.4.7 Combined Schedule Results

The combined OP and UG mining physicals schedules and mill feed schedule are shown in Table 16-33. The mill feed schedule is also provided visually in Figure 16-29.

Table 16-33: Scenario 2 - Mining and Mill Physicals Schedule

		Project Year	-1	1	2	3	4	5	6	7	8	9	10	11	12
	Units	**Total**													
Total Material Movement	**(kt)**	**134,044**	**13,000**	**19,800**	**19,439**	**19,844**	**20,435**	**19,105**	**11,705**	**6,660**	**3,220**	**626**	**192**	**17**	**-**
Waste Expit + Off Balance	(kt)	118,342	12,055	18,093	18,544	18,415	18,007	16,363	9,753	5,174	1,937	-	-	-	-
Expit Ore	(kt)	10,634	945	1,707	895	1,276	1,793	1,888	1,104	601	426	-	-	-	-
	(koz Au)	946	92	172	119	95	124	164	106	38	36	-	-	-	-
	(g/t Au)	2.77	3	3	4	2	2	3	3	2	3	-	-	-	-
	(g/t Ag)	4.39	3	4	6	4	4	4	4	3	5	-	-	-	-
UG Ore	(kt)	5,067	-	-	-	154	635	854	848	885	857	626	192	17	-
	(koz Au)	656,782	-	-	-	14,793	83,511	118,189	109,038	119,504	108,325	74,268	25,808	3,346	-
	(g/t Au)	4.03	-	-	-	3	4	4	4	4	4	4	4	6	-
	(g/t Ag)	5.52	-	-	-	5	7	5	5	8	6	3	0	-	-
Total Ore	**(kt)**	**15,702**	**945**	**1,707**	**895**	**1,429**	**2,427**	**2,742**	**1,952**	**1,486**	**1,284**	**626**	**192**	**17**	**-**
	(koz Au)	**657,728**	**92**	**172**	**119**	**14,888**	**83,635**	**118,353**	**109,144**	**119,542**	**108,361**	**74,268**	**25,808**	**3,346**	**-**
	(g/t Au)	**3.18**	**3.05**	**3.13**	**4.12**	**2.40**	**2.66**	**3.20**	**3.43**	**3.29**	**3.50**	**3.69**	**4.17**	**6.01**	**-**
	(g/t Ag)	**0.11**	**34.32**	**44.68**	**47.34**	**0.43**	**0.15**	**0.10**	**0.08**	**0.07**	**0.07**	**0.03**	**0.00**	**-**	**-**
Total Mill Feed to Plant	**(kt)**	**15,702**	**-**	**1,330**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**1,400**	**372**
	(koz Au)	**1,603**	**-**	**203**	**152**	**109**	**167**	**215**	**196**	**163**	**158**	**114**	**65**	**48**	**12**
	(g/t Au)	**3.18**	**-**	**4.74**	**3.38**	**2.43**	**3.72**	**4.78**	**4.35**	**3.61**	**3.51**	**2.54**	**1.45**	**1.08**	**1.01**
	(g/t Ag)	**4.75**	**-**	**6.64**	**4.74**	**4.39**	**6.71**	**6.16**	**5.64**	**6.55**	**5.68**	**2.99**	**1.70**	**1.93**	**1.96**
OP															
La India															
Waste Expit + Off Balance	(kt)	79,619	2,357	6,280	8,243	15,671	17,752	13,810	8,395	5,174	1,937	-	-	-	-
Expit Ore	(kt)	8,338	194	823	536	1,152	1,785	1,812	1,008	601	426	-	-	-	-
Mestiza															
Waste Expit + Off Balance	(kt)	13,257	4,593	4,554	3,733	376	-	-	-	-	-	-	-	-	-
Expit Ore	(kt)	499	185	147	110	57	-	-	-	-	-	-	-	-	-

America															
Waste Expit + Off Balance	(kt)	21,292	3,297	4,969	6,493	2,368	255	2,553	1,358	-	-	-	-	-	-
Expit Ore	(kt)	877	104	305	222	67	7	77	96	-	-	-	-	-	-
CBZ															
Waste Expit + Off Balance	(kt)	4,174	1,808	2,290	76	-	-	-	-	-	-	-	-	-	-
Expit Ore	(kt)	920	462	432	26	-	-	-	-	-	-	-	-	-	-
UG															
La India															
UG Ore	(kt)	2,761	-	-	-	128	425	402	420	433	431	373	132	17	-
Mestiza															
UG Ore	(kt)	1,030	-	-	-	26	160	230	256	230	123	4	-	-	-
America															
UG Ore	(kt)	1,277	-	-	-	-	49	221	172	222	303	249	61	-	-

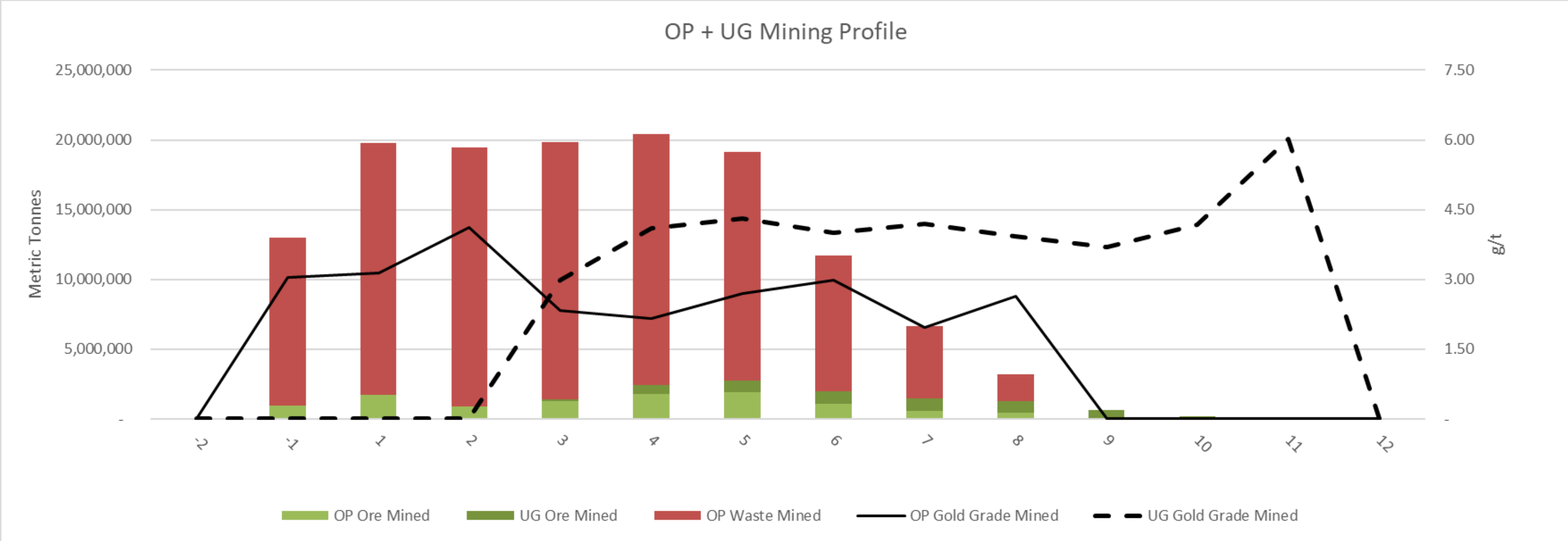


Figure 16-29: Scenario 2 OP + UG Mining Profile

17 RECOVERY METHODS

17.1 Introduction

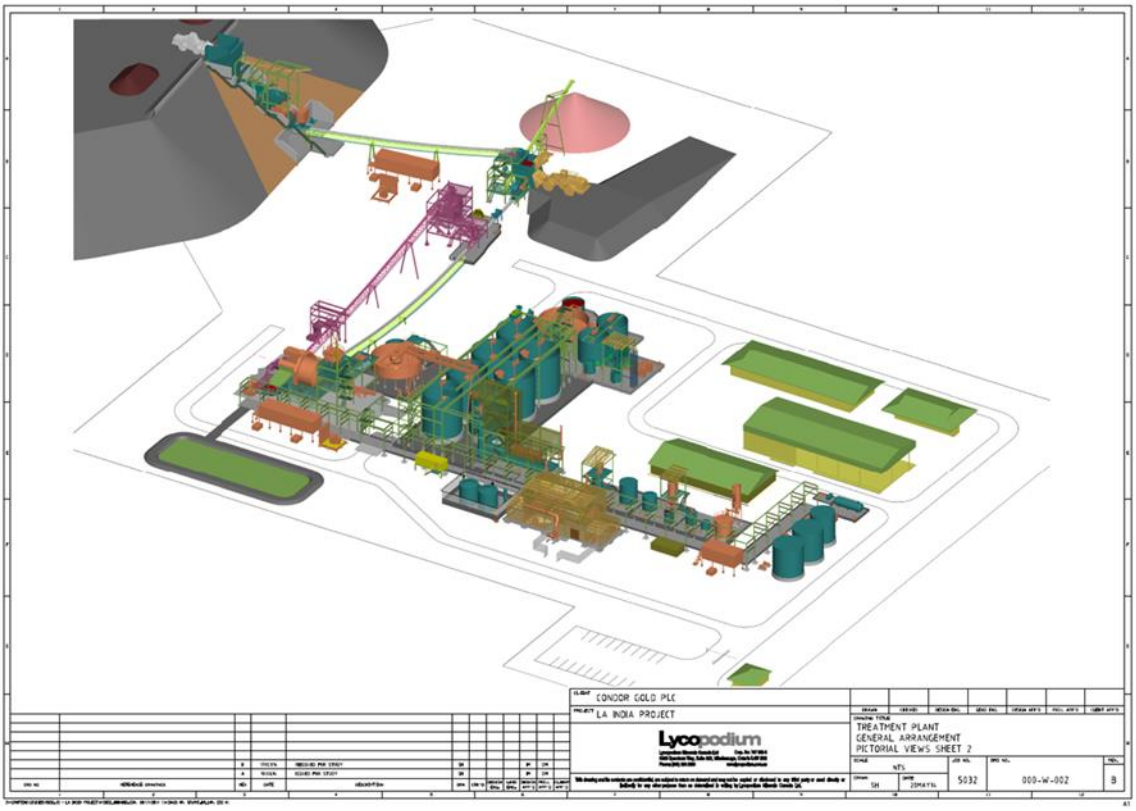
An 805,000 tpa process plant was designed by Lycopodium as part of the 2014 PFS. The process plant incorporated conventional unit operations that are standard to the industry which include: primary crushing, semi-autogenous grinding ("SAG"), carbon-in-leach ("CIL") cyanidation, carbon elution, electrowinning, refining and final tailings detoxification. The key process design criteria are provided in Table 17-1 and were based on the the metallurgical studies conducted in 2013 (Section 13). The process plant was designed on the basis of an ore that is clean, of high hardness and extremely abrasive, and with average LoM head grades of 3.0 g/t Au and 5.3 g/t Ag. The plant layout is shown in Figure 17-1, and the process flowsheet from the 2014 PFS presented in Appendix C.

This PEA update has considered the two alternative process development scenarios. Scencario-A includes the construction of a 1.225 Mtpa (3,500 tpd) process plant that would be operated throughout the life of the project. Scenario B includes the construction of a 1.4 Mtpa (4,000 tpd) process plant that would also be operated throughout the life of the project.

Table 17-1: Key Process Design Criteria

Parameter	Units	Criteria	Source
Plant Capacity	tpa	805,000	Condor
Head Grade	g Au/t	3.40	Condor/SRK
Head Grade	g Ag/t	5.08	Condor/SRK
Design Gold Recovery	%	90.2	Testwork/Lycopodium
Crushing Plant Utilisation	%	75	Lycopodium
Plant Availability	%	92	Lycopodium
Bond Abrasion Index (Ai)		1.08	Testwork
Drop Weight (SMC) Axb		40	Testwork
Bond Ball Mill Work Index (BWi)	kWh/t	21.9	Testwork
SG		2.54	Testwork
Grind Size (P_{80})	µm	75	Testwork
Leach Circuit Residence Time	hrs	35	Testwork/Lycopodium
Leach Slurry Density	% w/w	48	Lycopodium
Number of Leach Tanks		1	Lycopodium
Number of CIL Tanks		6	Lycopodium
Cyanide Consumption	kg/t	0.82	Testwork
Leach Lime Consumption	kg/t	0.93	Testwork
Elution Circuit Size*	t	5	Lycopodium
Cyanide Destruction Process		SO_2 /Air Process	Lycopodium

Source: Lycopodium 2014



Source: Lycopodium PFS 2014

Figure 17-1: Conceptual La India Process Plant General Arrangment (as per 2014 805 ktpa plant arrangement)

17.2 Process Description

The process plant flowsheet includes unit operations that are standard to the industry, including: primary crushing primary crushing, SAG, CIL cyanidation, carbon elution, electrowinning, refining and final tailings detoxification. Each process unit operation is briefly described in this section as per the previous 2014 PFS design.

17.2.1 Crushing Circuit

Run of mine ("RoM") ore will be loaded into the RoM feed hopper by haul truck or front-end loader ("FEL"). A grizzly will be fitted to the RoM hopper to protect the downstream equipment from oversize material. A rock breaker will be provided to reduce oversize rock such that it will pass through the grizzly. The RoM ore will be drawn from the hopper at a controlled rate by a variable speed apron feeder and discharge into a single toggle jaw crusher.

The crusher product will discharge onto a conveyor belt and be transported to the crushed ore surge bin. Crushed ore will be withdrawn from the surge bin at a controlled rate by a variable speed apron feeder and fed via the mill feed conveyor directly to the SAG mill. A weightometer will indicate the instantaneous and totalized mill feed tonnage. The crushing circuit will be independently and sequentially interlocked for shutdown such that in the event of a single component failure, all components will be safely shut down automatically.

17.2.2 Grinding and Classification Circuit

The grinding circuit will consist of a SAG mill operated in closed circuit with hydrocyclones to achieve a final grind size of 80% passing (P80) 75 µm. Crushed ore will be fed directly to the SAG mill via the mill feed conveyor. The SAG mill discharge trommel undersize will gravitate to the mill discharge hopper, and be diluted with process water, and pumped to the classifying hydrocyclone cluster. The combined cyclone overflow stream, with a nominal pulp density of 38% w/w solids, will gravitate to pre-leach thickener where it will be thickened to 48% solids prior to being pumped to the CIL circuit. The cyclone underflow will be collected in the underflow launder and return to the feed chute of the SAG mill.

17.2.3 Pre-leach Thickening

Cyclone overflow will gravitate to the trash removal screen. The trash screen will remove any coarse ore particles, wood fragments, organic material, plastics, and lime slurry grits that could otherwise blind the inter-tank screens. The screen oversize (trash) will be collected in a bunker or bin, and the undersize (slurry) will gravitate to the high rate pre-leach thickener where it will be combined with flocculant in the feed well. Thickener underflow will be pumped to the CIL circuit, and thickener overflow will report to the process water tank.

17.2.4 Leach and Carbon Adsorption Circuit

The thickener underflow will be pumped to the leach distributor feed box passing through a two-stage cross-cut feed sampler. Lime slurry will be added to the SAG mill feed to ensure that the slurry pH of about 10.5 is maintained.

The leaching and adsorption circuit will consist of one leach tank feeding a series of adsorption tanks (6 as per the 2014 805 ktpa design). The tanks will be interconnected with launders, and slurry will flow by gravity through the tank train. Each tank will be fitted with a dual impeller mechanical agitator to ensure uniform mixing and dispersion. Oxygen required for leaching will be provided by air sparging through the bottom of the agitator shaft into the slurry. The adsorption tanks will each be fitted with an air swept woven wire intertank screen to retain the carbon. All tanks will be fitted with bypass facilities to allow any tank to be removed from service for agitator or screen maintenance.

Sodium cyanide solution will be metered into the leach feed distribution box, as required, to maintain the desired cyanide concentration in the circuit. Compressed air will be distributed to the CIL circuit and sparged down the shafts of the agitators to allow a high dissolved oxygen profile to be maintained in the circuit. Fresh and regenerated carbon will be returned to the circuit at CIL Tank 6 and will be advanced counter-current to the slurry flow by pumping slurry and carbon from Tank 6 to Tank 5 to Tank 4, and so on. The inter-tank screen in each CIL tank will retain the carbon and allow the slurry to gravity flow to the next CIL tank. This counter-current process will be repeated until the carbon eventually reaches CIL Tank 1 at which point an air lift will be used to transfer loaded carbon to the loaded carbon recovery screen. The loaded carbon will be washed and dewatered on the recovery screen prior to reporting to the acid wash column. The recovery screen undersize will return to the CIL circuit.

Slurry from the last CIL tank (leach tails) will gravitate to the vibrating carbon safety screen. The safety screen will recover any carbon leaking through worn inter-tank screens or overflowing the tanks. Screen underflow will gravitate to the cyanide destruction circuit. Barren carbon returning to the adsorption circuit from the carbon regeneration kiln will be screened on the sizing screen to remove fine carbon and prevent associated gold losses. The sized and regenerated carbon will report to CIL Tank 6, or alternately to Tank 5. The CIL tanks will be located in a bunded area with a sloping concrete floor. Any spillage from the circuit will report to one of two sumps and can be returned to the circuit or to the carbon safety screen ahead of the cyanide destruction circuit.

17.2.5 Elution and Gold Room Operations

The following operations will be carried out in the elution and gold room areas:

- acid washing of carbon;
- stripping (elution) of gold from loaded carbon using the AARL method;
- electrowinning of gold from pregnant solution; and
- smelting of electrowinning product.

The elution and gold room areas will typically operate one carbon batch per day, six days per week, with acid wash and elution occurring during day shift. The AARL elution circuit will consist of a rubber lined carbon steel acid wash column and a stainless-steel elution column.

Acid Wash

Loaded carbon will be recovered on the loaded carbon recovery screen and directed to the acid wash column. Transfer and fill operations of the acid wash column will be controlled manually. All other aspects of the acid wash and the pumping sequence will be automated. The acid wash solution, 3% w/w HCl in fresh water, will be mixed in the dilute acid tank and transferred to the acid wash column. The acid wash process removes contaminants, primarily calcium, from the loaded carbon and prevents carbon fouling which reduces the effectiveness of the carbon. After the prescribed acid soak period, the carbon will be rinsed with fresh water. Three bed volumes of fresh water will be pumped through the column to displace any residual acid from the carbon. Dilute acid and rinse water will be neutralized and disposed of with the tailings. Acid-washed carbon will be transferred to the elution column for stripping.

Pre-Soak and Elution

Strip solution will be pumped from the stripping water tank through in-line heate exchangers into the base of the elution column. Sodium hydroxide and sodium cyanide solutions will be pumped from the respective storage tanks into the stripping water tank. The loaded carbon will be pre-soaked in the cyanide / caustic solution for 30 minutes to prepare the gold for elution. The carbon will then be eluted by hot strip solution which will pass out of the circuit to the pregnant solution tank. Outgoing strip solution will pass through the recovery heat exchanger to heat the incoming strip solution.

Electrowinning

Direct current will be passed through stainless steel anodes and stainless-steel wool mesh cathodes to deposit gold and silver onto the cathodes. Three electrowinning cells arranged in parallel will contain 12 cathodes each to provide a high cell pass efficiency to ensure a minimum gold tenor in the barren eluate. Solution discharging from the electrowinning cells will return by gravity to the pregnant solution tank. Electrowinning will continue until the solution exiting the electrowinning cells is depleted of gold.

Gold Room

The electrowinning cells will be located within the security area of the gold room. Rectifiers, one per cell, will be located in a non-secure area below the cells allowing maintenance access without breaching gold room security. Rectifier remote indication and controls will be located adjacent to the electrowinning cells for safety. The electrowon silver and gold will be removed from the cathodes in-situ by washing with high pressure water. The resulting precious metal sludge will be filtered in laboratory style pressure filters and dried in an oven. The sludge will then be smelted to produce doré bars. Slag from smelting operations will be returned to the milling circuit. Fume extraction equipment will be provided to remove gases from the cells, oven and smelting.

Carbon Regeneration

After completion of the elution process, the barren carbon will be transferred from the elution column to the carbon dewatering screen to dewater the carbon prior to entering the feed hopper of the horizontal carbon regeneration kiln. In the kiln, the carbon will be heated to 650°C to 750°C for 20 minutes to allow regeneration to occur. Regenerated carbon from the kiln will be quenched and report to the carbon sizing screen. The screen oversize (regenerated and sized carbon) will return to the CIL circuit while the carbon fines will report to the carbon safety screen.

Carbon Safety Screen

Tailings slurry from the final CIL tank will gravitate through the metallurgical sampler to the carbon safety screen. Recovered carbon will be collected in the fine carbon bin for potential return to the circuit. A two-stage cross-cut feed sampler will be used to take representative samples of the tails for metallurgical accounting purposes. The safety screen undersize will be advanced to the cyanide destruction circuit.

17.2.6 Cyanide Destruction Circuit

The carbon safety screen undersize slurry will report to the SO_2 / air cyanide destruction circuit. The slurry will flow from the cyanide destruction distribution box to the first cyanide destruction tank. The cyanide destruction circuit will reduce the weak acid dissociable cyanide (“CNWAD”) concentration in the CIL discharge from a level of approximately 150 ppm to <1 ppm.

The detoxification process utilizes SO_2 and air in the presence of a soluble copper catalyst to oxidize cyanide to the less toxic compound cyanate (OCN-). The SO_2 source will be sodium meta-bisulfite (“SMBS”). Copper sulphate pentahydrate will be added to supply the necessary copper in solution. Air will be sparged into the cyanide destruction tanks through the agitator shaft. Slaked lime will be added to neutralize the sulphuric acid formed in the reaction and maintain a level of approximately 9 pH.

17.2.7 Tailings Disposal

Tailings from the cyanide detoxification circuit and other miscellaneous waste streams from the process plant will combine in the tailings collection hopper. The tails stream will be pumped to the tailings storage facility for disposal.

17.2.8 Metallurgical Accounting

A weightometer on the primary crusher discharge conveyor will measure the primary crushed ore tonnage. A weightometer on the SAG mill feed conveyor will determine mill feed tonnes. Density and flow meters on the leach feed will allow the dry tonnage of solids to be determined as a cross check on the mill feed tonnage determined from the mill feed weightometer. In conjunction with the leach feed and tails samplers, the mass flow measurements will allow the gold recovered in the CIL to be calculated. Routine sampling of the leach feed stream and the final leach tailings will ensure reliable composite shift samples for leach head grade and tails solution and residue grades. Regular gold inventory surveys will allow reconciliation of precious metals in feed compared to doré production.

17.3 PEA Process Development Alternatives

This PEA update has considered two alternative process development scenarios. Scencario A includes the initial construction of a 1.4 Mtpa (4,000 tpd) process plant that would be operated throughout the life of the project. Scenario B includes the initial development of a 350,000 tpa (1,000 tpd) process plant followed by the construction of a second 1.5 Mtpa (3,285 tpd) process plant that would be commissioned during year 3 of the La India project. The process design criteria and flowsheets for each scenario are identical to those developed for the 2014 La India PFS as described in Section 17.2.

17.4 Waste Management

17.4.1 Waste Geochemistry

An understanding of waste rock, ore and tailings geochemistry is needed to predict the potential long-term geochemical reactivity and/or stability of material extracted by the Project and to identify options for management and closure of the mine facilities.

Two phases of geochemical characterisation have been undertaken for the Project waste rock, which included the collection of 83 samples from the La India, Mestiza and America pit areas for static geochemical characterisation testing (SRK, 2014; CORES, 2019). The results of these tests demonstrate that the majority of waste rock has a low sulfide content (less than 0.1 wt%) and has a low to negligible potential to generate acidic leachates. The only exception is Porphyritic Andesite Lava (VIA) material from the south of the La India deposit proximal to the ore zone, which is characterised by higher sulfur contents (between 0.1% and 4%) and therefore is predicted to have an uncertain acid generating potential.

The majority of waste material types are characterised by concentrations of arsenic, antimony, chromium and sulfur that are elevated above average crustal concentrations. The potential for leaching of arsenic and chromium from waste rock lithologies was also identified, particularly from the Porphyritic Andesite Lava (VIA) and Andesitic Lapilli Tuffs (PPMi) lithologies.

The nature of the geochemical characterisation work undertaken is adequate to provide an initial assessment (to PEA/PFS level) of acid generation and metal leaching for waste rock generated from these pit areas. Furthermore, the number of samples collected, and the static test methods used are consistent with national and internationally accepted guidance on geochemical characterisation, including the Global Acid Rock Drainage (GARD) Guide (INAP, 2014), the MEND Prediction Manual for Drainage Chemistry from Sulfidic Materials (Price, 2009) and SEMARNAT (2009).

The 2014 SRK Geochemical Characterisation study also included an assessment of tailings geochemistry based on testing undertaken by Inspectorate Laboratories in support of the PFS metallurgical testing program. Based on this information the following conclusions pertaining to ARDML were drawn:

- Tailings from the La India deposit were found to have a low potential for acid generation. This reflects the low sulfide content of the La India ore materials.
- The carbonate content within the ore and tailings were likewise low but in all cases the acid neutralising capacity of the materials was shown to be significant excess to the acid generating capacity. Based on this finding, the La India tailings materials can be classified as non-acid forming materials.
- Despite the low sulfur content, and following cyanide destruction by INCO process, the tailings decant waters do contain elevated concentrations of arsenic, molybdenum; mercury and antimony at concentrations exceeding WHO and local Nicaraguan drinking water guidelines. In the case of mercury, the IFC effluent water quality guidelines are also exceeded.

17.4.2 Tailings Facility

The proposed site of the TSF remains the same as the previous studies 2014 PFS, to the east of the main highway, and is consistent with the location included in the latest EIA documentation for the project.

The design criteria and waste balance assumed for the purposes of the PEA scenarios considered are summarised in Table 17-1. For both cases, it is considered that the most appropriate strategy for tailings management is to utilise the capacity of the single valley-fill tailings storage, increased to accommodate the higher tonnages/volumes of tailings required by Scenario B.

Table 17-2: TSF design criteria

Criteria	Units	Scaneria A 1.4 Mtpa Scenario	Scenario B 1.5Mtpa Scenario	Notes
Tailings Physicals				
Life of Mine (LoM)	Years	8	12	La India_AM_M_CBZ Strategic Schedule_OP Final
Processed Ore	Mt	10.6	15.7	
Assumed Tailings Density (In situ Dry Density)	t/m^3	1.4	1.4	SRK assumption based on drained and undrained deposition scenarios.
Target Tailings Storage Volume	Mm^3	7.6	11.2	
TSF Embankment Geometry				
Crest Width	m	20	20	SRK Assumption
Upstream Slope Inclination		1V:2H	1V:2H	SRK Assumption
Downstream Slope Inclination		1V:3H	1V:3H	SRK Assumption
Freeboard	m	2	2	SRK Assumption
TSF Consequence Category				
Extreme				Canadian Dam Association Guidelines
Hydro Design Criteria				
Design Storm (PMP)	mm	590	590	Assumes zero release structure
Freeboard Allowance	m	2	2	

17.4.3 Design Concept

The proposed tailings storage facility (“TSF”) layout is presented in Figure 17-2. The main features of the TSF engineering design are summarised below:

- The TSF has been designed according to the following factors: required storage capacity for the project duration; anticipated geotechnical and geochemical tailings characteristics; regional seismicity; sub-grade ground conditions; visual impact; operational factors including noise and dust; and, concepts for facility closure.
- The TSF includes dams at the western and eastern ends of the valley to form the impoundment void:
  - The dams are constructed from waste rock derived from the mining operation, which are sequentially raised in a ‘downstream’ manor in-line with tailings production to take into consideration the seismic conditions at the project.
  - A starter facility is constructed with sufficient capacity for the first two years of mining.
  - Subsequent dam raises are employed to maintain the capcity requirements per annum.
  - The downstream toe of the dam will include a filter, seepage capture trenches and a sump from where water will be returned to the TSF impoundment pond.
- The impoundment is fully lined with HDPE to minimise seepage of contact water to the receiving environment:
  - Liner design includes a founding layer of selected engineered granular fill and a geotextile protector.

- Tailings are delivered to the TSF via a pipeline with deposition from perimeter spigots to promote beaching away from the dams and to promote ponding of water within the centre of the impoundment.
- Contact water is returned from the impoundment pond to the processing plant via a floating barge decant.
- It is assumed that non-contact water management will occur via a series of diversion channels around the perimeter of the TSF, which will comprise balanced cut/fill channels with erosion protection.

SRK understands that as part of the next phase of study that Condor aspire to comply with the Global Industry Standard on Tailing Management introduced in August 2020.

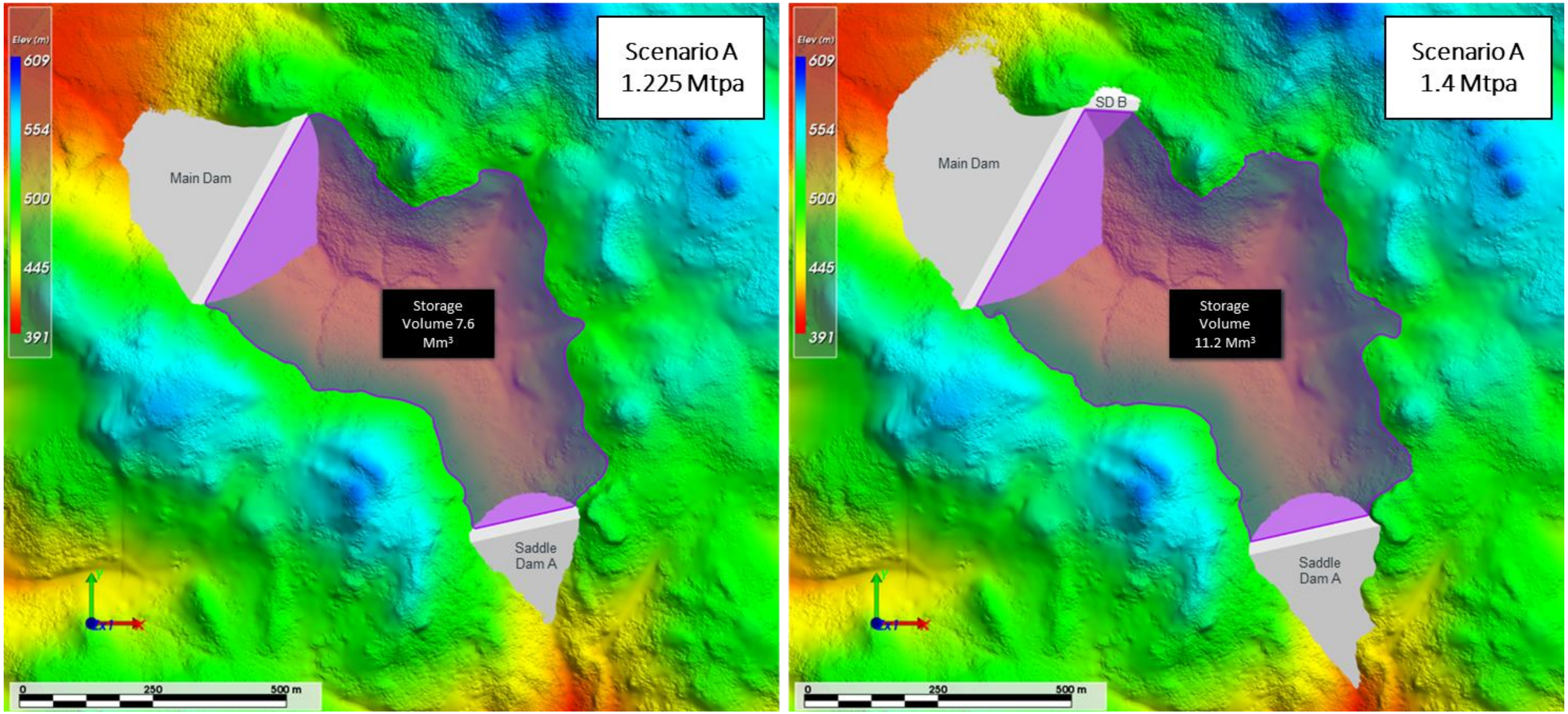


Figure 17-2: Scenario A and Sccenario B proposed TSF layouts

18 PROJECT INFRASTRUCTURE

18.1 Introduction

The PEA covers two scenarios, Scenario A in which the mining is undertaken from four open pits, which targets a plant feed rate of 1.225 Mtpa; and Scenario B where the mining is extended to cover three underground operations, at La India, America and Mestiza respectively, in which the processing rate is increased to 1.4 Mtpa. From a surface infrastructure perspective (general roads, buildings and services) there is unlikely to be any material difference between the two scenarios; however, dependant on the sequencing of underground operations, there is a risk that additional capacity will need to be built into the main substation to meet any potential increase in demand capacity with power required for lighting, ventilation, and some equipment. This aspect requires further consideration during a future PFS.

The proposed infrastructure assets (Figure 18-1) and modifications to existing regional infrastructure required to support the operation are presented inTable 18-1.

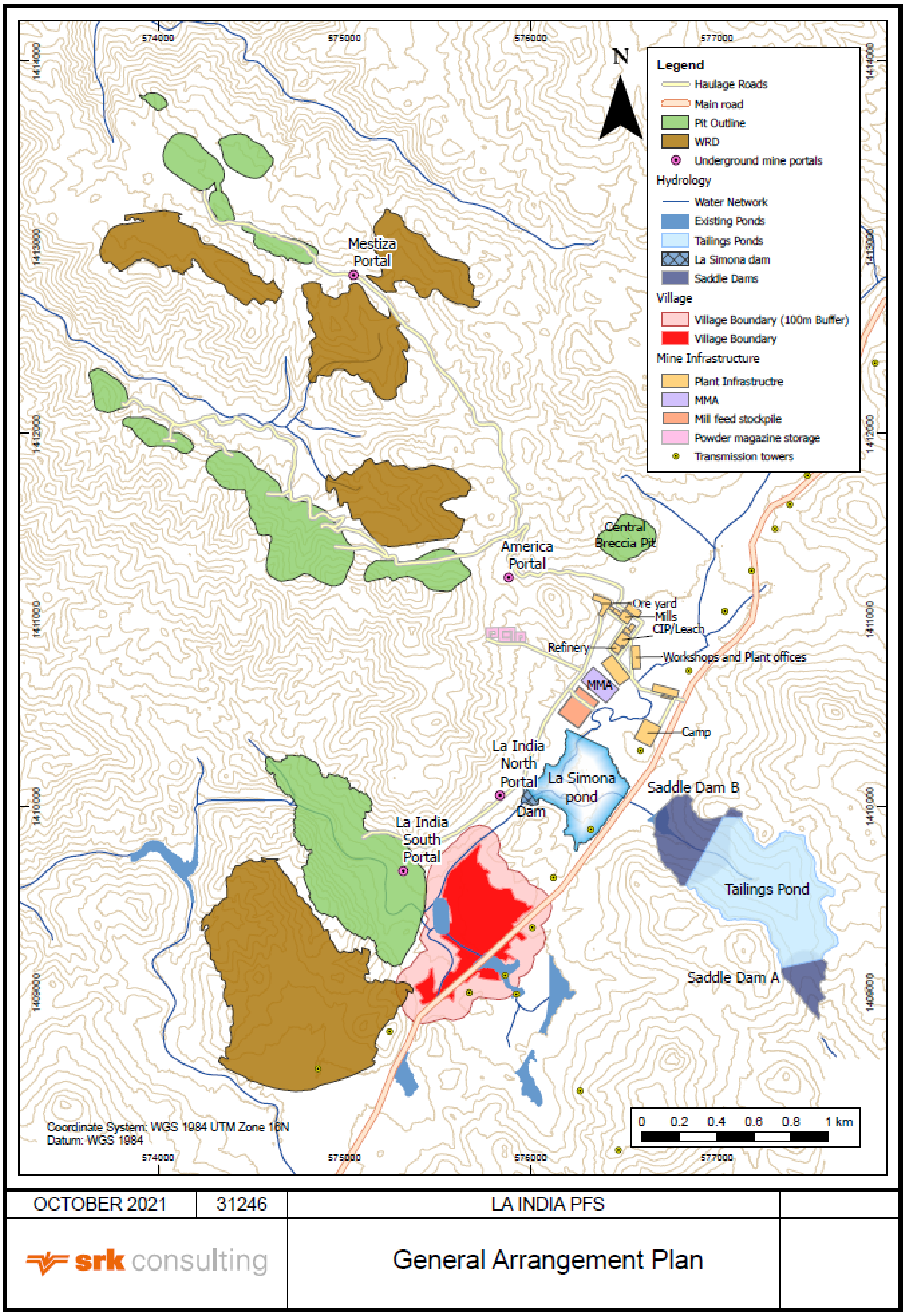


Figure 18-1: Mine Site Layout

Table 18-1: Summary of Infrastructure

Task	Subtask
Site Infrastructure	Plant Site and Associated Infrastructure Mine Maintenance Area Accommodation Camp Explosives Storage Facility ROM Pad and haul roads
Power Supply (off-Site)	Connection to National Grid Transmission Infrastructure
Regional Infrastructure	Power Line Relocation

18.2 Plant Site and Associated Infrastructure

A single-storey 39x19 m, administration building, will be located near the main site entrance. The building will have a reception area, offices, meeting rooms, a main conference room, medical clinic, kitchenette and washrooms. The offices are for managers, engineers, geologists, and clerks. A parking lot and transport and pick-up area is located adjacent to the administration building.

A combined laboratory and plant office building will be used to test metallurgical accounting samples from the process plant, mining and exploration operations.

A plant kitchen and dining hall will include a seating area for workers with kitchen, and food storage. A plant change house and ablutions building will be constructed for workers. It will include separate male and female showers, bathrooms, and change room with lockers.

A main security gatehouse as well as a separate process plant security gatehouse will be included.

A septic system will be utilized for sewage disposal. Septic tanks will be located at the process plant. The septic tank sludge will be removed by vacuum truck at regular intervals.

18.2.1 Mine Maintenance Area

The Project will procure a Mining Contractor to undertake mining works. The Mining Contractor will construct and operate a mine maintenance area (“MMA”) to support the mining operation. The MMA is anticipated to comprise the following mine support / maintenance and mine operations assets:

- vehicle workshop and tyre change;
- refuelling point;
- required stores / warehouse;
- ablutions and change rooms for mining staff (including laundry);
- waste management area;
- mining administration and control offices, medical facility;
- accommodation for the Contractor’s workers;
- lighting / security around the MMA; and

- and utilities and services taken from a connection point at the edge of the MMA (power and raw water supply will be made available to the Contractor by Condor).

The mine support infrastructure is located in proximity to the processing plant. Selected functionality at the processing plant may be shared such as laundry. Each building will be specified and sized by the Contractor as required to support the proposed mining operation. In addition to the MMA, and if required, the Contractor may provide temporary facilities, such as temporary workshop facility, cabin style offices, welfare and ablutions, and fuel storage, to support the pre-strip phase or any of the satellite deposit mining operations.

18.2.2 Accommodation

The Condor staffing plan considers that general labour and operatives will reside locally; however, senior and mid-level management will require local purpose-built accommodation. The accommodation block will be located in proximity to the operations and comprise self-contained unit with bedrooms, canteen and dining area with recreation area. The senior accommodation comprises a 10 person unit with single private bedroom each with a private bathroom. Mid-level accommodation unit comprises three 10-person units with single private bedroom and shared bathroom facilities.

18.2.3 Explosives Storage

An explosives store provides secure storage for ammonium nitrate, emulsion and the explosive detonators. To reduce requirements for safe distances from stored explosive material, all explosive cells will be surrounded by earthworks and only the minimum support facilities will be provided for staff in this area. The required storage capacity is derived from the blasting requirements within the mining schedule based on the previous requirements capacity of 0.8 Mtpa which is therefore equivalent to a 1.4 Mtpa of approximately two weeks.

The explosive storage facility layout has been developed based on the project design criteria. A perimeter fence and security gate will secure the compound and control access to prevent any unauthorised access.

18.2.4 Power Supply

Access to power from the national grid is readily available at the La India project. A 138 kV line owned by the Nicaraguan National Transmission Company (“ENATREL”) lies adjacent to the property and can be used as a ready source of power, subject to installation of a tie-in, a short transmission line and 138 / 11 kV transformer and switchgear. A tie-in will be constructed adjacent to the processing plant and mine maintenance area during the re-alignment works for the existing 138 kV power transmission line.

Condor has undertaken investigations as to the likely cost of power supply to the project. Although firm quotations could not be secured at this point, the investigations reasonably demonstrated power can be supplied to the La India project at a cost of around USc 20.9/kWh.

It is noted that the final power cost will be determined from negotiations with individual suppliers at the feasibility study stage, where Condor is confident based on the discussions to date that the proposed cost can be achieved.

Condor also continues to explore opportunities for on-site power generation to reduce supply costs and the alternative contractual options therein, such as owner operated or purchasing from an independent power producer via a power purchase agreement in an “over-the-fence deal”. This includes “self-generation options” utilising Heavy Fuel Oil generators or Liquified Natural Gas, where fuel would be delivered to site by truck and fuel prices linked to international supply prices.

18.2.5 Regional Infrastructure

The project area is bisected by a 138 kV transmission line. The transmission line comprises a double circuit three phase transmission line which splits at a “triple junction” into two single circuit three phase lattice pylon transmission lines, carrying power to the north and to the south.

To facilitate the project development, the single circuit sections of the transmission line will be re-aligned to avoid influencing or compromising the development of the waste rock dump to the west of the open pit. The power diversion will comprise:

- construction of 1.50 km of new single circuit three phase transmission line; and
- dismantling of 1.25 km of single circuit three phase transmission line.

The new transmission line will replace the current comparable length and realigns the existing configuration some 250 m to the south but on the northern side of the NIC-26 highway.

19 MARKET STUDIES AND CONTRACTS

Gold is a freely-traded international commodity with readily available market prices and transporation costs that are minimal with respect to the overall value of the metal. No market studies have been completed or contracts established for the Project.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

20.1 Introduction

This section has been prepared based on review of information provided by Condor and responses to queries raised by SRK from the Company's environmental and social team. SRK assumes the information provided is accurate and has not conducted independent verification of the data or undertaken a recent site visit. SRK previously visited the site to review environmental and social activities in December 2013.

For the purposes of this section, the 'La India Project' refers to the project components across the La India, America, Mestiza and Central Breccia deposit areas. The La India open pit, waste dump and processing plant are collectively referred to as the 'La India project components', the pits and waste rock dumps at America are referred to as the 'America project components' and the pits and waste rock dumps at Mestiza are preferred to as the 'Mestiza project components'. The Central Breccia pit is referred to directly.

20.2 Project Setting

The Project is located within the Central Highlands of Nicaragua and is surrounded by valleys bound by fairly steep sided hills with elevations between 440 and 580 mamsl. The climate is characterised as tropical savannah with high temperatures and humidity, which remain relatively constant throughout the year, and seasonal variations in rainfall. The mean annual rainfall for the project area is 1,240 mm, which falls predominantly between May and October (wet season).

The La India and Central Breccia project components are located within the catchment of the Agua Fría River that flows to the San Lucas River and Sinecapa River, from where it drains southwards into Lake Managua. The America Project and part of the Mestiza Project are located in the catchment of the Quebrachal River, which flows northwest past the El Quebrachal community. Similar to the Agua Fría River, the El Quebrachal River is part of the regional Sinecapa catchment area and joins the San Lucas River 1 km upstream of the confluence with the Sinecapa River. Seasonal rainfall results in high variation of flows in surface water drainage channels, and some channels (including sections of the Agua Fría) have no flow during the dry season. Surface waters and groundwater across the concession area have a circum-neutral to mildly alkaline pH with generally low metal concentrations, with the exception of arsenic. Groundwater is influenced by historical underground workings from previous mining activities and the associated drainage adits. The community water supply wells in the area are associated with a shallow perched groundwater system that does not appear to be connected with the deeper groundwater regime. The topsoil layer is thin, with low organic content and high susceptibility to erosion, limiting land uses to forestry and pastoral farming.

The project falls within the tropical and sub-tropical dry broadleaf forest ecoregion. The original forest habitat within this ecoregion has a significant degree of endemism; however, less than 2% of this habitat remains due to anthropological impacts such as, agriculture, forestry, and urbanisation. The predominant habitats in the concession area are secondary forest, hedges/ boundaries, crops, and grassland with no endemic vegetation species. Riparian habitats have the highest faunal species diversity and a number of mammal, bird and reptile species of conservation concern have been recorded in the concession area.

From a social perspective, the project is situated across three municipalities; El Jicaral and Santa Rosa del Peñón (Leon Department) and San Isidro (Matagalpa Department). La Cruz de la India is the closest village to the La India project components and is located adjacent to the outline of the open pit limits. The population of La India village is approximately 1,080 (230 households). El Bordo is located immediately to the south of the project and has approximately 400 inhabitants and the community of Agua Fria is adjacent to the processing plant and has approximately 527 inhabitants. Some 15 other small villages with a combined population of around 5,000 are located within the wider 280 km^2 area of the La India Project. The proportion of people characterised as economically active is 51%. The primary employment industries are mining and quarrying (mainly artisanal mining), manufacturing, agriculture and commerce. Social baseline studies conducted in 2014 found the average level of poverty and extreme poverty within the villages was 22.7% and 4.4%, respectively. No archaeological sites of conservation importance are reportedly affected by the project.

20.3 Approvals, Permitting and Land Access Status

This section presents the approvals status of the project, in terms of environmental permits and land access permissions. Condor notes a continuing trend toward substantially increased environmental requirements and evolving corporate social responsibility expectations in Nicaragua. This includes the requirement for more permits, analysis, data gathering, community hearings, and negotiations than have been required in the past for both routine operational needs and for new development projects.

20.3.1 Primary environmental approvals

The main legislative instrument pertaining to the environment is the General Law on the Environment and Natural Resources (Law No. 217 of 2001), which has been modified by Law 647 of 2008. According to Article 27 of the modified General Law, projects that may result in deterioration of the environment require an Environmental Permit prior to the start of operations. The authority responsible for issuing Environment Permits is the Ministry of Environment and Natural Resources (MARENA).

To apply for an Environmental Permit, exploration and exploitation activities relevant to mining are classified as a Category II (Article 15) and are therefore subject to an environmental impact assessment (“EIA”). The EIA procedure is described in Decree No. 20-2017 on the ‘System of Environmental Assessment for Permits and Authorizations for the Sustainable Use of Natural Resource’. The EIA must contain detailed environmental and social action plans for dealing with the expected impacts from the mining operation. Public consultation forms a key part of the process of awarding an Environmental Permit.

In addition to holding the required permits for exploration, Condor has obtained three Environmental Permits for the La India Project, presented in Table 20-1.

Table 20-1: Environmental Permits for mineral extraction held by Condor Gold

Project component	Resolution No	Date awarded	Validity
La India open pit, waste rock dump (WRD) and processing plant	DGCA/P0018/0315/014/2018/001R/2020	27 July 2018, (extended 27 January 2020)	10 years from date of issue
Mestiza open pits and WRDs	DGCA/P23134/0219/011/2020	24 April 2020	8 years from start of production
America open pits and WRDs	DGCA/P23135/0219/010/2020	29 April 2020	8 years from start of production

The La India Environmental Permit, received in July 2018 required certain conditions to be completed within 18 months, including land acquisition for the mine site infrastructure. An extension was granted in January 2020 to complete the conditions of the permit by 27 July 2021. Prior to July 2021, Condor notified MARENA that the project had formally commenced, which removes the deadline for completion of conditions, however, Condor continues to make progress with meeting the conditions.

The Mestiza and America Environmental Permits require the project to commence within 18 months of obtaining the permit, although this can be extended for a further two 18-month periods. In October 2021, Condor requested an extension for the America permit and has formally notified MARENA of the start of the Mestiza project.

Key conditions of the Environmental Permits continue to be progressed and tracked by Condor. Noteworthy conditions include requirements to:

- restrict development to the polygon co-ordinates included in the permits and maximum area extents for each project component;
- avoid carrying out any works or mining in areas where legal land ownership has not been obtained;
- provide evidence of agreements with small-scale miners for voluntary relocation and corresponding compensation prior to construction of the La India pit;
- prepare detailed designs for certain project facilities for approval prior to construction, including the TSF, water storage dams, domestic water treatment plant and fuel station;
- give priority to contracting local labour and guarantee gender equality; and
- appoint an environmental manager and environmental specialist to ensure compliance with permit conditions and adherence to the Environmental Management Program and mitigation measures included in the EIA.

Changes to the assessed and permitted project design are being considered by Condor as part of this PEA. These include a re-design of the La India WRD and inclusion of a second WRD at La India, additional pits at America, resizing of the TSF and underground mining activities at three of the deposits (La India, America and Mestiza). Some of these changes result in additional activities and proposed development beyond the limits approved by the environmental permit.

To obtain regulatory approval for these changes, Condor intends to comply with Decree 20-2017, Art. 42 and 43 related to increasing the size or modification of an existing project. Any changes that extend beyond the already permitted area, or significantly change the impacts expected, will require an EIA.

Condor plans to apply for an Environment Permit for the Central Breccia open pit in 2022, prior to production commencing in this area.

Finally, the La India environmental permit references the requirement for an environmental bond to be established as a financial guarantee to ensure compliance with the conditions established in the Environmental Permit and the repayment of costs for any environmental damage caused. Legal provision for calculating and implementing the environmental bond have not yet been set by MARENA and therefore no bond payment has yet been requested.

20.3.2 Secondary environmental approvals

Other secondary environmental approvals required by the project are conditional on holding an Environmental Permit. A list of the required permits is presented in Table 20-2 and these will be applied for prior to and during construction. Condor has held meetings with the relevant authorities to discuss the requirements and duration of the application and approvals processes. Condor has also developed an integrated permitting schedule for obtaining approvals for the operation, which requires approximately 2.5 years following receipt of all land titles through the land acquisition process.

Table 20-2: List of key approvals required for La India Project

Permit / authorisation	Responsible authority
Water use permits	National Water Authority (ANA)
Waste water discharge permit	ANA
Land use permit	MARENA
Forest use permit	National Forestry Institute (INAFOR)
Construction permit	Local mayors (ALCALDIAS)
Explosive storage, use and management licence	The Directorate of Registration and Control of Firearms, Ammunition, Explosives and Related Materials (DAEM)
Liquid petroleum gas (LPG) and fuel storage licences	Ministry of Energy and Mines (MEM)
Cyanide storage and imports licence	National Commission for the Registration and Control of Toxic Substances (CNRCST)
Health and safety licence	Ministry of Work (MITRAB)
Sanitary licence for waste water treatment	Ministry of Health (MINSA)
Relocation of 2.22km of transmission line and support towers	National Company for Electricity Transmission (ENATREL)
Exclusive electricity circuit from Sebaco II substation to the plant	Energy distributor company (DISNORTE/DISSUR)

20.3.3 Land access

The Constitution of Nicaragua (1987) guarantees the right of private ownership of movable and immovable property, subject to the causes of public utility and social interest. Immovable property may be the subject of expropriation in accordance with the law following the cash payment of fair compensation. The confiscation of property is prohibited (Article 44).

Condor has designed the La India Project to avoid the need for physical resettlement (relocation) of households. Land acquisition will be required to obtain surface rights for development of the infrastructure areas. Following discussions with the relevant authorities, Condor understands it is required to conduct good-faith negotiations with affected landowners and users for compensation for surface rights. This includes landowners with and without legal land title. Condor is obliged to determine land ownership, conduct legally regulated surveys and to determine fair-market value of the land. Condor understands the role of the government in the process is to:

- review the fair market valuations and provide a determination of sufficiency;
- provide clear title to the parcels of land that are not registered with the local or regional authority;
- act as arbiter in disputes of valuation, in effect preventing excessive demands from the landowner for compensation;
- invoke expropriation as a last resort in the event of uncooperative landholders.

The Company continues to advance its land acquisition program, commenced in 2014, with plans to acquire over 2,000 hectares of rural land for the consolidated project. Condor receives assistance from ProNicaragua in documenting surface titles. Offers to purchase have been made to all landowners and, as of October 2021, Condor reports that it has acquired 97% of the land required for the La India project components. Permits for Mestiza and America require land to be acquired three months prior to construction.

In parallel with land acquisition, Condor intends to implement a livelihood restoration program to mitigate impacts from economic resettlement associated with the land purchase process, including impacts on artisanal miners. This is discussed further in Section 20.5.

20.4 Status and Scope of E&S Studies

The EIAs conducted for La India, Mestiza and America project included the completion of numerous baseline and impact studies, some of which commenced in 2013. Studies that included primary data collection over the project area are listed in Table 20-3: Specialist studies completed for the La India Project.

Environmental monitoring is on-going across the four deposits, including surface water flow (six locations daily), groundwater level (41 locations weekly; 27 are pizometers from former network and 14 new piezometers selected for geotechnical work), and water quality across La India deposit area (11 locations annually), and America and Mestiza deposit areas (2 locations annually). An additional surface water weir is planned to be installed at America to enhance the surface water data for this area. Site-specific climate data is also collected via a digital weather station and manual rain gauges. Since 2017, Condor has involved the local communities in a participatory water monitoring program. Condor intends to extend participatory monitoring to other impacts such as blasting damage, air quality, and livelihood restoration. Condor will expand monitoring networks and frequency of monitoring across the four deposits to obtain a robust pre-project baseline from which impacts can be accurately monitored.

Table 20-3: Baseline studies completed for the La India Project

Study	Data collected	Sampling locations	Dates of study
Air quality and noise (La India EIA)	Total Suspended Particles (TSP), Particles Less than 10 Micrometers (PM10), nitrogen dioxide of (NO2) and lead (Pb), equivalent noise level (NPSeqv)	8 locations across La India village, Agua Fria, Mestiza America and Central Breccia	September 2013, May 2014 and June 2015
Air quality and noise (America and Mestiza EIAs)	Total Suspended Particles (TSP), Particles Less than 10 Micrometers (PM_{10}), nitrogen dioxide (NO_2), sulphur dioxide (SO_2), carbon monoxide (CO), ozone (O_3) and lead (Pb)	14 locations across Agua Fria, America, and Mestiza	August 2019
Surface water (La India EIA)	Surface water level	5 locations La Simona stream, La India (3), San Lucas Adit,	May 2013 – ongoing (Monitoring of weirs)
	Hydrology studies: precipitation, water balance, water runoff, isohyets, basins identification.	Project area	November 2013, February 2014, April 2015
Groundwater (La India EIA)	Hydrogeology studies: aquifers, groundwater level, water quality, pumping test	23 sites for groundwater level monitoring; pumping test, project area	April 2013 – ongoing (monitoring of groundwater level) April 2014, April 2015
Surface water (America and Mestiza EIAs)	Hydrology studies: precipitation, water balance, isohyets, water runoff, basins identification.	Project area	July 2015 (America) September 2019 (Mestiza)
Groundwater (America and Mestiza EIAs)	Hydrogeology studies: aquifers, groundwater level, water quality,	Project area	July 2015 (America) September 2019 (Mestiza)
Water quality (La India EIA)	38 parameters (physic-chemical, heavy metals, bacteriological)	11-16 sites depending on seasonal streams	March, August and, November 2013 February, May, August, and November 2014

Study	Data collected	Sampling locations	Dates of study
			February, September 2015, March, November 2016, April, November 2017, May 2018 April and November 2019
Water quality (America and Mestiza EIAs)	38 parameters (physic-chemical, heavy metals, bacteriological)	5 sites including three hand-dug wells and two streams	November 2019
Soil (La India EIA)	La India project	Soil mapping and chemistry, top soil conservation.	October 2015
Biodiversity/ecology (La India EIA)	Espinito-Mendoza and La India concessions	Sampling of sections for flora study and traps for fauna species and bats nets.	August 2013, December 2013, April 2015
	Area of the project La India	Forestry inventory. Trees bigger than 30cm diameter trunk	August 2015 April 2018
Biodiversity/ecology (America and Mestiza EIAs)	America and Mestiza projects areas	Observation transects sections for flora and fauna species to update previous studies.	July 2019
	America and Mestiza projects areas	Forestry inventory. Trees bigger than 30cm diameter trunk	July 2019
Archaeology and cultural heritage (La India, Mestiza and America EIAs)	La India, Espinito-Mendoza and Cacao concessions (32 km2)	Archeological sites detection. No relevant discoveries.	May 2014 April 2015
Socio-economic studies (La India EIA)	La India concession and La India project directly affected areas.	17 villages in La India concession Census study in El Bordo, La India, Carrizal villages	July 2014 April and May 2015
Socio-economic studies (Mestiza and America EIAs)	1000 m around Mestiza and America Projects areas	Three villages: Talpetate, Tanque and Quebrachal	July 2019
Economic activities studies (La India, Mestiza and America EIAs)	La India district, all concessions.	Artisanal miners censuses	October 2013, February 2015, October 2017, February 2019

20.5 E&S Management Approach

Condor’s environmental and social management system (“ESMS”) has been developed to assist the Company in meeting national requirements and expectations of good international industry practice, such as the requirements of the IFC’s Performance Standards. The system is implemented by 33 staff including 17 members of the environmental team, led by an Environmental Officer, 14 members of the social, communication and artisanal mining team, led by a social officer. The system is appropriate for the current activities of the Company.

The Company has a Health, Safety, Environment and Community (HSEC) Policy that demonstrates its commitment to proactive and sustainable management of environmental, community health and safety aspects both from its activities and that of its contractors. In addition to a HSEC policy, the system includes a security policy, environmental and social management manual, various management plans and standard operating procedures, and a security and human rights risk assessment. Quarterly reports on HSEC activities are prepared and disclosed through the Company's website. The ESMS is not subjected to internal or external audits and is not certified. The system will continue to be developed as the project nears construction.

20.5.1 Environmental management

During the exploration phase, environmental management is focussed on addressing impacts from exploration activities, such as protecting water, soil, forest and cultural heritage resources. Environmental management plans are implemented in collaboration with stakeholder groups, such as local communities and artisanal miners. Environmental activities are also coupled with education campaigns to raise awareness of basic good environmental management practices.

The EIAs contain a series of management plans that will be implemented during construction, operation and closure. The plans are listed in the table below and will be incorporated into the ESMS as the project nears construction. Excluding closure costs, the predicted cost of implementing the environmental and social management plans for the three permitted deposits over 8 years is USD11.3M (USD9.8M for La India, USD0.34M for Mestiza and USD1.17M for America).

Table 20-4: Management plan topics included in the La India, Mestiza and America EIA

Emergency planning	Stormwater management and erosion control
Hazardous and non-hazardous solid waste	Reforestation
Gaseous emissions and air quality (including noise and vibration)	Hydrocarbons and other toxic, dangerous and similar substances
Equipment maintenance	Environmental training and education
Monitoring	Community development
Industrial health and safety	Rural land acquisition (La India only)
Tailings dam management (La India only)	Closure or abandonment

20.5.2 Community development

The Company currently has 10 social investment programs (Table 1-4) to promote community relations in the areas of direct and indirect influence of the project. In 2019, over USD170,000 was spent on social investment programs.

Table 20-5: Condor's social investment programs

Investment program	Brief description
Strengthening of Small Businesses	Builds entrepreneurial capacities of business owners in the community to take advantage of market demand and opportunities, as well as facing challenges
Youth in Action	Specifically expands the company's relations with La India's youth (ages 14-25), focusing on the following areas: personal development, young protagonists of change and healthy recreation.
Happy Childhood	Aims to expand the company's relations with the community's child sector and their parents. The program focuses on the axes of healthy recreation, family and personal development.
Senior Adults	Serves the senior adult population (over 60 years of age) considered the most vulnerable sector of the community. Strategies have been developed for physical, mental and spiritual strengthening to promote an active and healthy life. This group has established two self-sustainable projects (Piñatas Los Abuelos and Medicinal Garden)
Independent artisanal miners	Comprised of 80 members receiving training on health and safety of mining excavation, environmental education to promote responsible environmental practices and waste management
Artisanal miners' co-operative	Comprised of 86 members who benefit from assistance with obtaining artisanal miners identification cards through the Energy and Mining Ministry, health circles, cleaning campaigns in their communities and sport activities.
Fresh Water	Provides 381 families with the monthly delivery of two free canisters of water, plus another two on a subsidized basis. Vulnerable groups such as the elderly, people with disabilities and households in extreme poverty receive four canisters of water per month for free.
Water is Life	Aims to coordinate different institutions in the Santa Rosa del Peñón and El Jicaral municipalities to find solutions for key community issues, such as systemic water shortages, community health and disease prevention.
APROSAIC	APROSAIC (Association of People for Economic, Social and Cultural Development) is a residents association across the villages of La India, Agua Fria, Carrizal and El Bordo to promote dialogue understanding and joint work with Condor. The association focusses on three axes of culture, education and community leadership.
Contributions and Donations	Formal mechanism for providing funds to local community members or government institutions. Main focus areas are education, health, sports, churches, infrastructure, community mourning and recreational activities.

Each of the three approved EIAs include a community development plan for the future project. The community development plan in the La India EIA is aligned with the programs already implemented by Condor (previous table). The specific objectives include the following and within the EIA Condor has committed to investing USD1 million on community development initiatives:

- Improving the basic sanitation of the communities settled in the project.
- Improving the school infrastructure of the community of Santa Cruz de la India.
- Improving infrastructure and access to the community health system.
- Diversification of the productive sector to promote economic development in the area.

The community development plans included in the Mestiza and America EIAs extend the commitments to payment of project taxes to the municipality, generation of local employment and local procurement opportunities, strengthening capacities of local residents and a scholarship program.

20.5.3 Stakeholder engagement

Condor's Stakeholder Engagement Plan intends to develop relationships of trust and respect with the social actors of the La India Project through dynamic and transparent interaction. Stakeholders are classified by their level of influence and interest in the Project and, at present, 53 stakeholder groups have been identified. Stakeholders are engaged through direct meetings (over 500 held in 2019), as well as quarterly assemblies to communicate the exploration, environmental and social activities to local leaders from the communities in the area of direct influence (La India, El Bordo and Agua Fria). Through these meetings and the opening of an 'information office', the company has an opportunity to discuss and answer any community concerns, and to receive and record stakeholder feedback.

In addition to the stakeholder engagement plan, Condor has a Communication Plan that aims to provide relevant information to stakeholders to facilitate their active involvement in each phase of the project. Information disclosure occurs via weekly house visits to over 300 families in La India and Agua Fria, as well as through the distribution of weekly digital newsletters, quarterly magazines, and information sharing on the project website and via social networks.

During the most recent public consultation process, held during the EIA process for the America and Mestiza projects, the main concern from stakeholders related to the perceived lack of employment opportunities with Condor following receipt of the Environmental Permit for La India. Condor intends to update the stakeholder engagement plan and communication plan to disclose and inform relevant information to affected communities and stakeholders so that they can understand the risks, impacts and opportunities of the future project.

Condor's grievance mechanism aims to establish guidelines and procedures that guarantee the systematic processing and treatment of disagreements presented by the population. Since 2017, Condor has received 26 grievances relating to damage to private property, environmental disturbance and behaviour of employees. All grievances were successfully resolved.

Through these engagement activities Condor considers it has developed a constructive relationship with project stakeholders, though additional effort is required to raise awareness of timelines and development processes associated with the future project.

20.6 Technical Matters

The key environmental and social issues identified for the La India Project are presented below.

Land acquisition is required to obtain surface rights for the construction of the proposed mine and associated infrastructure. Condor has obtained approximately 97% of the land required for La India. Condor has doubled the land acquisition team to a total of four in-house lawyers and several social team members are dedicated to acquiring the land need for the mine site infrastructure; however, there remains a residual risk the remaining land may take longer than anticipated to acquire.

Livelihood restoration will also need to be carefully planned and managed to avoid potential future conflict with groups affected by the land acquisition process. Condor intends to develop a livelihood restoration plan, that will be based on a study to collect economic reference data to identify the people who will be economically displaced by the project, determine who will be eligible for compensation and assistance, and discourage ineligible people, such as opportunistic settlers, from claiming benefits. Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their ability to generate income, production levels and living standards.

Artisanal and small-scale mining ("ASM") occurs within the proposed pit limits of the La India, Mestiza and America projects. Under the laws of Nicaragua, 1% of any Concession area can be mined by artisanal miners. Condor has worked closely with artisanal miners since the exploration phase to establish constructive relationships through its engagement/investment programs. So far, it has conducted activities with minimal disruption of artisanal activities. As the Company further explores and advances the La India Project, it may be required to request the removal of any artisanal miners operating on its properties. The La India environmental permit requires evidence of agreements with small-scale miners for voluntary relocation and corresponding compensation prior to construction of the La India pit. Condor has committed to providing a fair agreement through a negotiation process. There is a risk that such artisanal miners may oppose the Company's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, the Company may be subject to liabilities from ASM operations within its property in the future and opportunistic disturbance to Condor's infrastructure in search of residual gold.

Community health and safety has been addressed in that the extent of the permitted La India open pit has been developed to avoid physical resettlement of La Cruz de la India. In accordance with legal requirements in Nicaragua, there will be a minimum buffer distance of 100 m between the pit extent and residential properties in the village and natural barriers will be erected around the pit and processing plant to reduce impacts on surrounding residents. While the EIA has qualitatively assessed impacts from gaseous emissions, dust, noise, vibrations and heavy vehicle traffic for local communities (La India, Nance Dulce and El Bordo) as acceptable, no quantitative modelling has been conducted to demonstrate that community health and safety will not be adversely affected by the project. SRK considers the lack of quantitative modelling, particularly for air quality and noise, to be a gap in terms of robust risk and impact management. Impacts will be carefully monitored to confirm the mitigation measures included in the management plans are sufficient. Through conditions in the Environmental Permit, Condor is committed to assuming liability for any damage caused to neighbouring property by activities related to the project.

Surface and groundwater quality impacts have been assessed as acceptable; however, successful management of these impacts is critical to the success of the project and maintaining relationships with surrounding stakeholders. The studies conducted in La India to date suggest the community wells are not strongly connected to the deeper groundwater system and are unlikely to be affected by dewatering activities of the La India open pit. However, the protection of groundwater quality in these shallow groundwater systems used by community wells is essential, particularly from seepage from WRD and the TSF. Although the waste rock is largely non-acid generating, it is enriched with several environmentally sensitive elements, resulting in the potential for arsenic, antimony and molybdenum to be leached at elevated concentrations. Measures to manage this risk included in the WRD design are collection, storage and controlled discharge to surface water courses post closure. The tailings storage facility will have a liner and seepage collection measures to protect groundwater resources. Responsible transport and use of cyanide will also be important to protect downstream water users and resources.

Emergency preparedness plans have been developed and are presented in the EIA documentation but is recognised that stormwater water and tailings management will be key to protecting both project infrastructure and local communities in the event of an extreme event and/or failure of water containment/diversion facilities. Preparation of emergency response plans for potential unplanned cyanide releases will also be developed.

Subsidence from the development of underground workings at La India, America and Mestiza could present a risk of surface subsidence. This risk is dependent on the geotechnical conditions of the deposit, and locations of the underground deposit in relation to land already acquired for the project. This risk will be considered in future stages of project design from a technical and a community health and safety perspective.

Historical liabilities exist within the La India Project area due to existing disturbance and potential environmental contamination from historical mining operations and existing ASM activities. Water quality sampling has shown elevated arsenic concentrations and a soil and sediment quality baseline is planned to understand the status of existing contamination. If liability risks not appropriately quantified and managed, Condor could be at risk of having to remediate environmental or social damage generated by third parties.

20.7 Closure Requirements and Costs

A conceptual closure plan ("CCP") was prepared for the La India project components by SRK for the 2014 PFS. The CCP includes a summary of the legal framework and obligations for closure, environmental and social considerations, closure actions, assumptions, schedule and conceptual cost estimate. Key features of the closure approach include removal of the La Simona Dam allowing water to drain into the open pit forming a pit lake. Surface water collected in the pit would be discharged downstream, joining run off from the waste rock dump in a passive treatment wetland and polishing reed bed to remove excess arsenic concentrations. Surfaces of the waste rock dumps will be re-contoured and re-seeded and a permeable reactive barrier ("PRB") would be installed within the groundwater flow corridor to further mitigate potential impacts to groundwater. The closure cost estimate included in the 2014 PFS for the La India project components is USD10 million. A summary of this plan and cost has been included in the La India EIA.

Conceptual closure plans in the America and Mestiza EIAs provide indicative actions for pits and waste rock dumps in these areas. Limited information is included on control of long-term water quality. The respective closure costs for these plans are USD400,000 for America and USD800,000 for Mestiza.

For the PEA including La India, Mestiza, America and Central Breccia deposits, SRK estimates the combined closure cost to be USD13.7M for Scenario A (1.225 Mtpa) and USD14.8M for PEA Scenario B (1.4 Mtpa).

The CCP have been prepared on the information available but assumptions have been made where necessary further work will be required to address these assumptions in future stages of the project. Should assumptions prove inaccurate and additional management measures are required to control post-closure impacts, there is a risk that closure cost could increase.

20.8 Way Forward

Condor has identified the following additional studies as required to successfully implement its planned environmental and social management program:

- hydrogeological studies to inform the application for a water permit from ANA and a community drinking water program, which are both underway;
- soil and sediment sampling across La India, America and Mestiza to assess existing level of contamination from small-scale mining activities;
- completion of a reforestation program, which requires the replacement of trees at a ratio of 10 new trees for every tree removed;
- expansion of the environmental monitoring network and frequency of monitoring to provide a robust baseline across all four deposit areas from which to monitor and manage project impacts;
- quantitative modelling of impacts on community health and safety, particularly water quality, air quality and noise to confirm proposed management measures will be effective;
- study on the condition of housing in La India and El Bordo as a baseline prior to construction of the project, in case of claims of property damage from blasting;
- updated socio-economic census (last completed in 2015) and economic baseline study to provide reference data for the management, monitoring and auditing of the social impacts generated by the project; and
- studies to inform livelihood restoration planning process (value chain, compensation matrix and alternative livelihoods) and development of a livelihood restoration plan for affected households.

21 CAPITAL AND OPERATING COSTS

Capital expenditure and operating costs have been derived on a discpliine basis and are detailed in the sections below.

21.1 Operating Costs

21.1.1 Introduction

Operating costs have been derived for:

- mining: open pit and underground (Scenario B only);
- water management;
- processing plant;
- processing waste;
- General & Administrative; and
- environmental management plan.

21.1.2 Mining

Open pit

The OP operating cost estimates have been developed based on two contractor quotes for the La India mine received from Esinsa and Explotec in January 2019 and November 2017, respectively. Additional mine owner costs have been developed by SRK based on SRK's internal cost database and the Infomine cost database.

The Mining Contractors have provided variable contract rates based on the material movements, haulage travel times and distances and site conditions for the La India mine. The rates provided include, all mining equipment required for drilling, blasting, loading, hauling, ancillary machinery, road maintenance, waste dump maintenance, equipment maintenance and tools, and operators.

The cost estimate for extraction, loading, hauling and depositing (LHD) of ore and waste, was estimated for the other three OP mines, by plotting the rates and extracting the trendline equation. For this level of study, the linear relationship between dump distance and cost per cubic meter was used to estimate the cost per tonne for ore and waste for Mestiza, America and CBZ. The equation generated for ore and waste are provided below and the Mining Contractors load and haul graph is provided in Figure 21-1.

LHD cost per tonne Ore = [distance to dump] * 1.007+2.72

LHD cost per tonne Waste = [distance to dump] * 0.839+4.79

In order to match the level of selectivity required for the mining approach proposed for America and Mestiza an additional grade control cost element was included.

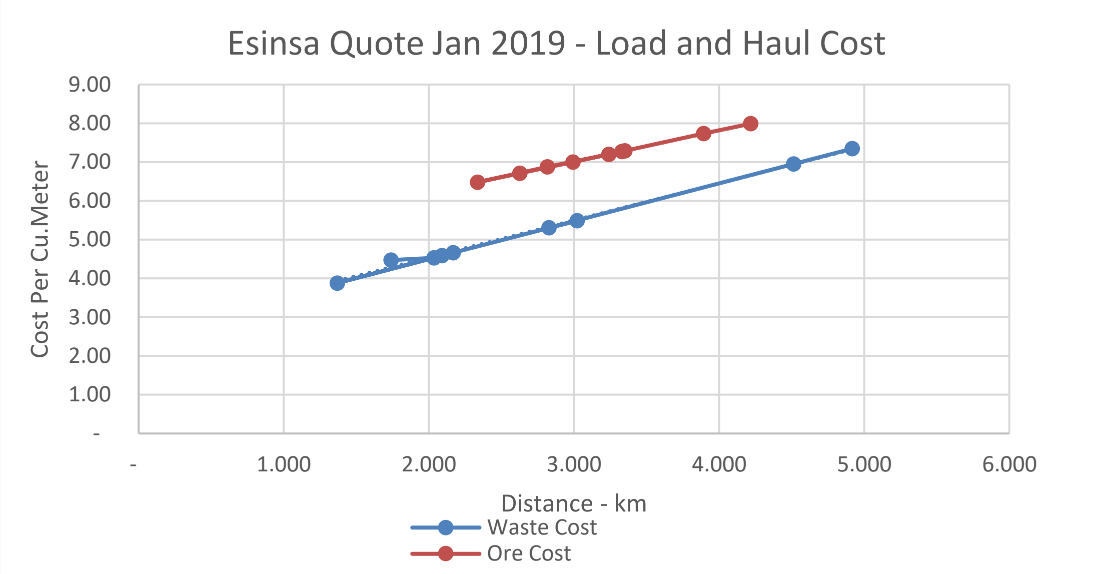


Figure 21-1: Esinsa Load and Haul Cost Estimate

The distance to dump ore for Mestiza, America and Central Breccia, were estimated by:

- measuring the designed haulage roads from pit edge to the plant; and
- calculating the distance of a theoretical inpit ramp with a gradient of 1:10.

The distance to dump waste was estimated at 2 km for these three mines, as haulage roads have yet to be designed to the WRD.

As for the drill and blasting, the costs provided by Explotec were summarized by the Client and provided to SRK for the TEM. The final operating rates used for the TEM are provided in Table 21-1.

Table 21-1: OP Operating Cost Inputs

Mine	Ore Distance (km)	LHD Ore (USD/t)	D&B Ore (USD/t)	Grade Control (USD/t)	Total Ore (USD/t)	Waste Distance (km)	LHD Waste (USD/t)	D&B Waste (USD/t)	Total Waste (USD/t)
La India	2.5	2.85	0.98		**3.83**	2.0	1.98	0.71	**2.69**
America	5.4	3.75	0.93	1.36	**6.02**	2.0	1.89	0.68	**2.57**
Mestiza	5.5	3.71	0.93	1.35	**5.98**	2.0	1.89	0.68	**2.57**
Central Breccia	1.6	2.45	0.93		**3.38**	2.0	1.89	0.68	**2.57**

Underground

SRK has updated the high-level benchmarking exercise completed in 2014 to compare the La India Concession with existing UG operations of similar scale. A separate cost estimate has been benchmarked for each UG mine which is provided in Table 21-2.

Table 21-2: UG Mine Operating Cost Inputs

	Units	La India	Mestiza	America
Mining u/g	(USD/tore)	42	49	49
Operational Development	(USD/tore)	9	20	17
Total UG Mining Operating Cost	(USD/tore)	51	69	66

Technical Services

An allowance of USD1.1M per annum has been incorporated for owner's technical services.

21.1.3 Water Management

Pumping operating costs have been estimated based on pumping requirements over time.

Annual operating costs are as estimated in Table 21-3 with only open pit and TSF costs applicable to Scenario A, and all costs applicable for Scenario B.

Table 21-3: Water Management Operating Cost Estimate

Area	Scenario A LoM Operating Cost (USDk)	Scenario B LoM Operating Cost (USDk)
La India		
Open Pit	3,277	2,744
Underground	-	8,702
Mestiza		
Open Pit	156	492
Underground	-	2,064
America		
Open Pit	295	540
Underground	-	2,340
Central Breccia		
Open Pit	129	148
TSF	397	530

21.1.4 Mineral Processing

Operating costs have been estimated by major category (power, labour, consumables etc.). The major contributors to operating cost are power and grinding media. The operating costs include all process plant direct costs associated with the project. A summary of estimated process plant operating costs is shown in Table 21-4. The 2014 PFS operating cost estimate (805 ktpa) was used as the Base-case with the following adjustments for Scenario A and Scenario B alternatives:

- 2014 PFS base labour rates were escalated by 25%.
- Power cost based on a unit electrical power rate of USD0.207/kWh (where the 2014 PFS electrical power rate was USD0.18/kWh).
- Consumable pricing has been updated with current reagent prices.
- Maintenance and laboratory costs were escalated by 8%.
- Operating costs per plant capacity have been adjusted based on fixed and variable costs:
  - Labour: 100% fixed;
  - Consumables: 8% fixed;
  - Power: 13% fixed;
  - Maintenance: 100% fixed; and
  - Laboratory: 100% fixed.

The process operating cost for Scenario A is estimated at USD19.57/t. Process plant operating cost for Scenario B is estimated at USD19.10/t.

The following items have been excluded from the operating cost estimates:

- all mining and geology costs - plant operating costs commence at the primary crusher dump pocket;
- all general and administrative and head office costs;
- all import duties;
- all taxes;
- first fills (capital cost);
- all sunk costs;
- impact of foreign exchange rate fluctuations;
- contingency allowance;
- land or other compensation costs;
- site rehabilitation or closure costs;
- licence fees or royalties;
- government monitoring and compliance costs;
- transportation and refining costs; and
- operation of the pebble crushing circuit (included for conceptual design purposes only).

Table 21-4: Estimated La India Process Plant Operating Cost Versus Plant Capacity

Cost Area	2014 PFS Base-Case				Scenario A			Scenario-B		
	805 ktpa				1.4 Mtpa			1.5 Mtpa		
	(USD/a)	Fixed (USD/a)	Variable (USD/t)	Total (USD/t)	Fixed (USD/a)	Variable (USD/t)	Total (USD/t)	Fixed (USD/a)	Variable (USD/t)	Total (USD/t)
Labour	2,190,330	2,190,330	0.00	2.72	2,190,330	0.00	1.79	2,190,330	0.00	1.56
Consumables	6,364,803	509,184	7.27	7.91	509,184	7.27	7.69	509,184	7.27	7.64
Power	7,931,867	1,031,143	8.57	9.85	1,031,143	8.57	9.41	1,031,143	8.57	9.31
Maintenance	550,624	550,624	0.00	0.68	550,624	0.00	0.45	550,624	0.00	0.39
Laboratory	276,626	276,626	0.00	0.34	276,626	0.00	0.23	276,626	0.00	0.20
Total	**17,314,250**	**4,557,907**	**15.85**	**21.51**	**4,557,907**	**15.85**	**19.57**	**4,557,907**	**15.85**	**19.10**
Base-Case PFS Adjustments:										
Base labour increase	25%									
Unit Power (USD/kWh)	0.207									
Maintenance increase	8%									
Laboratory increase	8%									
Consumable pricing updated										
Fixed Cost Percentage:										
Labour	100%									
Consumables	8%									
Power	13%									
Maintenance	100%									
Laboratory	100%									

Source: Lycopodium 2014 and SRK

Labour Cost

Process plant labour costs are based on the manpower schedule shown in Table 21-5 which includes a 25% increase to the base salary rates used in the 2014 PFS. An annual labour cost of USD2.19M is estimated.

Table 21-5: La India Process Plant Manpower Schedule and Labour Cost

Position	No	2014 PFS					2021 PEA Update
		AnnualSalary (USD)	Overhead (%)	Overhead (USD)	Salary +OH (USD)	Total Annual Labor (USD)	Escalation (25%) (USD)
Process Plant Manager	1	143,000	24	34,320	177,320	177,320	44,330
Secretary	1	3,000	23	690	3,690	3,690	923
Operations							
Plant Superintendent	1	137,500	24	33,000	170,500	170,500	204,875
Shift Supervisor	4	37,500	33	12,375	49,875	199,500	237,000
Control Room Operator	4	21,000	33	6,930	27,930	111,720	132,720
Crushing Operator	4	18,600	33	6,138	24,738	98,952	117,552
Grinding Operator	4	21,000	33	6,930	27,930	111,720	132,720
CIL Operator	4	18,600	33	6,138	24,738	98,952	117,552
Relief/Day Crew	4	18,600	33	6,138	24,738	98,952	117,552
Goldroom Supervisor	2	37,500	23	8,625	46,125	92,250	111,000
Goldroom Operator	2	18,600	23	4,278	22,878	45,756	55,056
Technical							
Senior Metallurgist	1	54,000	23	12,420	66,420	66,420	79,920
Plant Metallurgist	1	23,400	23	5,382	28,782	28,782	34,632
Chemist	2	16,300	23	3,749	20,049	40,098	48,248
Lab Technician	2	10,800	23	2,484	13,284	26,568	31,968
Met Technician	4	10,800	23	2,484	13,284	53,136	63,936
Maintenance							
Maintenance Manager	1	42,000	24	10,080	52,080	52,080	62,580
Maitenance Supervisor	4	42,000	23	9,660	51,660	206,640	248,640
Maintenance Planner	1	42,000	23	9,660	51,660	51,660	62,160
Boilermakers	4	7,800	23	1,794	9,594	38,376	46,176
Millwright	4	7,800	23	1,794	9,594	38,376	46,176
Trades Assistance	4	6,600	23	1,518	8,118	32,472	39,072
Electrician	4	11,400	23	2,622	14,022	56,088	67,488
Instrumentation Tech	4	10,800	23	2,484	13,284	53,136	63,936
Warehouse Manager	1	16,296	23	3,748	20,044	20,044	24,118
Process Total	**68**					**1,973,188**	**2,190,330**
Base Salary Escalation	25%						

Source: Lycopodium 2014 and SRK 2020

Consumables Cost

Estimated process plant consumables costs are shown in Table 21-6 and are based on the 2014 PFS with unit costs updated to current pricing. Wear material unit costs are estimated at USD3.56/t and reagent costs are estimated at USD4.34/t. Total consumable costs are estimated at USD7.91/t. Consumable costs have been estimated for Scenario A and Scenario B based on the the assumption that 8% of consumable costs are fixed.

Table 21-6: La India Process Plant Consumable Operating Cost Estimate

Cost Area	Usage		USD/set or kg	USD	Total
	Sets/year	kg/t	(FOB Site)		USD/t
Wear Materials					
Crusher Liners	8		13,800	110,400	0.14
SAG Mill Grinding Media		1.84	1.60	2,369,920	2.94
SAG Mill Liners	2	0.188	2.56	388,036	0.48
Subtotal Wear Materials				**2,868,356**	**3.56**
Reagents					
Lime		1.59	0.21	268,790	0.33
Cyanide		0.70	2.25	1,267,875	1.58
Sodium Hydroxide		0.14	0.45	50,715	0.06
Hydrochloric Acid		0.23	0.50	92,575	0.12
Flocculant		0.08	3.96	256,000	0.32
Na-Metabisulfite		1.19	0.50	478,975	0.60
Copper Sulfate		0.13	2.38	249,067	0.31
Activated Carbon		0.04	3.91	125,902	0.16
Diesel (L)		0.65	0.86	448,949	0.56
Other				257,600	0.32
Subtotal Reagents				**3,496,447**	**4.34**
Total Consumables				**6,364,803**	**7.91**
Fixed Cost @ 8% (US$)				**509,184**	
Variable Cost (USD/t)				**5,855,619**	**7.27**
Ore Tonnes Per Year	805,000				

Source: Lycopodium 2014 and SRK

Power Cost

Power will be provided from the Nicaraguan power grid via a substation owned by the local power authority. Estimated process plant power costs are shown in Table 21-7 and are based on the connected loaded indentified in the 2014 PFS with unit power costs updated to USD0.207/kWh. Power costs for Scenario A and Scenario B are based on the assumption that 13% of power costs are fixed.

Table 21-7: La India Process Plant Power Cost

Area	Power (kW)		kWh/a	kWh/t	Power Cost (USD/t)	
	Installed	Running			(0.18 USD/kWh)	(0.21 USD/kWh)
Crushing & Screening	268	120	756,000	0.94	0.17	0.19
Crushing Switchroom	182	39	245,700	0.31	0.05	0.06
Grinding	5184	3507	27,102,096	33.67	6.06	6.97
Grinding Switchroom	192	41	344,400	0.43	0.08	0.09
CIL & Tailings	387	241	2,024,400	2.51	0.45	0.52
Desorption	130	50	420,000	0.52	0.09	0.11
Refining Gold Room	199	81	680,400	0.85	0.15	0.17
CIL Switchroom	162	35	294,000	0.37	0.07	0.08
Detox	207	121	1,016,400	1.26	0.23	0.26
Thickening & Screening	424	157	1,318,800	1.64	0.29	0.34
Reagents	171	47	394,800	0.49	0.09	0.10
Plant Water System	241	84	705,600	0.88	0.16	0.18
Compressed Air	754	260	2,184,000	2.71	0.49	0.56
Miscellaneous	278	99	831,600	1.03	0.19	0.21
Total Power			**38,318,196**	**47.60**	**8.57**	**9.85**
Fixed (US$)					896,646	1,031,143
Variable (US$/t)					7.45	8.57
Annual Tonnes	805,000					
US$/kWh (PFS)	0.180					
US$/kWh (PEA)	0.207					
Fixed Cost	13%					

Source: Lycopodium 2014 and SRK

Maintenance and Laboratory

Maintenance costs were estimated at 3% of direct capital and laboratory costs were estimated on a per sample basis in the 2014 PFS and have been escalated by 8% for this study.

21.1.5 Processing Waste

Operating costs comprise power associated with return water pumping and those associated with maintenance of systems associated with the TSF. Operating costs for tailings management are estimated at USD0.2/t of tailings produced.

21.1.6 General & Administrative

General and Administrative ("G&A") costs have been estimated at USD5m per annum.

21.1.7 Environmental Management Plan

Life of mine environmental management plan ("EMP") costs are estimated at USD11.41M, which is equally distributed over the operating years for each scenario. The breakdown per operating area is as follows:

- La India USD9.8M;
- Mestiza USD0.34M;
- America USD1.17M; and
- Central Breccia USD0.1M.

21.1.8 Summary

A summary of the total LoM operating costs for the disciplines as described above is presented in Table 21-8 for both scenarios. A distribution of the various costs items over time for both Scenario A and B are presented in Figure 21-2 and Figure 21-3, respectively. Scenario B's overall higher unit cost is due to the higher cost of underground mining, as compared to open pit mining.

Table 21-8: LoM Unit Operating Costs per Tonne (excluding taxes/royalties)

Category	Scenario A		Scenario B	
	(USDM)	(USD/t ore)	(USDM)	(USD/t ore)
Mining [1)]	340.0	32.0	654.9	41.7
Processing [2)]	210.6	19.8	303.6	19.3
G&A [3)]	53.6	5.0	71.4	4.5
Total	**604.2**	**56.8**	**1030.0**	**65.6**

1) Includes water management

2) Includes Tailings

3) Includes EMP

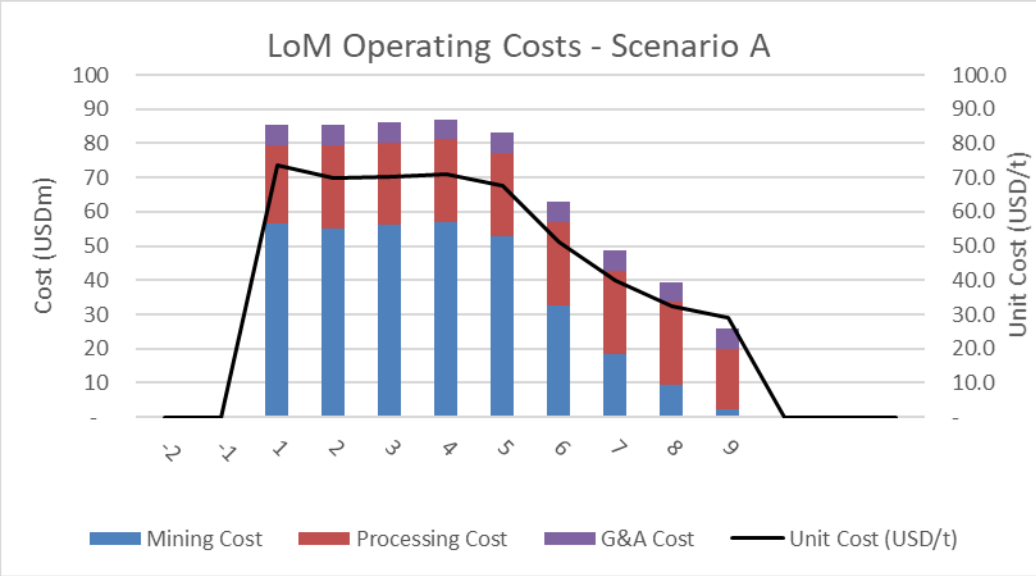


Figure 21-2: Scenario A LoM Operating Cost Spread

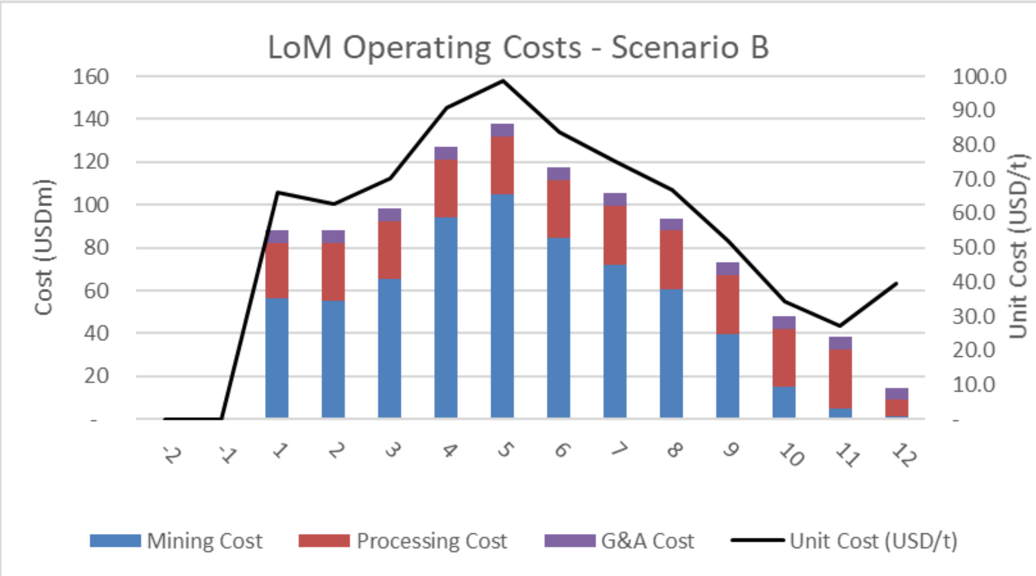


Figure 21-3: Scenario B LoM Operating Cost Spread

21.2 Capital Costs

21.2.1 Introduction

Capital costs have been derived for:

- Mining: open pit and underground (Scenario B only);
- Water management;
- Processing plant;
- Processing waste; and
- Infrastructure.

The PEA capital estimate is considered to have an accuracy of ±40-50%.

21.2.2 Mining

Open pit

All open pit mining is to be undertaken by a mining contractor, and hence no capital expenditure is to be expected. Allowances for mobilisation (USD1.5M) and demobilisation (USD0.9M) have been allowed for.

Underground

The UG capital cost estimate for each mine has been developed based on previous work, SRK's internal cost database and the Infomine cost database. The majority of the capital cost for UG mining is the capital development consisting of ramps, levels, ventilation raises, and infrastructure. For the purposes of this study, infrastructure has not been designed; however, the ramp designs have been marked up by 10% to account for infrastructure excavations such as re-muck bays, sumps, electrical sub-stations and storages. The following unit costs have been applied for capital development works:

- Decline evel: USD3,500/m;
- Decline ramp: USD4,000/m;
- Vertical development: USD2,500/m; and
- Access tee drive: USD3,500/m.

Table 21-9 shows a summary of the total UG capital costs included in the cost estimate for La India, America and Mestiza. These are in addition to the capital development costs.

Table 21-9: UG Capital Costs – Scenario B only

Item	Quantity	Unit of Measure	Unit Price (USD)	Total Price (USD)
Secondary roads	2000	m	125	250,000
Return Air Fans	17	ea.	273,035	4,641,595
Concrete/Cement Slurry Plant	1	ea	3,000,000	3,000,000
Main Portals	4	ea	1,000,000	4,000,000
Temporary Portals (direct access to stope close to surface)	2	ea	200,000	400,000
Light Vehicles for UG Staff	8	ea	50,000	400,000
Sustaining Capital for Light Vehicles - Year 4 to end of mine life USD100k/annum			100,000	900,000
Refuge Stations	16	ea	75,520	1,208,320
Level Sumps	24	ea	75,520	2,893,449
Development Sumps	12	ea	160,000	1,920,000
Main Sump	2	ea	2,120,000	4,240,000
13.8 kV pole line from main Substation to Portals	1.4	km	120,000	168,000
Sub-Stations (5MVA)	4	ea	300,000	1,200,000
Mine Power Centres	30	ea	95,000	2,850,000
UG Distribution	24	ea	100,800	2,419,200
Communication System	6	ea	150,000	600,000
Mine Rescue Gear and Vehicles	2	ea	250,000	250,000

21.2.3 Water Management

Pumping and well drilling capital costs have been estimated based on their requirement over time.

Total capital expenditure is as estimated in Table 21-10.

Table 21-10: Water Management Capital Expenditure Estimate

Area	Scenario A LoM Capital Cost (USDk)	Scenario B LoM Capital Cost (USDk)
La India		
Open Pit	3,616	10,526
Underground (Inclusive of Diversion Tunnel)	-	2,000
Mestiza		
Open Pit	2,281	2,324
Underground	-	1,250
America		
Open Pit	2,053	2,081
Underground	-	850
Central Breccia		
Open Pit	133	133
Contingency	447	447

21.2.4 Mineral Processing

Lycopodium estimated the capital expenditure for the 805 ktpa process plant at USD58.2M in the 2014 PFS which included an average 11.3% contingency. SRK has estimated the process plant capital for PEA Scenarios A and B based on Lycopodium's 2014 capital estimate by first escalating to 2020 dollars by applying the Mine Cost Services ("MCA") average mill capital indices for 2014 and 2020. The escalated plant capital expenditure was then adjusted for the plant capacities in each scenario using a 0.6 exponent in a capacity versus capital relationship and a 15% contingency. The capital estimates for both scenarios are presented in Table 21-11. The process plant capital for Scenario B includes the Phase-1 capital for a 350 ktpa plant, which is estimated at USD39.6M followed by the Stage 2 development of a 1.15 Mtpa process plant which is estimated at USD80.8M. The total process plant capital for Scenario B is estimated at USD120.3M. The capital expenditure for the Scenario A process plant with a capacity of 1.4 Mtpa is estimated at USD90.9M. The capital expenditure estimates for both scenarios excludes:

- working capital;
- sustaining capital and assumed to be covered under the maintenance operating cost;
- spares;
- plant pre-production costs;
- owner's costs; and
- duties and taxes.

No potential synergies have been considered for Scenario B process plant development since Phase 1 includes construction of 1,000 tpd plant and Phase 2 calls for construction of a 3,285 tpd plant, which is over three times the size of the Phase 1 plant. As such, the Phase 2 plant would most likely be a separate facility.

Table 21-11: La India Process Plant Capital Expenditure Estimate

Cost Area	805,000 tpa 2014 PFS US$	Escalated 2020 US$	Scenario B US$	Scenario A US$
Direct Costs				
General				
Earthworks	666,050	721,908	1,006,193	928,723
Security Fencing	45,346	49,149	68,504	63,229
Plant Piping	2,835,668	3,073,480	4,283,805	3,953,981
Electrical & Instrumentation	6,425,219	6,964,068	9,706,491	8,959,156
Subtotal	**9,972,283**	**10,808,605**	**15,064,993**	**13,905,089**
Crushing & Stockpiling				
Crushing	3,593,547	3,894,919	5,428,723	5,010,747
Stockpile	637,325	690,774	962,798	888,669
Subtotal	**4,230,872**	**4,585,693**	**6,391,521**	**5,899,417**
Milling				
Reclaim	1,556,188	1,686,697	2,350,912	2,169,908
Grinding	8,704,115	9,434,082	13,149,189	12,136,789
Classification	333,336	361,291	503,566	464,795
Subtotal	**10,593,639**	**11,482,071**	**16,003,667**	**14,771,491**
Leaching				
Pre-Leach Thickening	1,059,175	1,148,002	1,600,081	1,476,886
Trash Screen	183,168	198,529	276,709	255,405
CIL	4,425,833	4,797,004	6,686,046	6,171,265
Carbon Recovery	49,361	53,501	74,569	68,828
Carbon Safety Screen	44,730	48,481	67,573	62,370
Subtotal	**5,762,267**	**6,245,517**	**8,704,979**	**8,034,753**
Detox				
SO2/Air Cyanide Destruct	1,509,417	1,636,004	2,280,256	2,104,691
Pumping	100,174	108,575	151,332	139,680
Subtotal	**1,609,591**	**1,744,579**	**2,431,587**	**2,244,371**
Gold Recovery				
Elution	688,224	745,942	1,039,691	959,641
Carbon Regeneration	276,240	299,407	417,312	385,182
Gold Room	740,138	802,209	1,118,116	1,032,029
Electrowinning	671,393	727,699	1,014,264	936,173
Smelting	135,479	146,841	204,666	188,908
Subtotal	**2,511,474**	**2,722,098**	**3,794,050**	**3,501,933**
Reagents & Plant Services				
Reagents	1,274,838	1,381,752	1,925,881	1,777,601
Water Services	1,129,490	1,224,214	1,706,305	1,574,931
Air Services	595,463	645,401	899,558	830,298
Fuel Services	80,474	87,223	121,571	112,211

Electrical Services	206,482	223,799	311,930	287,913
Other	9,092	9,854	13,735	12,678
Subtotal	**3,295,839**	**3,572,243**	**4,978,979**	**4,595,631**
Infrastrastucture				
Event Pond	48,530	52,600	73,314	67,669
Tailing Pipelines	217,620	235,871	328,756	303,444
Utilities & Services	196,650	213,142	297,076	274,204
Buildings	2,835,116	3,072,882	4,282,971	3,953,211
Subtotal	**3,297,916**	**3,574,495**	**4,982,117**	**4,598,527**
Credit for Pre-Purchased Mill		(6,900,000)	(6,900,000)	(6,900,000)
Direct Cost Total	**41,273,881**	**37,835,300**	**55,451,894**	**50,651,213**
Indirect Costs				
Construction Indirects	3,718,640	4,030,502	5,617,699	5,185,174
EPCM	7,308,000	7,920,883	11,040,097	10,190,083
Consultants	20,000	21,677	30,214	27,887
Indirect Cost Total	**11,046,640**	**11,973,062**	**16,688,010**	**15,403,144**
Total Process Plant	**52,320,521**	**49,808,363**	**72,139,903**	**66,054,357**
Contingency	5,926,623	5,642,057	10,820,986	9,908,154
Contingency (%)	11.3%	11.3%	15%	15%
Total with Contingency	**58,247,144**	**55,450,420**	**82,960,889**	**75,962,510**
MCS Mill Capex Index (Average)				
2014	102.0			
2020	110.5			
Mill Capacity Adjustment				
Mill Capacity (tpd)	2,300	2,300	4,000	3,500
Cost Exponent	0.6			

Source: Lycopodium 2014 PFS and SRK 2021

21.2.5 Processing Waste

SRK has prepared material take-offs (“MTO”) for the construction of the TSF for each scenario, which detail the quantities estimated for each line item. Based upon the MTO, SRK has prepared a summary of the overall project capital for each TSF development option summarised in Table 21-12.

Earthworks unit rates have been benchmarked from similar projects in the region. Rates used were compiled based on projects of similar size and scope. Where comparable unit rates are not available from these projects, SRK estimated costs based on a first principles approach.

Waste rock haulage rates (including drilling, blasting, and loading) are based upon values estimated during the PFS.

Table 21-12: TSF Capital Expenditure Estimate

Capital Item	Scenario A		Scenario B	
	Capital (USDk)	Sustaining Capital (USDk)	Capital (USDk)	Sustaining Capital (USDk)
Start-up works	297	285	207	853
Lining System	3,229	2,506	1,288	4,944
Embankment Fill – Waste rock (mining and delivery)	2,292	7,173	914	14,152
Embankment Fill – other	3,535	2,642	1,410	5,212
Contact Water Management	90	259	69	319
Non-Contact Water Management	731	-	731	-
Tailings Delivery Pipelines and Pumping	300	300	300	300
TSF Water Return	338	38	338	38
Sub Totals	**10,811**	**13,203**	**5,256**	**25,818**

21.2.6 Project Infrastructure

The total direct capital cost for project infrastructure has been estimated at USD9.6M, which is summarised in Table 21-13. Contingency has been applied at a rate of 20% on all direct cost items. EPCM (at 10%) and further project management (5%) have been included for the areas of work that the Owner's team does not envisage of undertaking themselves.

Table 21-13: Infrastructure Capital Expenditure Estimate

Description	Project Capital (USDk)
Direct	
Infrastructure Buildings	1,542
Accommodation Camp (40 Condor persons)	385
Utilities & Services	547
Roads	2,778
Earthworks	1,414
Power Supply	2,531
Regional Infrastructure (Tx line decommisioning)	422
Sub-total Direct	**9,619**
Indirect	
Freight (selectively applied)	179
EPCM (Power / utilities only)	543
Project Management	508
Sub-total Indrect	**1,229**
Contingency	**1,924**
Total Infrastructure Capital Cost	**12,771**

21.2.7 Closure

The closure cost estimate included in the 2014 PFS for the La India project components was USD10M. A summary of this plan and cost has been included in the La India EIA.

Conceptual closure plans in the America and Mestiza EIAs provide indicative actions for pits and waste rock dumps in these areas. Limited information is included on control of long-term water quality. The respective closure costs for these plans are USD400,000 for America and USD800,000 for Mestiza.

For the PEA including La India, Mestiza, America and Central Breccia deposits, SRK estimates the combined closure cost (including a 20% contingency) to be USD13.7M for Scenario A (1.225 Mtpa) and USD14.8M for PEA Scenario B (1.4 Mtpa).

21.2.8 Owners Cost

Owners costs have been estimated at USD7.7M to be expended equally over the two years of construction. This includes an allowance for livelihood resettlement.

21.2.9 Contingency

SRK has included contingency on capital expenditure as follows:

- Mining: 10%, not on capital development, but on other capital costs only;
- Water Management: 10%;
- Processing Plant: 15% on directs and indirects;
- TSF: 10%;
- Infrastructure: 20% on directs; and
- Closure: 20% on directs

21.2.10 Summary

A summary of the capital expenditure over the life of the operation (split into pre-production (years -2 and -1) and sustaining) is presented in Table 21-14 for both scenarios. Overall accuracy of the capital expenditure estimates is deemed to be ±40-50%, in line with expectations from a PEA level of study. For Scenario B, processing plant deferred capital relates to the second stages of plant construction, increasing plant capacity to 1.5 Mtpa.

A distribution of the various costs items over time for both Scenario A and B are presented in Figure 21-4 and Figure 21-5, respectively. Capital expenditure during production is for Scenario B heavily impacted on by capital development works for the underground operation.

Table 21-14: Summary Capital Expenditure

		Scenario A			Scenario B		
Parameter	**Units**	**Pre-prod**	**Sustaining**	**Total LoM**	**Pre-prod**	**Sustaining**	**Total LoM**
Mining	(USDM)	39.6	0.9	40.5	39.6	213.0	252.6
Water Management	(USDM)	4.5	3.6	8.1	4.5	14.7	19.2
Processing Plant	(USDM)	66.1	-	66.1	72.1	-	72.1
TSF	(USDM)	10.8	14.0	24.9	10.8	20.4	31.2
Infrastructure	(USDM)	10.8	-	10.8	10.8	-	10.8
Closure	(USDM)	-	13.7	13.7	-	14.8	14.8
Other	(USDM)	7.7	-	7.7	7.8	-	7.8
Contingency	(USDM)	13.5	1.5	15.0	14.4	5.3	19.7
Total	**(USDM)**	153.0	33.8	186.7	160.1	268.2	428.3

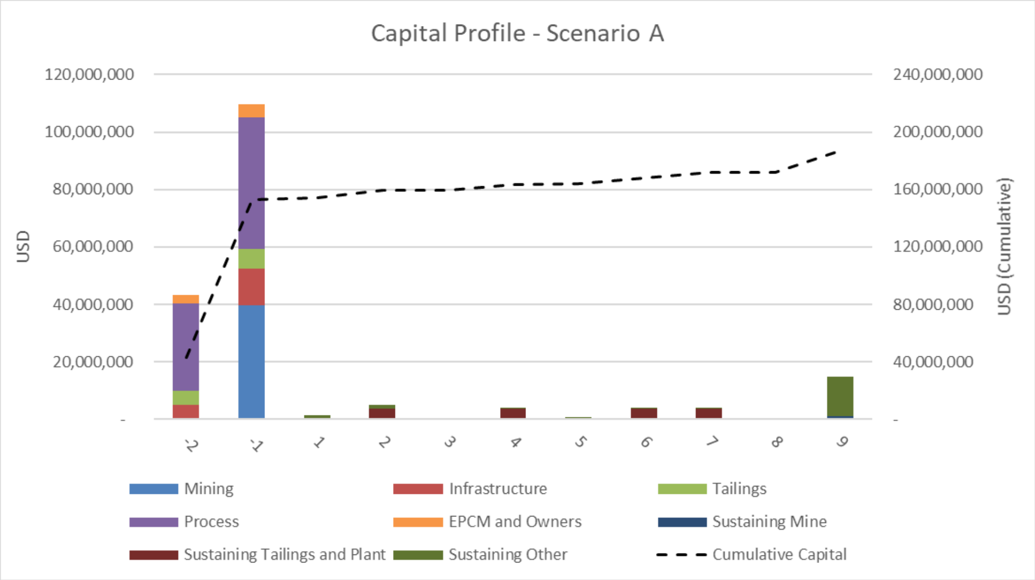


Figure 21-4: Scenario A LoM Capital Expenditure Spread (OP Only)

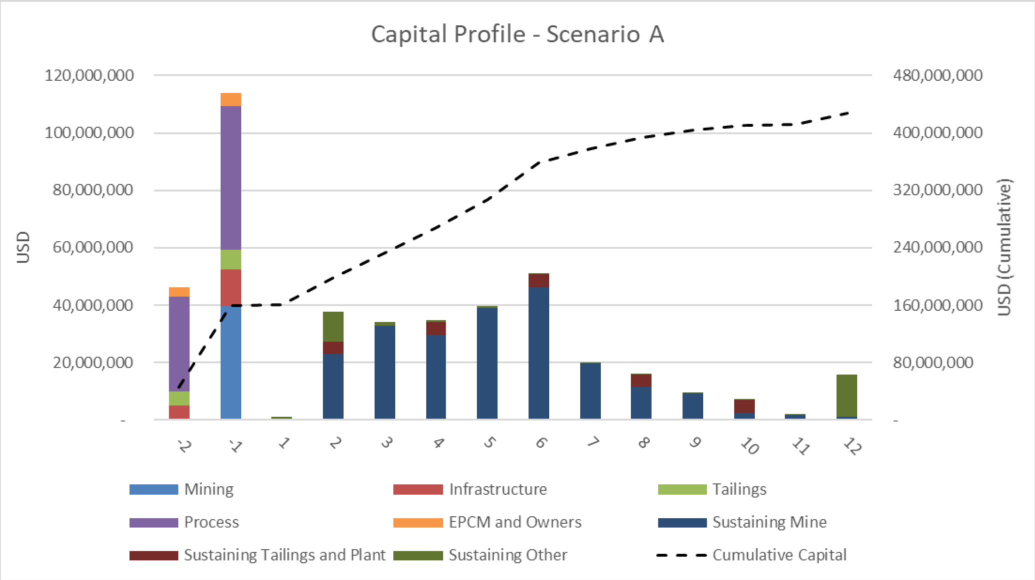


Figure 21-5: Scenario B LoM Capital Expenditure Spread

22 ECONOMIC ANALYSIS

22.1 Introduction

SRK has prepared a Technical Economic Model ("TEM") presenting the two PEA scenarios:

- Scenario A: open pit operations only; and
- Scenario B: open pit and underground operations.

The economic outputs include annual cash flows, the payback period, net present values ("NPV") and an internal rate of return ("IRR").

The outcomes are dependent on a variety of technical assumptions, capital cost and operating cost inputs which are summarised below. The projections as presented cannot be assured; they are necessarily based on technical assumptions that are subject to change during subsequent stages of technical study and various economic assumptions which are largely beyond the control of the Company. Future cash flows and profits derived from such projections are inherently uncertain and actual results may be significantly more or less favourable.

The TEM has been generated to constitute the economic evaluation of Scenario A and Scenario B in consideration of the accompanying technical and economic parameters. The TEM has not been generated to present a valuation of the Asset.

22.2 Financial Assumptions

Assumptions with regards to refinery terms, royalty, working capital, depreciation, taxation and macro-economics are described below.

SRK notes that value added tax ("VAT") and its impact on cash flows has not been incorporated into the assessment.

22.2.1 Refinery Terms

The Company had previously received a quotation for treatment charges, transportation and metal payability terms. The quotation assumes a weekly shipment, which has been applied to anticipated fortnightly shipments. Whilst the quote was received in 2014, no adjustments have been made.

In summary, the refinery terms applied in the TEM are:

- treatment charge of USD0.75/oz of gold;
- payabilities of:
  - 99.9% for gold,
  - 99.0% for silver;
- frequency of shipment every two weeks, with a base rate of USD4,194/shipment;
- insurance charges of USD0.10 per USD1,000 of declared value; and
- airfreight charges of USD5.76/kg, for calculation purposes based on the assumption that the doré consists solely of gold and silver.

22.2.2 Royalty

According to Nicaraguan Law, the holder of the mining concession is obliged to pay extraction rights, herein referred to as a royalty, which is calculated as 3% of total revenue and is deductible for corporate income tax purposes. In addition to the state royalty, a royalty of 3% on net revenue is payable to a third party on certain lease areas, albeit for simplicity's sake, a conservative approach has been assumed and this, has been applied to the entire RoM.

22.2.3 Working Capital

Working capital has been allowed for in the cash flow with the following delays assumed:

- Debtors: 30 days; and
- Creditors and stores: 30 days.

22.2.4 Taxation

Corporate income tax is payable at 30%. Royalties and depreciation of capital investment are both tax deductible.

Once in production, operating losses may be carried forward for three years to offset taxable income for those years. Net operating losses may not be carried back.

A straight line 15% annual depreciation has been allowed for.

22.2.5 Macro-economics

The TEM presents all inputs and results in USD in real 2021 money terms, with no further consideration in respect of inflationary or exchange rate related aspects.

22.2.6 Commodity Prices

The TEM assumes flat prices of USD1,550/oz for gold and USD20.00/oz for silver.

SRK has compared these with consensus market forecast ("CMF") prices, which are derived from the median of analysts' forecasts in nominal terms and de-escalated to 2021 monetary terms. The July 2021 CMF long term prices for gold and silver are presented in Table 22-1. A sensitivity analysis to commodity prices is presented in Section 22.7.

Table 22-1: Consensus Market Forecast Commodity Prices

Commodity	Units	LTP
Gold	(USD/oz)	1,400
Silver	(USD/oz)	20.00

22.3 Technical Assumptions

The PEA Scenario A production schedule is based on the following:

- Open pit mining of the La India, Mestiza, America and Central Breccia deposits.
- Pre-production stripping to occur during the second year of construction followed by 8 years of mining.
- Year 9 solely stockpiled material fed to the mill.
- Mill feed production rate of 1.225 Mtpa.

- Metallurgical recoveries for gold of:
  - La India deposit 91%;
  - Mestiza deposit 96%;
  - America deposit 93%;
  - Central Breccia deposit 87%.
- Metallurgical recoveries for silver of:
  - La India deposit 70%;
  - Mestiza deposit 75%;
  - America deposit 64%.

The PEA Scenario B production schedule is based on the following:

- Open pit mining of the La India, Mestiza, America and Central Breccia deposits.
- Underground mining of the La India, Mestiza and America deposits.
- A two-year construction period followed by 12 years of mining and processing.
- Plant construction to take place in two years of pre-production years (-2, -1) with plant capacity of 1.4 Mtpa.
- Metallurgical recoveries for gold and silver as per Scenario A.

The TEM assumes a two-year construction period, starting in January 2022. SRK notes that all costs are in USD and 2021 money terms. NPV and IRR are calculated back to start 2022.

22.4 Capital Expenditure

A summary of the capital expenditure over the life of the operation (split into pre-production (years -2 and -1) and sustaining) is presented in Table 22-2 for both scenarios. Overall accuracy of the capital expenditure estimates is deemed to be ±40-50%, in line with expectations from a PEA level of study.

Table 22-2: Summary Capital Expenditure

		Scenario A			Scenario B		
Parameter	**Units**	**Pre-prod**	**Sustaining**	**Total LoM**	**Pre-prod**	**Sustaining**	**Total LoM**
Mining	(USDM)	39.6	0.9	40.5	39.6	213.0	252.6
Water Management	(USDM)	4.5	3.6	8.1	4.5	14.7	19.2
Processing Plant	(USDM)	66.1	0.0	66.1	72.1	0.0	72.1
TSF	(USDM)	10.8	14.0	24.9	10.8	20.4	31.2
Infrastructure	(USDM)	10.8	0.0	10.8	10.8	0.0	10.8
Closure	(USDM)	0.0	13.7	13.7	0.0	14.8	14.8
Other	(USDM)	7.7	0.0	7.7	7.8	0.0	7.8
Contingency	(USDM)	13.5	1.5	15.0	14.4	5.3	19.7
Total	**(USDM)**	**153.0**	**33.8**	**186.7**	**160.1**	**268.2**	**428.3**

22.5 Operating Costs

The units operating costs presented in Table 22-3 have been derived from the TEM over the Life of Mine based on the operating cost inputs from the various disciplines as detailed in Section 21.1. Refinery costs are captured as a revenue deductible and are hence not included under the operating costs. Mining operating costs for Scenario B are higher than for Scenario A due to the inclusion of underground mining. The LoM processing unit cost works out slightly higher for Scenario B due to the higher unit cost of operation during the Stage 1 operations at 350 ktpa.

Overall accuracy of the operating cost estimates is deemed to be ±40-50%, in line with expectations for a PEA level of study.

Table 22-3: LoM Unit Operating Costs per Tonne

Category	Units	Scenario A	Scenario B
Mining 1)	(USD/t ore)	32.0	41.7
Processing 2)	(USD/t ore)	19.8	19.3
G&A 3)	(USD/t ore)	5.0	4.5
Taxes/Royalties	(USD/t ore)	7.6	8.8
Total	**(USD/t ore)**	64.4	74.4

1) Includes water management

2) Includes Tailings

3) Includes EMP

22.6 Cash Flow Analysis Results

A LoM summary of the key outputs of the TEM is presented in Table 22 4. Both scenarios return positive NPVs at the Company's base discount rate of 5%, of USD236m and USD313m for Scenarios A and B, respectively. Undiscounted payback is accomplished during operating month 12 for both Scenario A and Scenario B.

Table 22 4 includes the All-In Sustaining Costs ("AISC") and All-In Costs ("AIC") as defined by the World Gold Council in their guidance note on non-GAAP (generally accepted accounting principles) metrics. AISC are typically used to benchmark gold producers, as they provide an equal basis of reporting. SRK has presented the AISC and AIC on a by-product basis (silver credits are used to offset operating costs), as opposed to on a co-product basis (which would present gold equivalent ounces), due to the minor contribution of silver to overall revenue.

Table 22-4: TEM Outputs

Parameter	Units	Scenario 1A	Scenario 2A
Production			
Ore Mined	(kt)	10,634	15,702
Au Grade	(g/t)	2.77	3.18
Ag Grade	(g/t)	4.39	4.75
Recovered Metal			
Au	(koz)	862	1,469
Ag	(koz)	1,031	1,662
Commodity Prices			
Gold	(USD/oz)	1,550	1,550
Silver	(USD/oz)	20	20
Revenue			
Gold	(USDM)	1,335.28	2,275.24
Silver	(USDM)	20.41	32.91
Gross Revenue	**(USDM)**	**1,355.69**	**2,308.15**
Transportation Charges	(USDM)	(1.46)	(2.10)
Smelter Charges	(USDM)	(1.42)	(2.35)
Net Revenue	**(USDM)**	**1,352.81**	**2,303.70**
Operating Costs			
Mining	(USDM)	(336.17)	(637.91)
Water Management	(USDM)	(4.25)	(17.56)
Processing Plant	(USDM)	(208.09)	(299.94)
Tailings	(USDM)	(2.13)	(3.14)
G&A	(USDM)	(45.00)	(60.00)
EMP	(USDM)	(8.56)	(11.41)
Sub-total	**(USDM)**	**(604.19)**	**(1,029.96)**
Royalty	(USDM)	(81.17)	(138.22)
Total Operating Costs	**(USDM)**	**(685.36)**	**(1,168.18)**
	(USD/t RoM)	64.45	74.40
EBITDA and Tax			
EBITDA	(USDM)	667.45	1,135.52
Corporate Income Tax	(USDM)	(144.87)	(226.79)
Cashflow from Operations	**(USDM)**	**522.57**	**908.73**
Capital Expenditure			
Mining	(USDM)	(40.52)	(252.65)
Water Management	(USDM)	(8.08)	(19.16)
Processing Plant	(USDM)	(66.05)	(72.14)
TSF	(USDM)	(24.85)	(31.17)
Infrastructure	(USDM)	(10.85)	(10.85)
Closure	(USDM)	(13.69)	(14.83)
Other	(USDM)	(7.70)	(7.80)
Contingency	(USDM)	(15.00)	(19.68)
Total Capital Expenditure	**(USDM)**	**(186.75)**	**(428.28)**
Results			
Net Free Cashflow	(USDM)	335.83	480.45
NPV (5%)	(USDM)	235.95	312.55
IRR	(%)	48.2%	43.2%
Payback month (undiscounted)	(Prod month)	12	12
All-in Sustaining Costs	(USD/oz)	813	958
All-in Costs	(USD/oz)	990	1,067

The NPV results for the project for both scenarios are presented in Table 22-5 at a range of discount rates.

It is the Company's view that a 5% discount rate is applicable as this is comparable with the results reported by the majority of other junior gold exploration companies listed on the TSX operating in Mexico, Central and South America.

Table 22-5: NPV at range of Discount Rates

Discount Rate (%)	Units	Scenario A	Scenario B
0%	(USDm)	335.83	480.45
5%	(USDm)	235.95	312.55
8%	(USDm)	191.61	243.06
10%	(USDm)	166.91	205.86
15%	(USDm)	118.13	135.99

22.7 Sensitivity Analysis

Figure 21-1 and Figure 21-2 graphically presents the NPV (at 5% discount rate) sensitivity to overall changes (up to ±30%) in commodity prices, operating costs and capital expenditure for Scenario A and B, respectively. As commonly seen, changes in commodity prices have the biggest impact on NPV and IRR, Table 22-6 presents the sensitivity of these two perameters between a range of 1200 USD/oz and 2200 USD/oz. Changes in capital expenditure have a lesser impact on NPV, due to the relatively low upfront capital requirement due to the open pit mining contractor assumption.

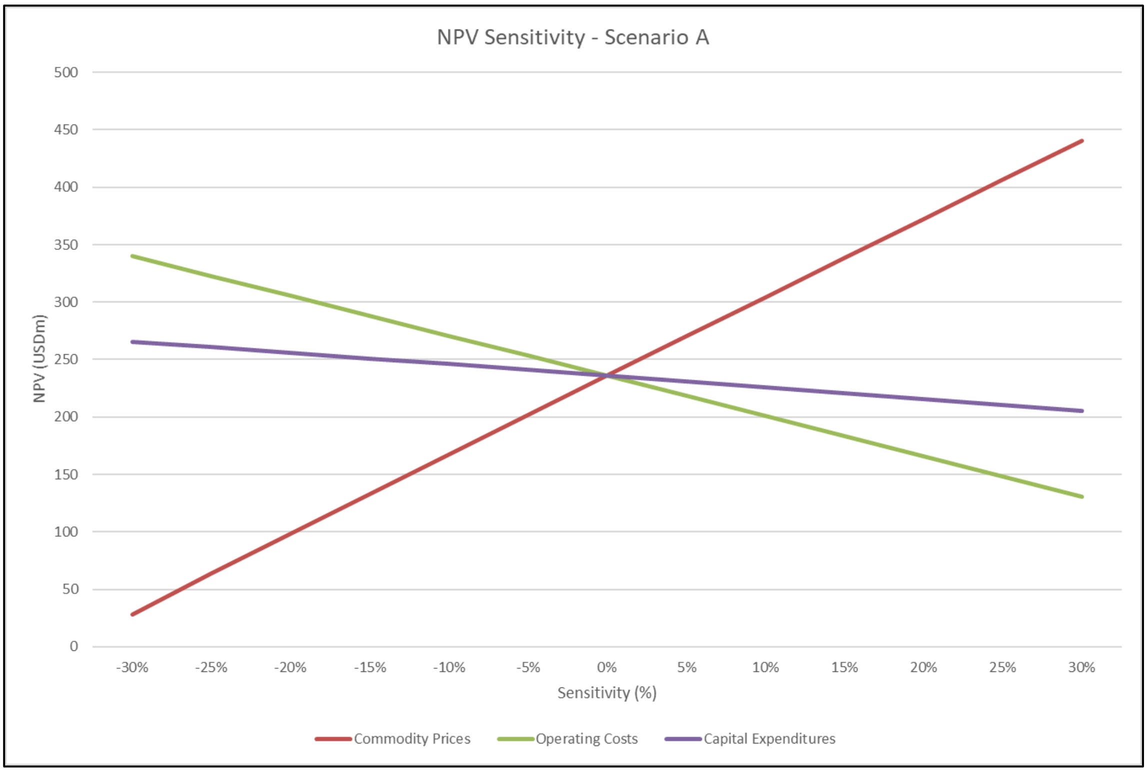


Figure 22-1: Scenario A NPV Sensitivity (at 5% Discount Rate) to Gold Price, Operating Costs and Capital Expenditure

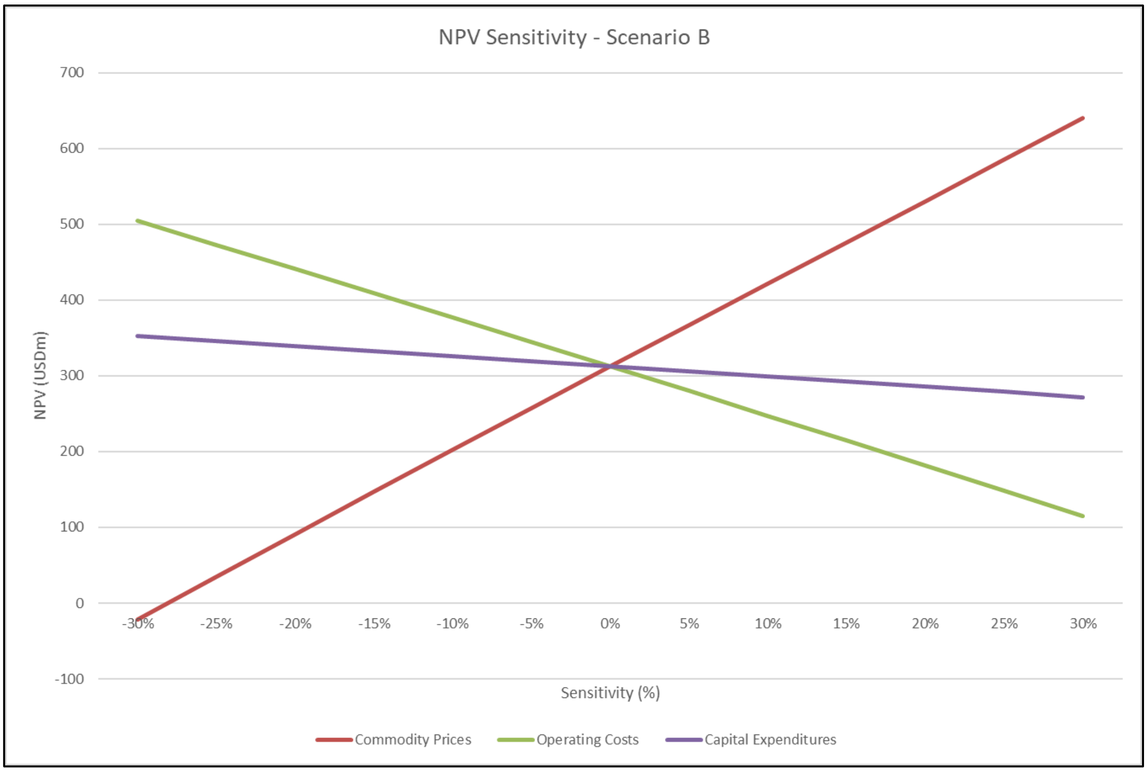


Figure 22-2: Scenario B NPV Sensitivity (at 5% Discount Rate) to Gold Price, Operating Costs and Capital Expenditure

Table 22-6: Sensitivity of Economic Outputs to Gold Price

Gold Price (USD/oz)	Scenario A		Scenario B	
	NPV (USDM)	IRR (%)	NPV (USDM)	IRR (%)
1,200	80.85	21.7%	62.91	14.1%
1,300	125.31	29.9%	134.68	23.3%
1,400	169.60	37.5%	206.40	31.6%
1,500	213.84	44.7%	277.19	39.4%
1,600	258.05	51.7%	347.63	46.9%
1,700	301.99	58.4%	417.77	54.1%
1,800	345.78	65.0%	487.92	61.0%
1,900	389.57	71.4%	558.06	67.7%
2,000	433.35	77.6%	628.21	74.2%
2,100	477.14	83.7%	698.35	80.6%
2,200	520.92	89.7%	768.50	86.8%

22.8 Conclusions

The economic evaluation of the Project shows that both scenarios return a positive NPV under the assumptions made. Scenario A returns a positive NPV of USD236m (at a 5% discount rate) and an IRR of 48%; where the operation produces on average 125 koz of gold for the first 5 years. Scenario B returns an increased NPV of USD313m (at a 5% discount rate) at a reduced IRR of 43% and produces on average 155 koz of gold over the initial 5 years.

The project economics are most sensitive to the gold price. In SRK's opinion the positive economic evaluation supports taking the project forward to the next stage of study.

23 ADJACENT PROPERTIES

Whilst SRK understands there are no other properties adjacent to the Project with NI43-101 compliant Mineral Resources, the Company has provided the following information as part of previous studies:

- To the west a co-operative of artisanal miners holds a concession over the El Pilar vein which is currently being exploited by artisanal miners, and is the only recognised gold mineralisation in La India Mining District not held by Condor.
- The nearest operating mine is B2Gold El Limon Mine which is located approximately 80 km to the west via the NIC 26 highway.

A map of the adjacent properties that bound Condor's La India Concession boundaries is illustrated in Figure 23-1.

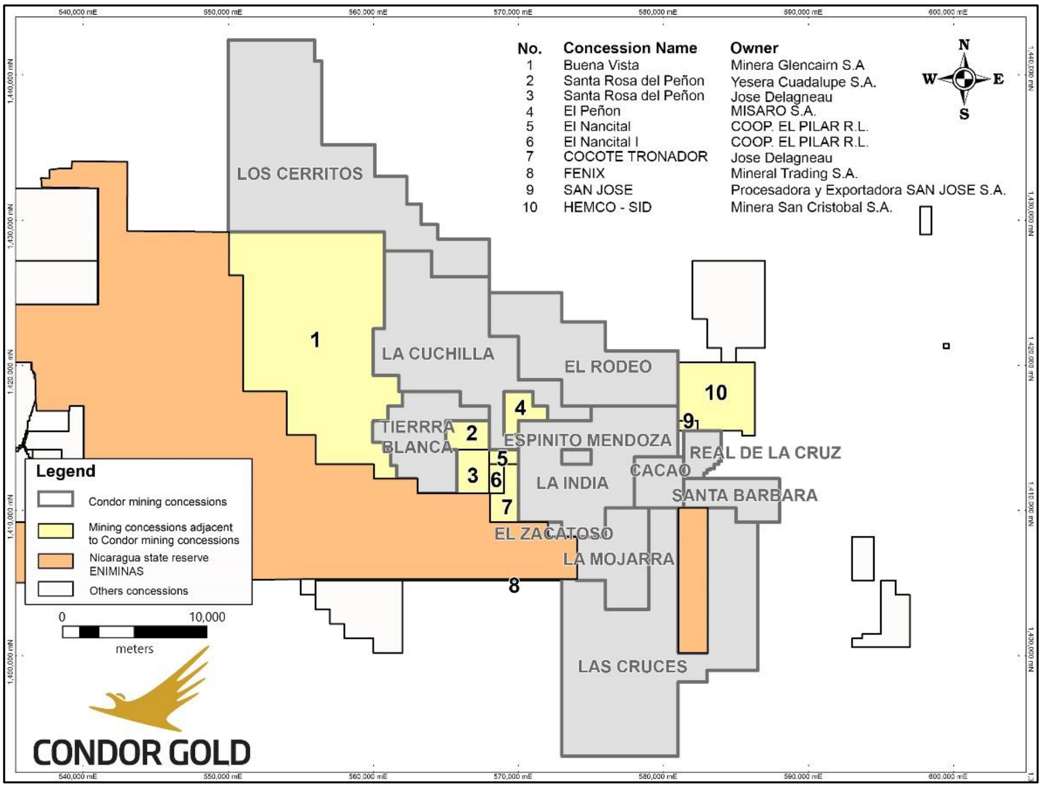


Figure 23-1: Adjacent Properties in relation to Condor's La India Concession (Source: Condor, December 2014)

24 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data available about the Project.

25 INTERPRETATION AND CONCLUSIONS

This technical report has been prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1 and presents the most up to date MRE, and the results of a strategic mine plan technical study to PEA standards, for two alternative scenarios for developing the project:

- Scenario A, in which the mining is undertaken from four open pits: La India, America, Mestiza and Central Breccia Zone (CBX), targeting a plant feed rate of 1.225 Mtpa; and
- Scenario B, where mining includes the four open pits included in Scenario A, but is extended to cover three underground operations, at La India, America and Mestiza respectively, targeting a plant feed rate of 1.4 Mtpa.

The reporting standards adopted for the reporting of the MRE and Ore Reserve Estimate (PEA OP + UG Case only) are the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (adopted May 2014) (the CIM Code). The CIM Code is an internationally recognised reporting code as defined by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). No reserves exist for the property.

SRK notes that the Technical Report is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to support the economic criteria applied to Mineral Reserves. There is no certainty that the results of this study will be realised.

This technical report provides a summary of the results and findings from each of the major technical disciplines which have been summarised as a series of technical and economic inputs into a TEM.

The economic evaluation of the Project presents an economically viable project for both scenarios:

- Scenario A returns a positive net present value ("NPV") of USD236M (at a 5% discount rate) and an internal rate of return ("IRR") of 48%; where the operation produces on average 125 koz of gold for the first 5 years with a 9 year Life of Mine and total gold production of 862 koz.
- Scenario B returns an NPV of USD313M (at a 5% discount rate) at an IRR of 43%, due to higher upfront capital required. Scenario B produces on average 155 koz of gold at full production over the first five years, with a 12 year Life of Mine and total gold production of 1,469 koz.

The project economics are most sensitive to the gold price. The positive economic evaluation supports in SRK's opinion taking the Project forward to the next stage of study.

The following sections present a summary of the perceived key risks and opportunities:

25.1 Risks

The following key risks are considered for the Project:

- There is a potential risk that the extent of previous mining may have been underestimated in the depletion exercise, even though all reasonable efforts have been applied to the estimates. SRK recommends that further verification work is completed on this issue, but due to current safety of accessing the underground workings, SRK acknowledges that a detailed survey is not currently feasible.
- The mining loss and dilution estimates for the open pittable material at America and Mestiza are based on, and require strict grade control and selective mining approaches. If these are not adhered to then this will impact the potential feed grade and tonnages reported.
- The Project is highly sensitive to the hydrological setting, where this may impact the current surface water management approach and design, particularily in the case of La India where the water course currently flows through the projected pit area. This is an area that is currently under further study and the risks/ opprotunities being assessed.
- One of the main risks to the surface water scheme is the potential for flooding downstream of any of the dams. Potential flooding could result in the loss of infrastructure, pit floor flooding or loss of life. Monitoring systems will be required for the dams to minimise the potential risk.
- The mining cost estimate and equipment requirements have been based on a production derived by a 3rd party and represent solely the potentially La India operation, which has subsequently been extracted to the other deposits. There is a risk that when the Client obtains contract bids when commencing the operation, they may be higher than the budget quote provided for this study. Multiple contractor bids should be obtained during the next stage of the project so that a consensus on equipment requirements and costs can be obtained.
- The major contributors to process operating cost are power and grinding media. Power costs present the biggest risk in variance to project operating costs. No firm power supply quotation has been received, therefore confirming power costs and grinding media consumption should be a key part of the next phase of study.
- The plant and associated earthwork requirements are benchmarked on previous estimates included in the PFS, the relocation of the plant to the north may present a risk to the quantities/requirements if the geotechnical conditions are unfavourable.
- The power diversion has been defined to a concept level and although a budget quotation for construction costs has been received, the exclusion zone for fly rock needs to be assessed in detail to ascertain whether an alternative alignment needs to be considered.
- Capital and operating costs are in a number of cases based on factored and/or escalated costs, and may increase when budget quotes are obtained as part of the next phase of study.
- The current timeline expected for implementing the Project may be optimistic where this may require the timelines associated to the permits to be extended. In addition, revisions to the project scope may require the permit applications to be updated/reissued.

- Schedule delays, project social licence to operate or increased costs could also be impacted by land acquisition and resettlement process.

25.2 Opportunities

The following key opportunities have been identified for the Project:

- The La India deposit remains open to the south, where indications from on-site structural observations suggest the possibility of extending the current interpretation and potential thickening of the vein. In addition, chip sampling results indicate the presence of further mineralisation 2 km to the south of the La India deposit. In order to delineate additional potential mineralisation, further drilling will be required targeting this material at depth, which is more likely to be considered an underground target.
- The La India deposit remains open at depth, with mineralisation appearing to follow subvertical high grade shoots.
- In addition to the known mineralisation at the America, Mestiza and Central Breccia deposits, there is potential to add to the open pit and underground resource base through additional exploration within the region, as part of follow up activities investigating the results of the rock chip, geochemical and geophysical surveys (Figure 25-1).

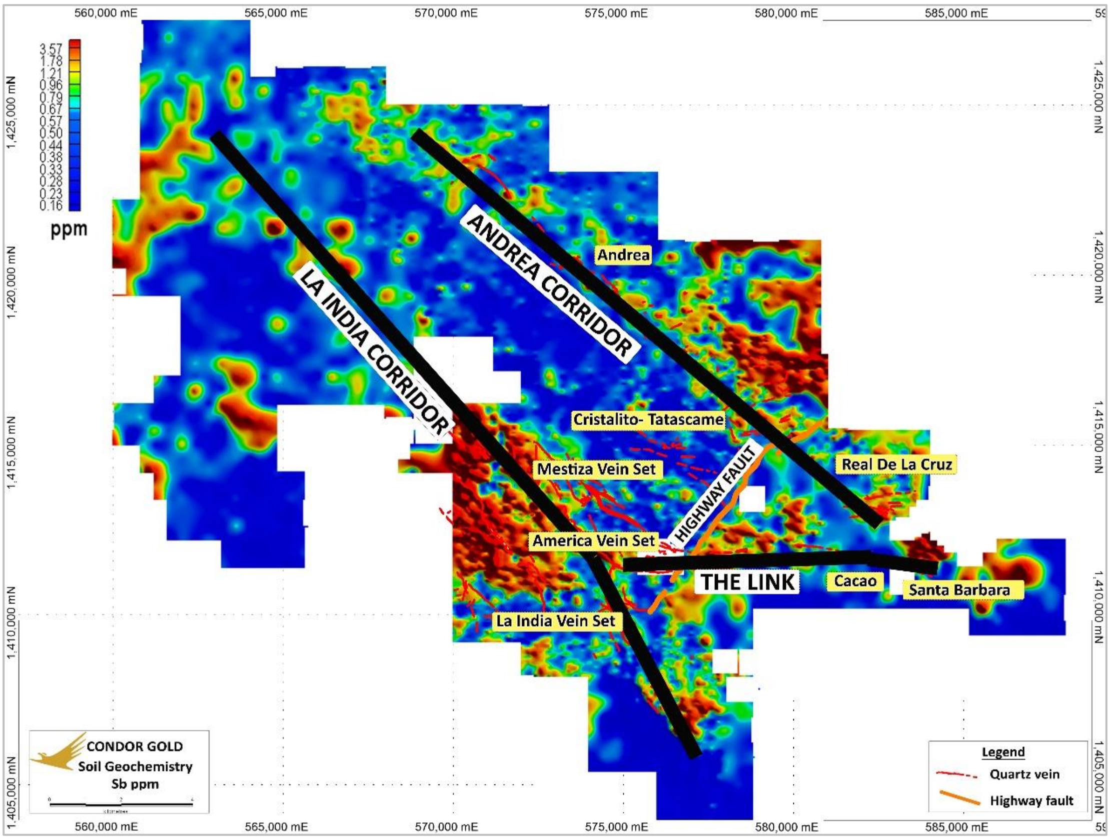


Figure 25-1: Regional Exploration Potential

- Further detailed review and refinement of the underground mine design, assessing the economic viability of each section or area of the deposits may result in a more optimal position in terms of development requirements and revenue generated.
- The water balance assumes that rainfall and surface water runoff rates are uniform across the modelled domain. Improved monitoring of rainfall and river flow may demonstrate that rainfall and surface water runoff are lower than assumed in some catchments in the project area which could allow the size of surface water infrastructure to be reduced.
- There is potential for selective handling of waste rock to minimise mitigation costs and to select low reactivity waste for TSF dam construction.
- The plant and associated earthwork requirements are benchmarked on previous estimates included in the PFS and the relocation of the plant to the north may present an opportunity to reduce these requirements if the geotechnical conditions are favourable.
- The construction/civil contractor rates previously provided were reported to be general rates and further definition of the scope of work together with turnkey quotations could potentially yield lower capital costs estimates for the Project.
- Capital and operating costs are in a number of cases based on factored and or escaletd costs, and may be improved through obtaining budget quotes as part of the next phase of study.
- Condor has opportunities to invest more resources and time than currently planned during the project development phase in the identification, assessment and management of key environmental and social impacts. Improved impact management could reduce the environmental and social risks to the project in the long term.

26 RECOMMENDATIONS

SRK considers that the technical studies completed warrant the development of the Project from the current internal technical study, completed to a PEA level of study to a revised PFS level for the scenarios presented herein.

It is recommended that any further studies are supported by:

- An updated geological model and Mineral Resource estimate based on the latest drilling program designed to improve confidence in the geological interpretation and de-risk significant areas of tonnage and grade;
- additional drilling at depth below the current pit limits should be considered which will assist in confirming the limits of the proposed open pit to a higher level of confidence and improve the understanding of the spatial distribution of mineralisation which has the potential to be extracted by underground mining methods. This deeper drilling should be coupled with expanding the undergound geotechnical setting in order to improve the understanding of the rock conditions and inform the mining method and associated parameters.

In conjunction with the resource drilling, it is recommended that the:

- necessary field investigations are progressed to support further PFS technical studies; and,
- that the ESIA process encapsulates the two scenarios outlined herein.

It is envisaged that the program of PFS works will include the following key components in addition to increased design and costing detail:

- completion of additional metallurgical testwork;
- infrastructure site investigations;
- development of the waste management studies (including geotechnical and geochemical testwork); and,
- development of the hydrogeological and hydrological designs.

SRK notes that Condor has entered into negotiations relating to the acquisition of a used comminution circuit from a mine in Guatemala. The components include crushers, SAG mill and Ball mill along with spares, motors and control systems, along with other useable components. These items have been inspected by Condor Staff and a professional millwright and have been reported to be in excellent condition. In addition, Condor has discussed the potential capacities of the system with SRK, which have indicated suitability for a range of production rates. Inclusion of this equipment into future designs has the potential to offer significant time and cost savings for the construction of a plant at La India.

During 2021 SRK have worked with Condor’s geological team to develop individual drilling plans for the Mestiza open pits, and the initial stater pits proposed along the La India Vein. The drilling programs have been aimed at reducing the drill spacing for increased understanding and assessment of the geological and grade continuity. The La India infill program has been aimed at increasing the confidence in the potential first year of production via a denser drilling pattern.

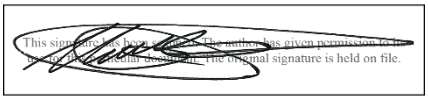
The resource drilling programs for the La India deposit have been completed (totalling 3,370 metres for 53 holes) and the assay values have been received but not been included in the current study due to timing. Condor is currently working to update the geological interpretations which will be subject to a future resource update. The resource drilling program at Mestiza remains ongoing, scheduled for completion in November 2021.

It is recommended that following the completion of the drilling, data quality reviews and update to the geological interpretations that Condor update the geological model and the Mineral Resource based on the latest drilling.

Finally, SRK recommends that Condor continue with exploration of the La India Property, specifically to:

- Complete the proposed 5,000m exploration drilling program at Cacao, and,
- Explore, through field mapping the minerlization trends to develop drill targets with an aim of sourcing additional open pit Mineral Resources.

For and on behalf of SRK Consulting (UK) Limited



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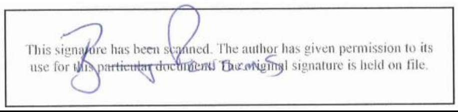

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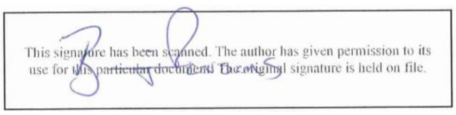
CERTIFICATE OF QUALIFIED PERSON

I, Benjamin Parsons, MSc, MAusIMM (CP) do hereby certify that:

1. I am a Principal Consultant (Resource Geology) of SRK Consulting (U.S.), Inc., 1125 17th Street, Suite 600, Denver, CO, 80202 USA.
2. This certificate applies to the technical report titled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021" with an Effective Date of September 9, 2021 (the "Technical Report") prepared for Condor Gold Plc.
3. I graduated with a degree in Exploration Geology from Cardiff University, UK in 1999. In addition, I have obtained a Masters degree (MSc) in Mineral Resources from Cardiff University, UK in 2000 and have worked as a geologist for a total of 18 years since my graduation from university. I am a member of the Australian Institution of Materials Mining and Metallurgy (Membership Number 222568) and I am a Chartered Professional.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I have personally inspected the subject project 28 April to 2 May 2013.
6. I am co-author of this report and responsible for the preparation of database and compilations of the geological model. I am responsible for Sections 6 to 12 and Section 14 of the Technical Report.
7. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
8. I have not had prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101 and Form 43-101F1 and the sections of the Technical Report I am responsible for have been prepared in compliance with that instrument and form.
10. As of the aforementioned Effective Date, to the best of my knowledge, information and belief, the sections of the Technical Report I am responsible for contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 9th Day of September 2021.

"Signed and Sealed"



Ben Parsons (MAusIMM (CP), MSc)

Principal Consultant (Resource Geology)

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CERTIFICATE OF QUALIFIED PERSON

I, Tim Lucks, PhD, MAusIMM (CP) do hereby certify that:

1. I am a Principal Consultant (Geology & Project Management) of SRK Consulting (U.K) Ltd., 5th Floor, Churchill House, 17 Churchill Way, Cardiff, CF10 2HH, Wales, UK.
2. This certificate applies to the technical report titled “Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021” with an Effective Date of September 9, 2021 (the “Technical Report”) prepared for Condor Gold Plc.
3. I graduated with a degree in Geology and Mineral Exploration from Imperial College, London, UK in 1999. In addition, I have obtained a PhD in Mineral Deposit Geology from Leeds University, UK in 2004, and have over 15 years’ experience in a combination of Exploration and Mineral Resource Geology and Project Management. I am a member of the Australian Institution of Materials Mining and Metallurgy (Membership Number 304968) and I am a Chartered Professional.
4. I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
5. I have not personally inspected the subject project.
6. I am co-author of this report and responsible for the overall coordination of the Technical Report.
7. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
8. I have not had prior involvement with the property that is the subject of the Technical Report.
9. I have read NI 43-101 and Form 43-101F1 and the sections of the Technical Report I am responsible for have been prepared in compliance with that instrument and form.
10. As of the aforementioned Effective Date, to the best of my knowledge, information and belief, the sections of the Technical Report I am responsible for contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

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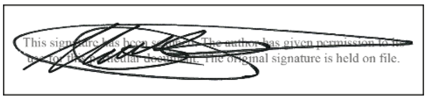

Tim Lucks, PhD, MAusIMM

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CERTIFICATE OF QUALIFIED PERSON

I, Fernando Rodrigues, BSc, MBA, MAusIMM, MMSAQP do hereby certify that:

1. I am a Principal Consultant (Resource Geology) of SRK Consulting (U.S.), Inc., 1125 17th Street, Suite 600, Denver, CO, 80202 USA.
2. This certificate applies to the technical report titled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021" with an Effective Date of September 9, 2021 (the "Technical Report") prepared for Condor Gold Plc.
3. I graduated with a Bachelor's of Science degree in Mining Engineering from South Dakota School of Mines and Technology in 1999. I am a QP member of the MMSA. I have worked as a Mining Engineer for a total of 23 years since my graduation from South Dakota School of Mines and Technology in 1999.My relevant experience includes mine design and implementation, short term mine design, dump design, haulage studies, blast design, ore control, grade estimation, database management.
4. I have not personally inspected the subject project.
5. I am responsible for the Open Pit Mining Methods included with Section 16 and 21.1.2 and 21.2.2.
6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
7. I have not had prior involvement with the property that is the subject of the Technical Report.
8. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
9. I have read NI 43-101 and Form 43-101F1 and the sections of the Technical Report I am responsible for have been prepared in compliance with that instrument and form.
10. As of the aforementioned Effective Date, to the best of my knowledge, information and belief, the sections of the Technical Report I am responsible for contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 9th Day of September 2021.

"Signed and Sealed"

Fernando Rodrigues, BSc, MBA, MAusIMM, MMSAQP

Principal Consultant (Mining)

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CERTIFICATE OF QUALIFIED PERSON

I, Stephen Taylor, MSc. PEng do hereby certify that:

1. I am a Principal Consultant (Mining) of SRK Consulting (Canada) Inc., Suite 2A – 69 Young Street, Sudbury, Ontario, P3E 3G5, Canada
2. This certificate applies to the technical report titled “Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021” with an Effective Date of September 9, 2021 (the “Technical Report”) prepared for Condor Gold Plc.
3. I graduated with a degree in of Laurentian University in Sudbury, Ontario, with a BEng in Mining Engineering in 1992 and I also obtained an MSc (Mining Engineering) from the University of Nevada-Reno, Mackay School of Mines in 1995. In addition, I have practised my profession continuously since 1995. My work has involved mine engineering and mine supervision/operations for 15 years, and consulting on underground projects in several countries since 2010. I am a Professional Engineer registered with the Professional Engineers of Ontario (PEO#90365834).
4. I have personally inspected the subject project September 26 to 30th, 2016.
5. I am responsible for the Underground Mining Methods included within Section 16 and 21.1.2 and 21.2.2 of this report.
6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
7. I have not had prior involvement with the property that is the subject of the Technical Report.
8. I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
9. I have read NI 43-101 and Form 43-101F1 and the sections of the Technical Report I am responsible for have been prepared in compliance with that instrument and form.
10. As of the aforementioned Effective Date, to the best of my knowledge, information and belief, the sections of the Technical Report I am responsible for contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 9th Day of September 2021.

“Signed and Sealed”

Stephen Taylor, MSc. PEng

Principal Consultant (Mining)

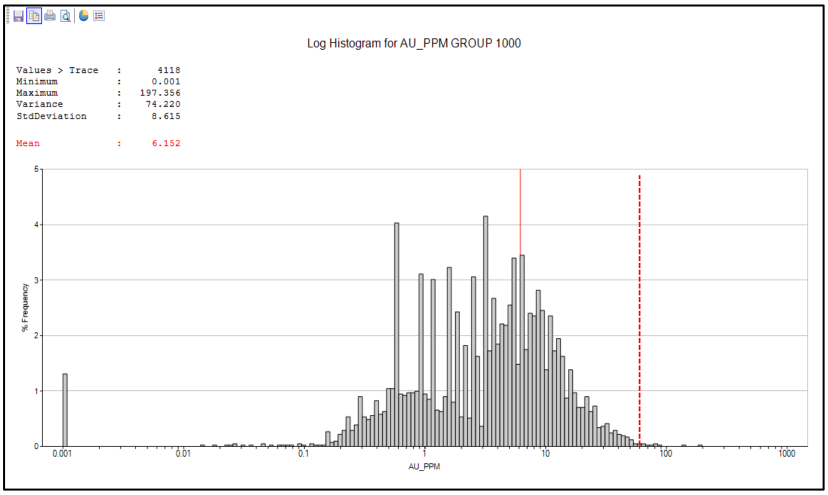
APPENDIX

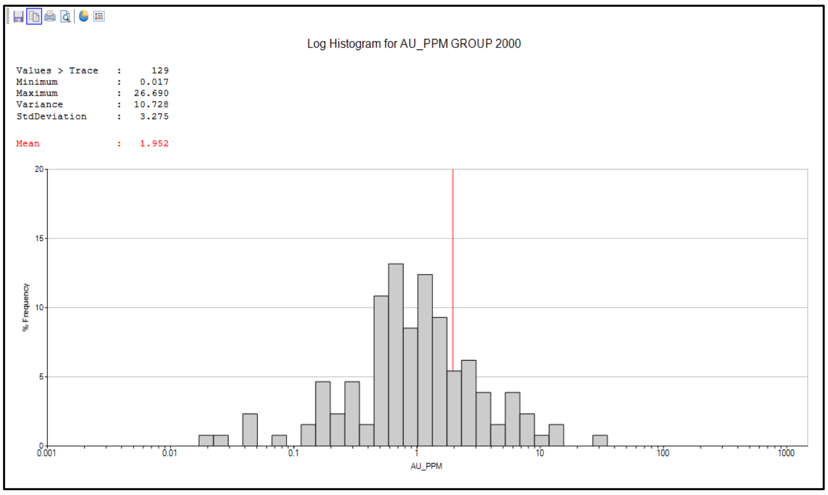
A MINERAL RESOURCE ESTIMATE APPENDIX

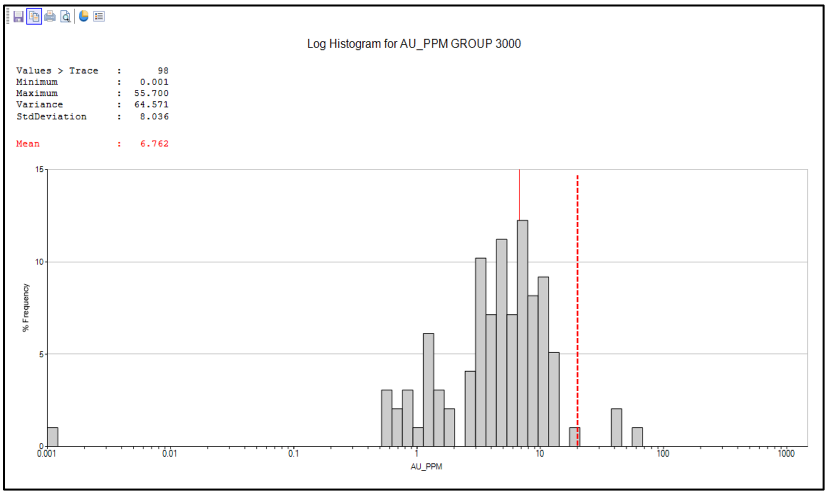
COMPOSITE DRILLHOLE SAMPLES – LOG HISTOGRAMS

LA INDIA

Cap Limits shown in red

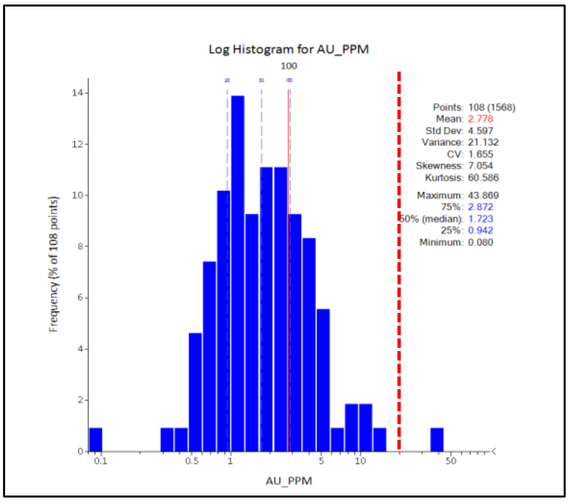


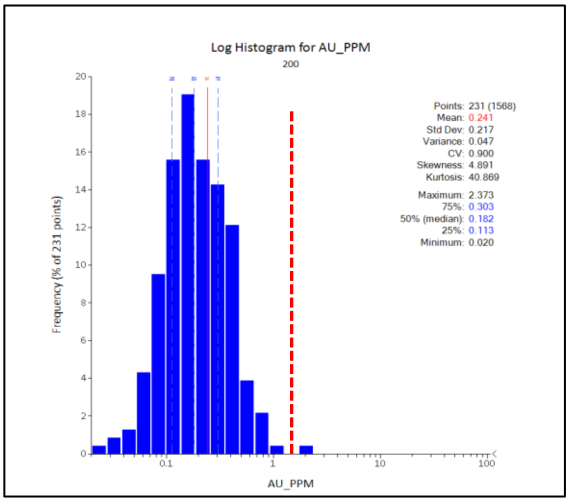




CACAO

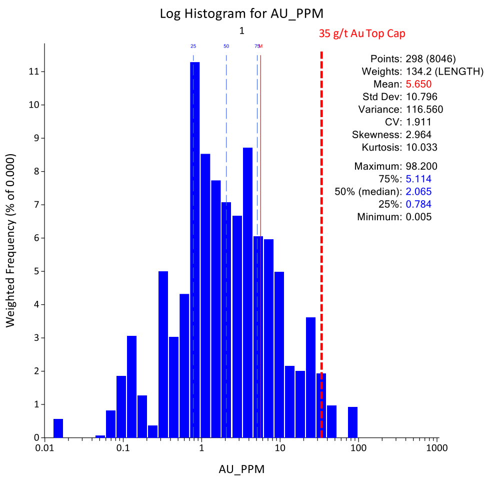
Cap Limits shown in red

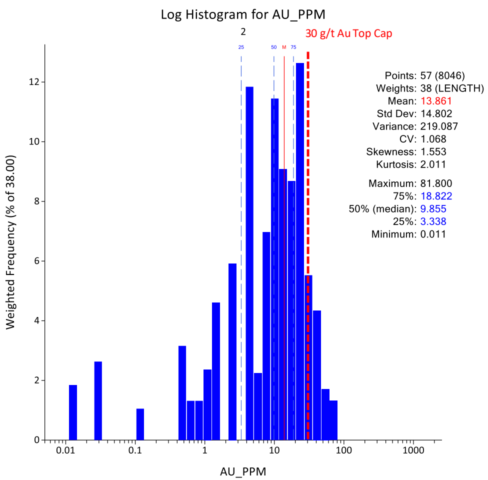


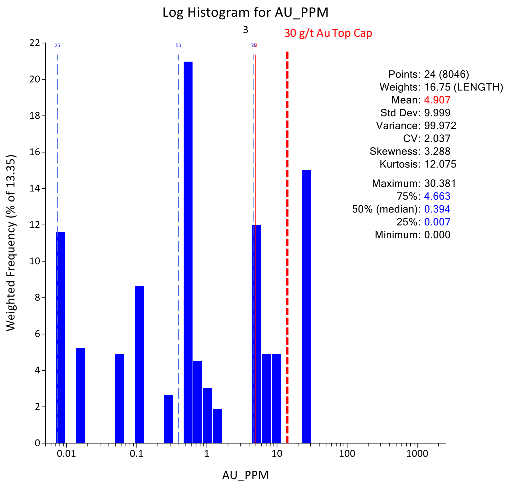


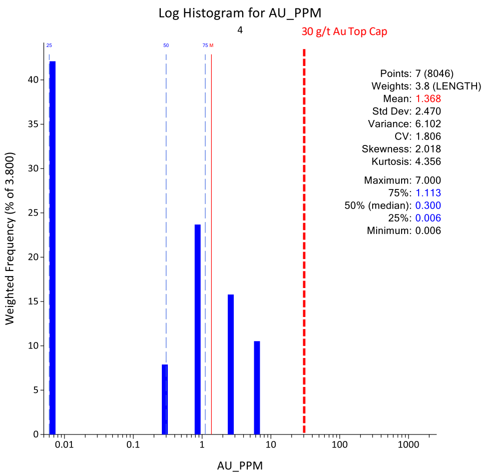
MESTIZA

Cap Limits shown in red





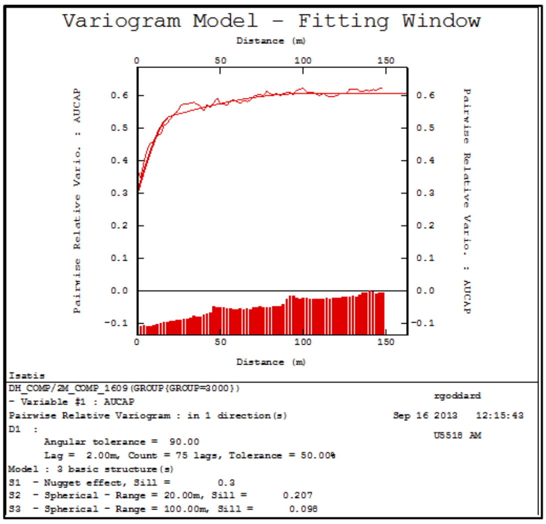


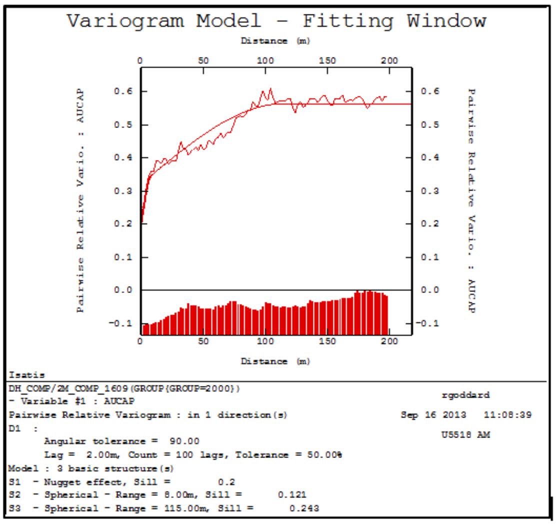


VARIOGRAM MODELS

AMERICA

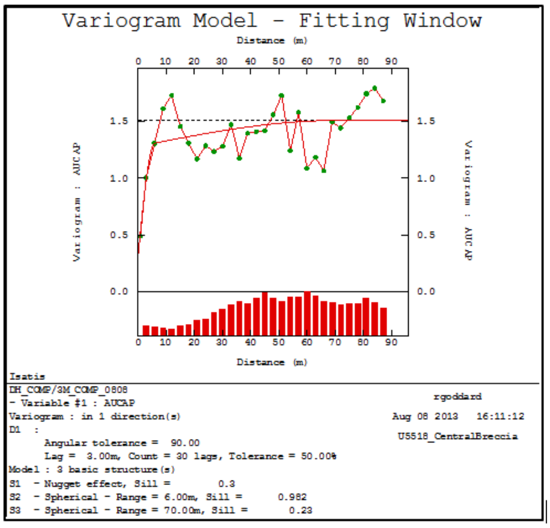
America-Escondido (GROUP 3000) and Constancia (GROUP 2000) for Gold





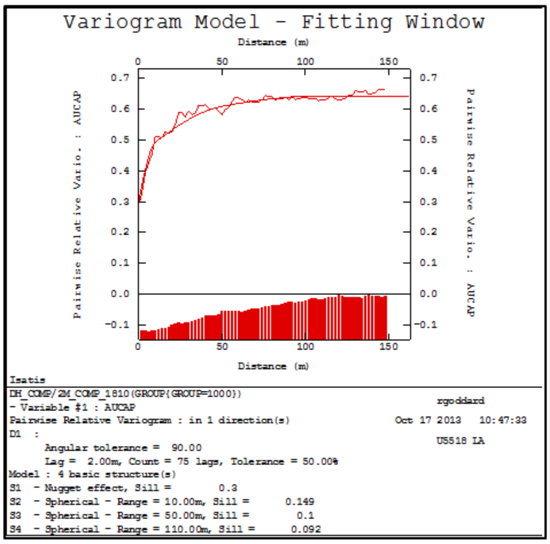
CENTRAL BRECCIA

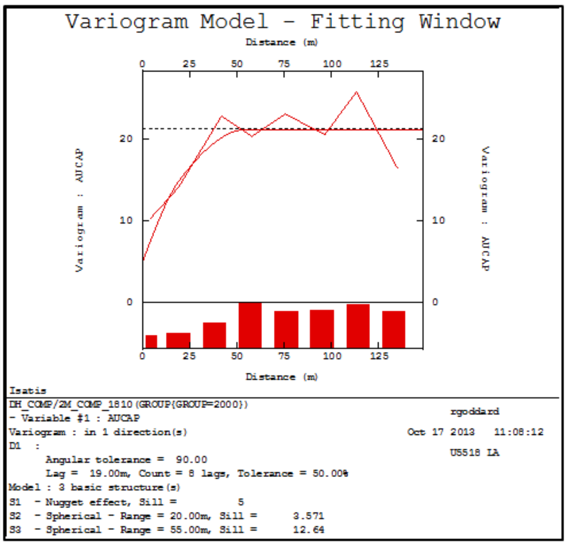
Central Breccia (GROUP 1000) for Gold



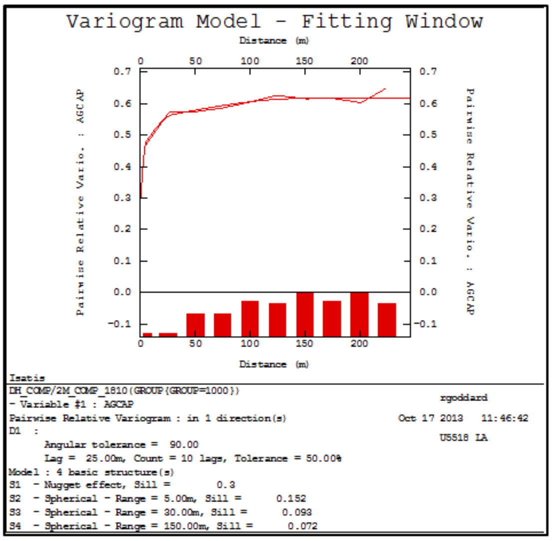
LA INDIA

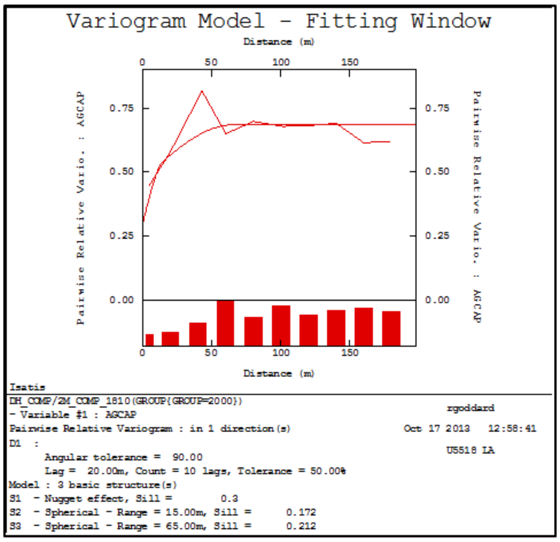
La India Main (GROUP 3000) and La India Hanging Wall (GROUP 2000) for Gold





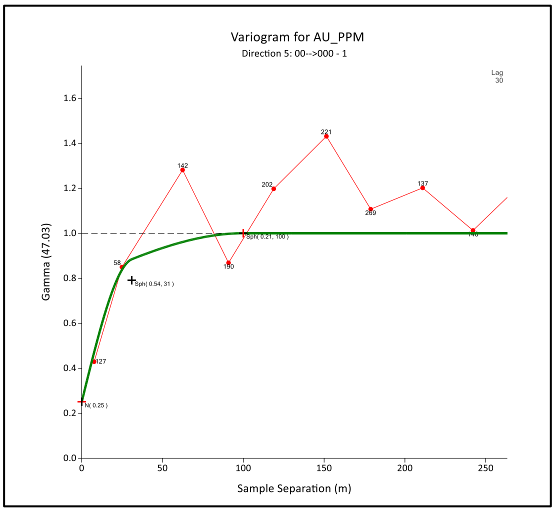
La India Main (GROUP 3000) and La India Hanging Wall (GROUP 2000) for Silver





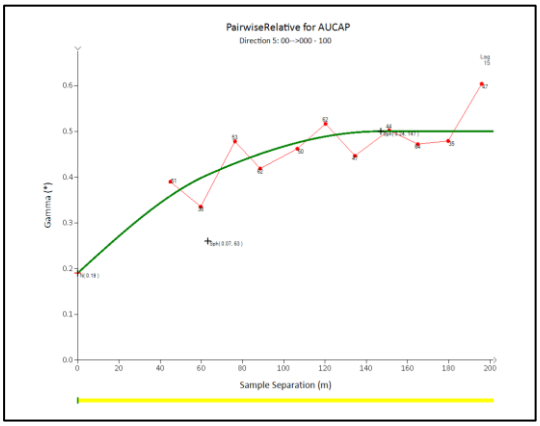
MESTIZA

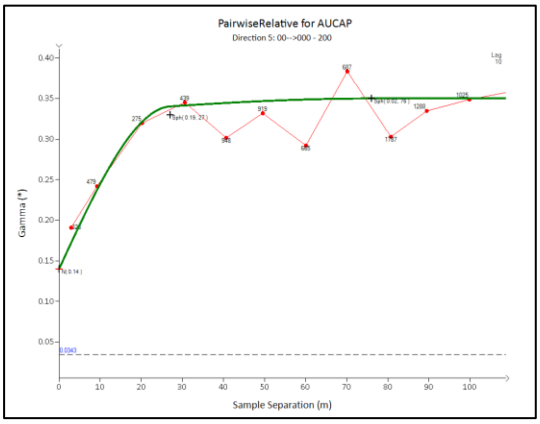
Tatiana Vein



CACAO

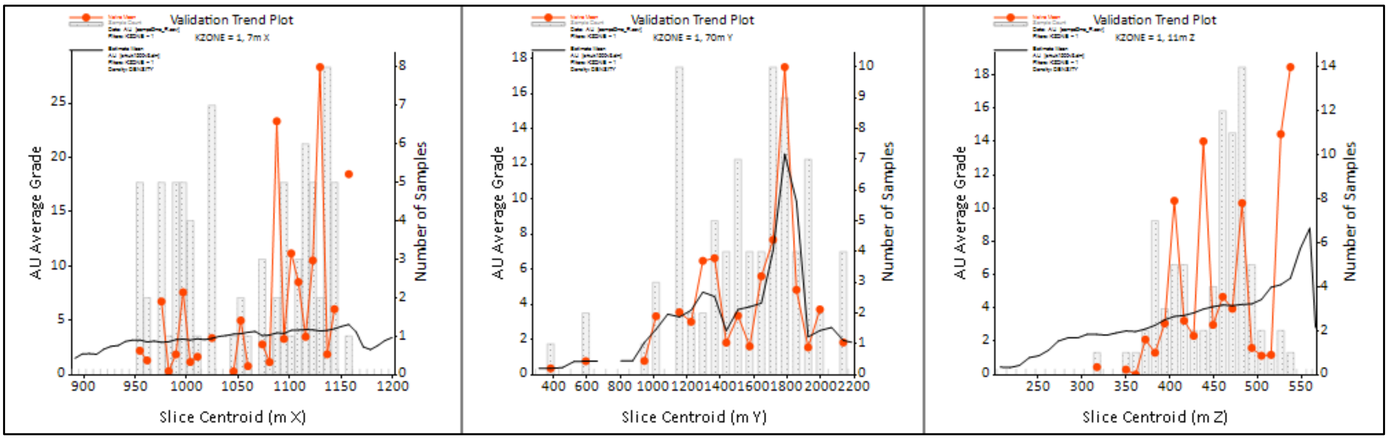
KZONE 100 Cacao high grade (left) and KZONE 200 Cacao low grade (right)



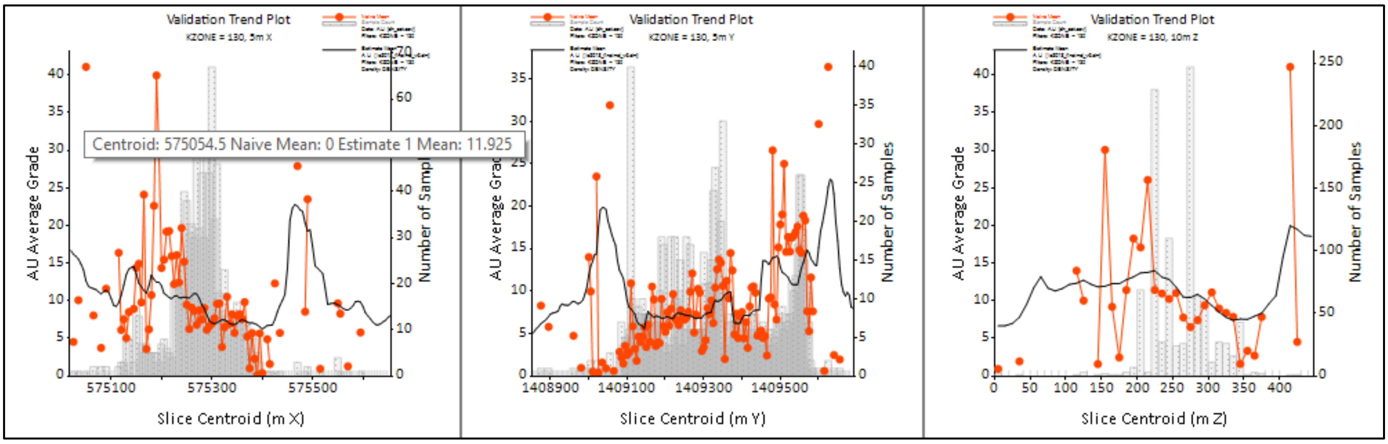


VALIDATION PLOTS

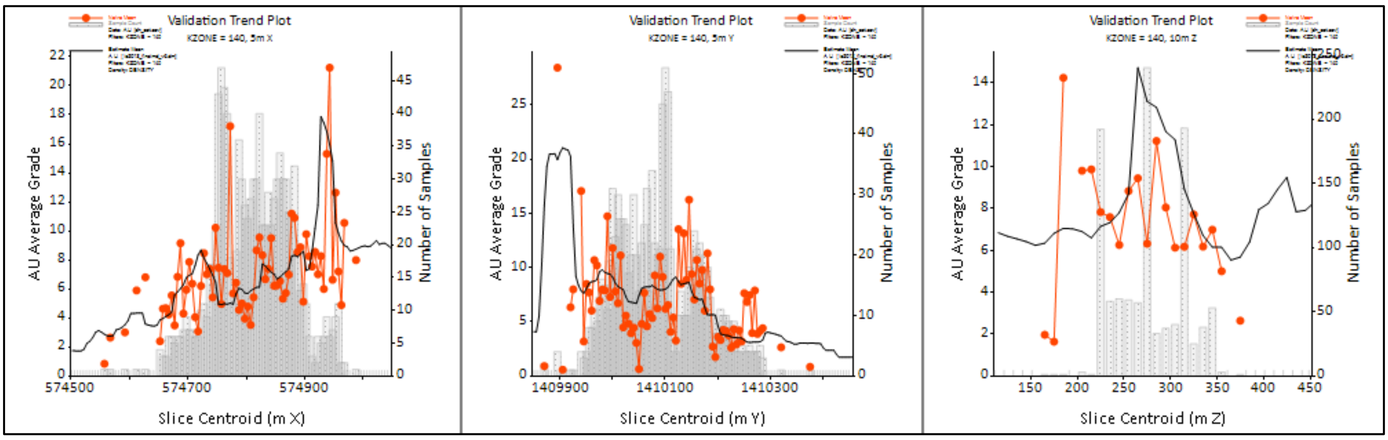
MESTIZA (Tatiana Vein)



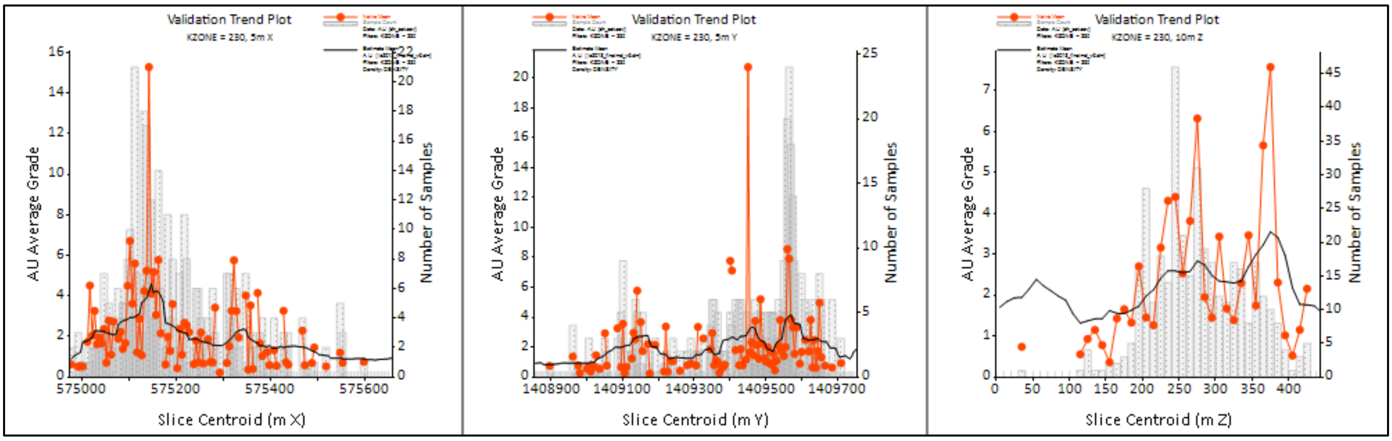
LA INDIA (KZONE 130)



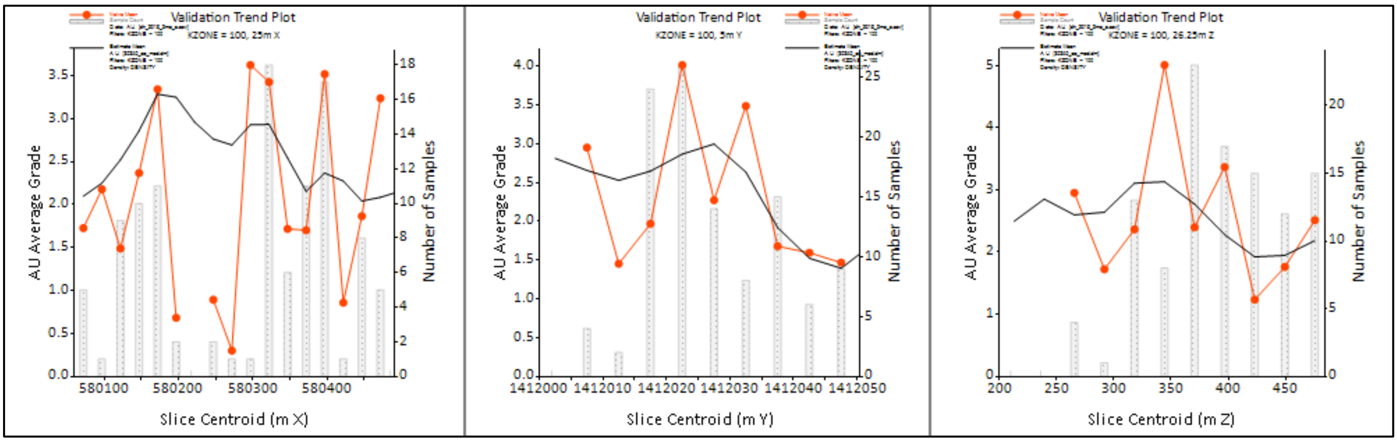
LA INDIA (KZONE 140)



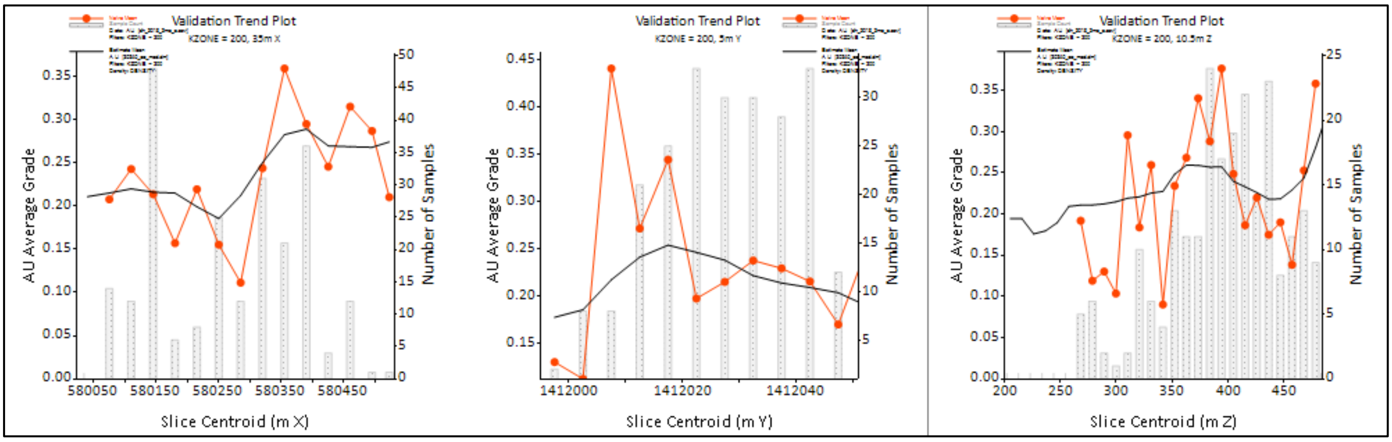
LA INDIA (KZONE 230)



CACAO (High grade domain)



CACAO (Low grade domain)



BLOCK MODEL STATISTICS

LA INDIA - Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods for gold

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	110	5.46	6.25	-13%	0.8
AUIDW		5.38	6.25	-14%	0.9
AUOK	120	3.38	4.47	-24%	1.1
AUIDW		3.11	4.47	-30%	1.4
AUOK	130	10.93	9.38	17%	1.6
AUIDW		10.30	9.38	10%	0.9
AUOK	140	8.18	7.16	14%	1.0
AUIDW		7.93	7.16	11%	0.8
AUOK	210	1.85	1.95	-5%	0.1
AUIDW		1.91	1.95	-2%	0.0
AUOK	220	1.33	1.77	-25%	0.4
AUIDW		1.37	1.77	-23%	0.4
AUOK	230	2.23	3.00	-26%	0.8
AUIDW		2.29	3.00	-24%	0.7
AUOK	240	2.01	1.90	6%	0.1
AUIDW		2.07	1.90	9%	0.2
AUOK	250	2.27	2.48	-8%	0.2
AUIDW		2.55	2.48	3%	0.1
AUOK	260	5.09	5.26	-3%	0.2
AUIDW		4.83	5.26	-8%	0.4
AUOK	301	0.80	0.74	8%	0.1
AUIDW		0.72	0.74	-3%	0.0
AUOK	302	1.41	1.48	-4%	0.1
AUIDW		1.69	1.48	15%	0.2
AUOK	303	0.89	1.04	-14%	0.1
AUIDW		0.86	1.04	-18%	0.2
AUOK	304	3.44	3.67	-6%	0.2
AUIDW		3.88	3.67	6%	0.2
AUOK	305	1.71	1.64	4%	0.1
AUIDW		1.61	1.64	-2%	0.0
AUOK	306	1.60	1.55	3%	0.1
AUIDW		1.47	1.55	-5%	0.1
AUOK	307	0.86	0.85	1%	0.0
AUIDW		0.87	0.85	2%	0.0
AUOK	308	4.97	4.97	0%	0.0
AUIDW		4.92	4.97	-1%	0.0
AUOK	309	1.51	1.61	-6%	0.1
AUIDW		1.69	1.61	5%	0.1
AUOK	310	1.40	1.47	-5%	0.1
AUIDW		1.52	1.47	3%	0.0
AUOK	311	1.39	1.39	0%	0.0
AUIDW		1.40	1.39	1%	0.0
AUOK	312	1.73	1.49	17%	0.2
AUIDW		1.80	1.49	21%	0.3
AUOK	313	1.65	1.49	10%	0.2
AUIDW		1.66	1.49	11%	0.2
AUOK	314	0.93	0.95	-2%	0.0
AUIDW		0.90	0.95	-5%	0.1
AUOK	315	0.44	0.45	-1%	0.0
AUIDW		0.42	0.45	-6%	0.0
AUOK	316	1.29	1.23	5%	0.1
AUIDW		1.16	1.23	-6%	0.1
AUOK	317	2.02	1.94	4%	0.1
AUIDW		1.62	1.94	-17%	0.3
AUOK	318	1.29	1.31	-2%	0.0
AUIDW		1.18	1.31	-10%	0.1
AUOK	319	1.49	1.52	-1%	0.0
AUIDW		1.42	1.52	-6%	0.1
AUOK	320	0.93	0.92	1%	0.0
AUIDW		0.97	0.92	5%	0.0
AUOK	321	0.25	0.25	1%	0.0
AUIDW		0.24	0.25	-2%	0.0

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	322	0.30	0.27	10%	0.0
AUIDW		0.29	0.27	5%	0.0
AUOK	323	0.24	0.24	1%	0.0
AUIDW		0.24	0.24	0%	0.0
AUOK	324	0.63	0.68	-6%	0.0
AUIDW		0.84	0.68	24%	0.2
AUOK	325	0.49	0.50	-2%	0.0
AUIDW		0.48	0.50	-5%	0.0
AUOK	326	0.30	0.30	1%	0.0
AUIDW		0.29	0.30	-3%	0.0
AUOK	327	0.45	0.63	-29%	0.2
AUIDW		0.44	0.63	-31%	0.2
AUOK	328	0.43	0.41	4%	0.0
AUIDW		0.42	0.41	2%	0.0
AUOK	329	2.12	2.19	-3%	0.1
AUIDW		2.12	2.19	-3%	0.1
AUOK	410	1.69	1.59	6%	0.1
AUIDW		1.81	1.59	14%	0.2
AUOK	420	1.74	1.80	-3%	0.1
AUIDW		1.80	1.80	0%	0.0
AUOK	430	1.76	2.08	-16%	0.3
AUIDW		1.67	2.08	-20%	0.4
AUOK	440	1.87	1.93	-3%	0.1
AUIDW		1.66	1.93	-14%	0.3
AUOK	450	2.49	2.76	-10%	0.3
AUIDW		2.81	2.76	2%	0.0
AUOK	460	0.74	0.92	-20%	0.2
AUIDW		0.73	0.92	-21%	0.2
AUOK	470	0.84	0.87	-3%	0.0
AUIDW		0.93	0.87	8%	0.1
AUOK	480	0.73	0.58	26%	0.2
AUIDW		0.62	0.58	7%	0.0
AUOK	490	0.83	0.82	1%	0.0
AUIDW		0.91	0.82	11%	0.1
AUOK	500	1.83	1.97	-7%	0.1
AUIDW		2.05	1.97	4%	0.1
AUOK	510	3.49	3.62	-4%	0.1
AUIDW		3.75	3.62	3%	0.1
AUOK	520	2.84	2.31	23%	0.5
AUIDW		2.85	2.31	23%	0.5
AUOK	530	1.20	1.19	2%	0.0
AUIDW		1.36	1.19	15%	0.2
AUOK	540	4.06	3.80	7%	0.3
AUIDW		4.36	3.80	15%	0.6
AUOK	550	6.61	4.29	54%	2.3
AUIDW		4.49	4.29	5%	0.2
AUOK	610	6.60	6.80	-3%	0.2
AUIDW		6.58	6.80	-3%	0.2
AUOK	620	3.62	3.20	13%	0.4
AUIDW		2.90	3.20	-9%	0.3
AUOK	630	0.96	0.95	0%	0.0
AUIDW		0.97	0.95	2%	0.0
AUOK	640	1.03	1.06	-2%	0.0
AUIDW		1.14	1.06	8%	0.1
AUOK	650	2.61	2.82	-7%	0.2
AUIDW		2.81	2.82	0%	0.0

LA INDIA - Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods for silver

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Ag	Absolute Difference Ag g/t
AGOK	110	12.17	12.07	1%	0.09
AGIDW		12.02	12.07	0%	0.06
AGOK	120	8.09	7.74	4%	0.35
AGIDW		7.75	7.74	0%	0.00
AGOK	130	20.61	16.05	28%	4.56
AGIDW		19.99	16.05	25%	3.94
AGOK	140	16.54	12.85	29%	3.69
AGIDW		15.75	12.85	23%	2.89
AGOK	210	4.00	4.04	-1%	0.04
AGIDW		4.07	4.04	1%	0.03
AGOK	220	2.69	3.63	-26%	0.93
AGIDW		2.98	3.63	-18%	0.64
AGOK	230	4.04	4.58	-12%	0.54
AGIDW		4.02	4.58	-12%	0.56
AGOK	240	3.64	3.15	15%	0.48
AGIDW		3.77	3.15	19%	0.61
AGOK	250	6.12	6.25	-2%	0.13
AGIDW		6.35	6.25	2%	0.10
AGOK	260	7.15	7.67	-7%	0.52
AGIDW		6.88	7.67	-10%	0.78
AGOK	301	1.15	1.15	0%	0.00
AGIDW		1.09	1.15	-5%	0.06
AGOK	302	1.69	1.92	-12%	0.23
AGIDW		1.77	1.92	-8%	0.15
AGOK	303	1.20	1.78	-33%	0.58
AGIDW		1.19	1.78	-33%	0.59
AGOK	304	7.53	8.30	-9%	0.77
AGIDW		8.32	8.30	0%	0.02
AGOK	305	1.97	1.92	3%	0.05
AGIDW		1.92	1.92	0%	0.00
AGOK	306	4.84	5.04	-4%	0.19
AGIDW		4.40	5.04	-13%	0.64
AGOK	307	1.60	1.66	-4%	0.07
AGIDW		1.76	1.66	6%	0.09
AGOK	308	5.58	5.47	2%	0.10
AGIDW		6.25	5.47	14%	0.78
AGOK	309	1.99	2.10	-5%	0.11
AGIDW		2.17	2.10	3%	0.07
AGOK	310	1.26	1.35	-6%	0.09
AGIDW		1.41	1.35	4%	0.06
AGOK	311	1.48	1.48	0%	0.01
AGIDW		1.49	1.48	0%	0.01
AGOK	312	1.20	1.12	7%	0.08
AGIDW		1.25	1.12	11%	0.13
AGOK	313	1.93	1.81	7%	0.12
AGIDW		1.98	1.81	10%	0.17
AGOK	314	0.94	0.97	-3%	0.03
AGIDW		0.88	0.97	-10%	0.09
AGOK	315	1.09	1.10	-1%	0.01
AGIDW		1.02	1.10	-7%	0.08
AGOK	316	1.21	1.24	-3%	0.04
AGIDW		1.23	1.24	-1%	0.01
AGOK	317	5.16	5.10	1%	0.06
AGIDW		4.84	5.10	-5%	0.26
AGOK	318	1.67	1.69	-1%	0.01
AGIDW		1.49	1.69	-11%	0.19
AGOK	319	3.94	3.97	-1%	0.03
AGIDW		3.78	3.97	-5%	0.19
AGOK	320	1.16	1.30	-11%	0.14
AGIDW		1.16	1.30	-10%	0.13
AGOK	321	0.43	0.40	8%	0.03
AGIDW		0.37	0.40	-7%	0.03

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Ag	Absolute Difference Ag g/t
AGOK	322	0.53	0.54	-2%	0.01
AGIDW		0.53	0.54	-1%	0.01
AGOK	323	0.41	0.40	1%	0.01
AGIDW		0.40	0.40	-1%	0.01
AGOK	324	1.40	1.51	-7%	0.11
AGIDW		1.91	1.51	27%	0.40
AGOK	325	0.68	0.71	-5%	0.03
AGIDW		0.67	0.71	-5%	0.04
AGOK	326	0.60	0.64	-6%	0.04
AGIDW		0.56	0.64	-12%	0.08
AGOK	327	1.47	1.58	-7%	0.11
AGIDW		1.52	1.58	-4%	0.06
AGOK	328	0.78	0.79	-2%	0.02
AGIDW		0.80	0.79	1%	0.00
AGOK	329	2.43	2.50	-3%	0.08
AGIDW		2.43	2.50	-3%	0.08
AGOK	410	6.62	5.81	14%	0.81
AGIDW		6.98	5.81	20%	1.16
AGOK	420	1.72	1.72	0%	0.00
AGIDW		1.70	1.72	-1%	0.02
AGOK	430	3.12	3.92	-20%	0.80
AGIDW		2.97	3.92	-24%	0.96
AGOK	440	2.95	3.17	-7%	0.22
AGIDW		2.91	3.17	-8%	0.26
AGOK	450	11.27	12.14	-7%	0.87
AGIDW		12.69	12.14	5%	0.55
AGOK	460	2.14	3.16	-32%	1.03
AGIDW		2.01	3.16	-36%	1.15
AGOK	470	2.22	2.04	9%	0.17
AGIDW		2.28	2.04	12%	0.24
AGOK	480	0.98	0.79	24%	0.19
AGIDW		0.93	0.79	18%	0.15
AGOK	490	1.06	1.05	1%	0.01
AGIDW		1.21	1.05	15%	0.16
AGOK	500	2.62	2.55	3%	0.07
AGIDW		2.67	2.55	5%	0.12
AGOK	510	12.94	13.45	-4%	0.50
AGIDW		13.84	13.45	3%	0.40
AGOK	520	3.04	2.49	22%	0.56
AGIDW		3.26	2.49	31%	0.78
AGOK	530	2.07	2.02	2%	0.05
AGIDW		2.51	2.02	24%	0.49
AGOK	540	8.17	7.24	13%	0.93
AGIDW		8.92	7.24	23%	1.68
AGOK	550	4.67	3.35	40%	1.32
AGIDW		3.56	3.35	6%	0.21
AGOK	620	0.78	0.78	0%	0.00
AGIDW		0.78	0.78	0%	0.00
AGOK	630	1.11	1.10	1%	0.01
AGIDW		1.20	1.10	9%	0.10
AGOK	640	2.78	2.77	0%	0.01
AGIDW		2.73	2.77	-1%	0.04

CACAO - Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods for silver

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	100	2.62	2.56	2%	0.06
AUIDW		2.76	2.56	8%	0.20
AUOK	200	0.23	0.24	-3%	0.01
AUIDW		0.23	0.24	-5%	0.01

MESTIZA - Summary Block Statistics for Ordinary Kriging and Inverse Distance Weighting Estimation Methods for silver

Estimation Method	KZONE	Block Model Mean Au g/t	Composite Mean Au g/t	%Difference Au	Absolute Difference Au g/t
AUOK	1	4.06	5.42	-25%	1.4
AUIDW		4.15	5.42	-23%	1.3
AUIDW	2	8.15	12.90	-37%	4.8
AUIDW	3	2.45	3.92	-38%	1.5
AUIDW	4	0.97	1.42	-32%	0.4

APPENDIX

B HYDROLOGY DATA

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APPENDIX: UPDATED PRECIPITATION AND RUNOFF ANALYSIS

1 INTRODUCTION

SRK Consulting UK Ltd. (SRK) has been commissioned by Condor Gold to undertake a review of the existing precipitation and flow records measured at the La India site and implement a regional review to confirm the quality of the data. The objective of this review is to use the updated data sets to assess the validity of the PFS (SRK, 2014) design criteria for the La Simona dam, and this is only piece of project infrastructure discussed in this Appendix. The analysis will also however be used to support future studies of the wider La India area and the associated satellite deposits of America, Mestiza and Central Breccia.

Daily records collected at the site from automatic and manual rainfall stations, were provided and used for the analysis. Historical records at the site cover an overall period from 1962 to 2019; records from automatic stations are more recent and cover the period between 2016 and March 2020.

Local meteorological station records from publicly available National Oceanic and Atmospheric Administration (NOAA 2020) databases: Global Historical Climatology Network Database (GHCND) and Global Surface Summary of the Day (GSOD) were obtained to complement the site data. A radius of approximately 200 km around the site was used as an area of interest to compile daily total precipitation records.

Information at the site were complemented with the climatic gridded models, MERRA 2 and TRMM; described in the following points:

- **MERRA 2** (Modern-Era Retrospective analysis from Research and Applications, Version 2) from the National Aeronautics and Space Administration (NASA 2020). MERRA includes daily data from 1981 to present (2020) for the entire world, based on a 0.5 degree latitude by 0.5 degree longitude grid (~50 km), these records were obtained daily.
- **TRMM** (Tropical Rainfall Measuring Mission) from a joint mission of the National Aeronautics and Space Administration (NASA) and the Japan Aerospace Exploration Agency. TRMM includes 3-hourly data over the latitude band 50°N-S, based on a 0.25-degree latitude by 0.25 degree longitude grid;

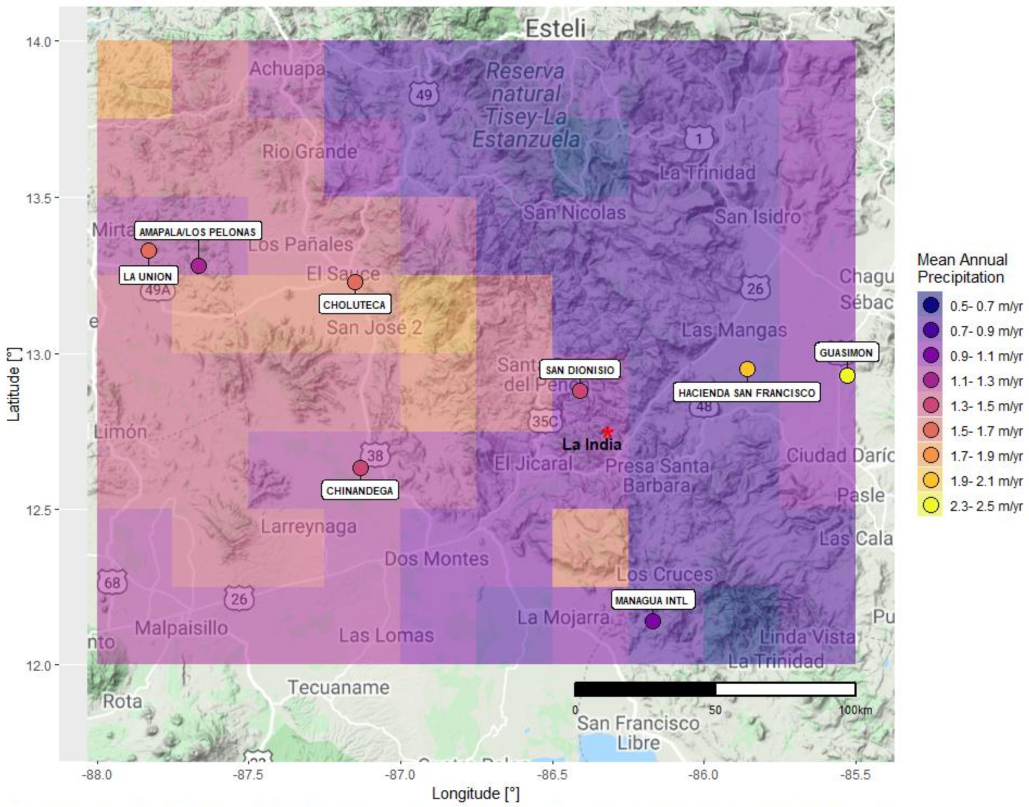
These sources of meteorological information were processed using the statistical software R (version: 3.6.3x86_64) (R Core Team 2014).

2 TOTAL PRECIPITATION

Total precipitation at the site was reviewed using site records and implemented with information from regional stations captured from NOAA database and, compared with the satellite gridded information available from MERRA 2 and TRMM to understand the trend in the region.

The location of the site with respect to the different meteorological stations from NOAA and their respective mean annual precipitation (MAP) are presented in Figure 2-1. TRMM gridded average annual information have been estimated and, also presented as a background layer for the region in the figure. In the immediate vicinity of the site, Figure 2-1 suggests precipitation could vary significantly based on elevation and proximity to the west coast. Records from NOAA Meteorological Stations are generally not representative of the site due to the high spatial variation in rainfall. The only exception is the San Dionisio station ~20 km to the northwest of La India but the station has a relatively short period of record from 1978 to 1990 so was not used further in this assessment.

TRMM and MERRA 2 are considered the best sources to represent the trend in the regions and, based on this dataset the MAP expected at the site is expected to be in the range of 950-1100 mm/year.



Dots represent local Meteorological local stations provided from NOAA database. Rainfall gridded map, used as background, provided from TRMM Climatic model.

Figure 2-1: Location of the closest meteorological stations (NOAA) with information related with Mean Annual Precipitation. Gridded information from TRMM are also included.

SRK currently holds information for four meteorological stations within the area of interest, at locations indicated in Table 2-2.

Table 2-1: Site Rainfall Gauge Stations.

Rainfall Station	East WGS84	North WGS84	Elevation (masl)	Record Period
Mina La India	575715	1409591	400	May 1962 – Oct 2019
Espinito	574096	1413248	563.7	Feb 2016 - May 2016
Jose Leon Vega	576136.6	1409738	437	Jun 2016 - Jan 2017
Alpha 6	576290	1409421	434	Feb 2017 – Sept 2019

The manual rain gauge at Mina La India collected daily rainfall data since 1962; operated by INETER (Nicaraguan Institute of Territorial Studies), this station represents the best source for long-term rainfall analysis. Records collected for the other 3 (Digital) stations at the site (Table 2-2) cover the period from February 2016 to September 2019.

Site records were reviewed by SRK and the results have been validated with the other sources selected for the analysis. The manual rainfall station located at Mina La India presents the longest on-site record of rainfall; however, due by some gaps identified in the records between 1988-1992 and during 2019, information has been supplemented with data from the climatic gridded model MERRA 2, using a quantile mapping technique. MERRA 2 has been identified as the best sources to implement site records due by the high correlation presented between the two datasets. The rainfall monthly averages from the different selected sources for the site are presented in Table 2-2.

Table 2-2: Monthly averages of total precipitation (mm) from Site Manual Rainfall Gauge station, MERRA 2 climatic model and site records adjusted.

Station	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
La India	1.4	3	6	27	200	193	85	129	229	250	46	4	1173
MERRA2	3.1	5	7	22	137	154	82	120	198	168	33	8	938
La India Adjusted	2.1	3	6	31	213	206	90	154	254	259	56	8	1284

Following the precipitation review, Intensity-Duration-Frequency Curves (IDFs) have been estimated for the project to provide the design storms to be considered in the SWMP.

To estimate the maximum 24-hour precipitation the longest and most representative daily records should be used. Available records at La India rainfall station, infilled using adjusted MERRA 2 data, has been chosen to represent the extreme values at the site.

Maximum rainfall depth for different return period for the 24-hour storm duration has been extracted and the results are presented in Table 2-3.

Table 2-3: Frequency analysis adjusted for the site based on Daily Site information [mm].

Return Period (years)	24-hr precipitation depth (mm)
2	86
5	126
10	155
25	195
50	224
100	254

3 HYDROLOGY

Monitoring of surface water is being conducted at seven locations in the project area. All historical records have been provided to SRK from all stations. This design update has focussed purely on the La Simona flow gauge station which is the only location of relevance to the proposed La Simona dam. The station was installed by Condor following the PFS with the specific objective of providing a design flow record for the dam.

La Simona gauge station measure water level every 15 minutes at the fixed cross section delineated by a Trapezoidal Weir. Images from the location have been provided to SRK in order to assist with the validation of the site records. As presented in Figure 3-1, the original weir suffered damage in an extreme flood event in October 2016. Modifications to the weir resulted in the removal of the V-notch at the base as shown in Figure 3-2. This results in less accuracy in low flow measurements but was considered reasonable given the primary objective is to characterize peak flows.

Stage records at La Simona between 17 October 2016 to 20 December 2017 have been validated by SRK. This period was selected as it provided a number of extreme rainfall events and a near continuous flow record.

Figure 3-1: La Simona v-notch weir failure on 07 October 2016

Figure 3-2: La Simona v-notch weir repair on 12 October 2016 and subsequent flood event on the 18 October 2016

Stage records at La Simona Weir have been translated to flow records by using a stage-flow relationship. The discharge at the location has been estimated using the Cipolletti stage-discharge relationship for a trapezoidal weir; the validated records are presented in Figure 3-3, with photos showing the observed peak flows. Note that the highest flow event overtopped the weir completely, but no photographic evidence is available as the peak flow occurred in the early hours of the morning.

Figure 3-3 presents the flow time series observed at La Simona Weir; information in regards of the cumulative volume is included in the figure.

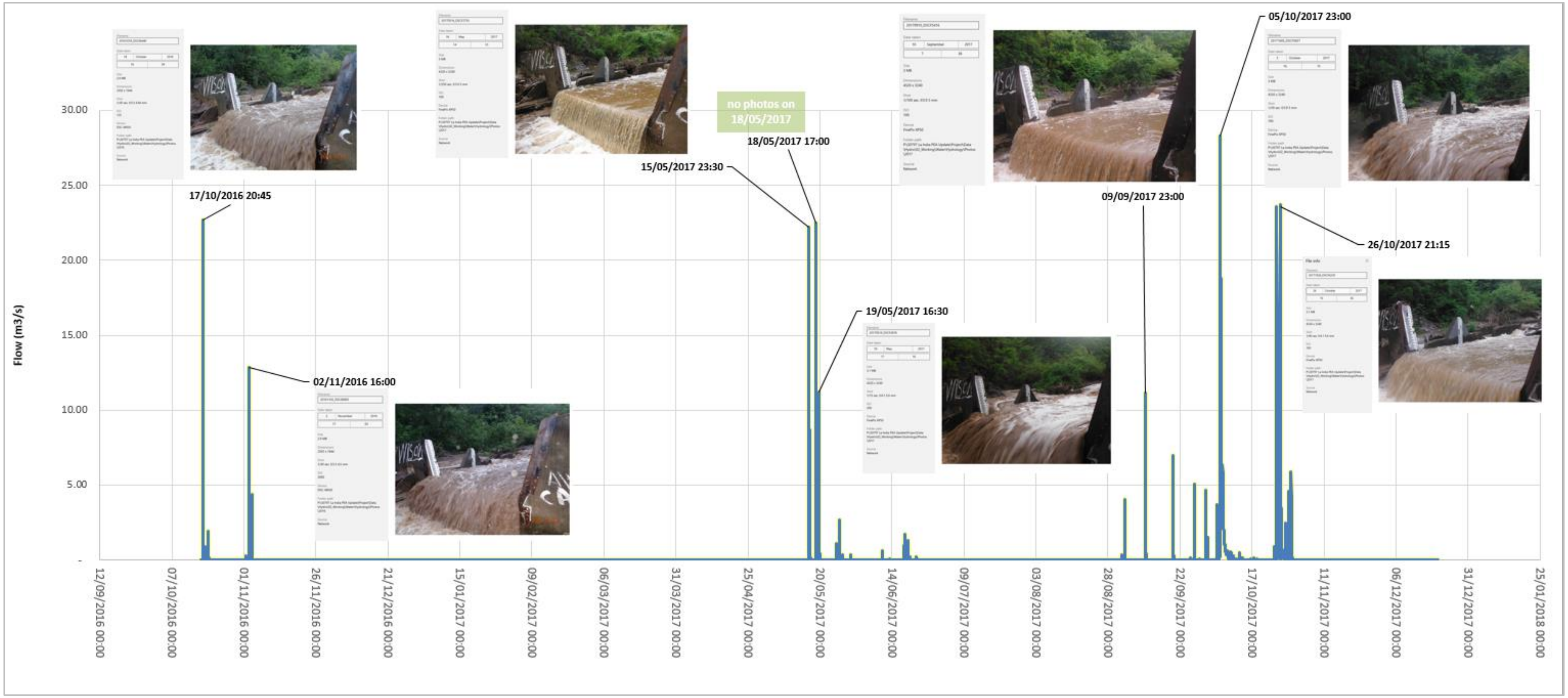


Figure 3-3: Flow records for the 2017 wet season at La Simona Weir.

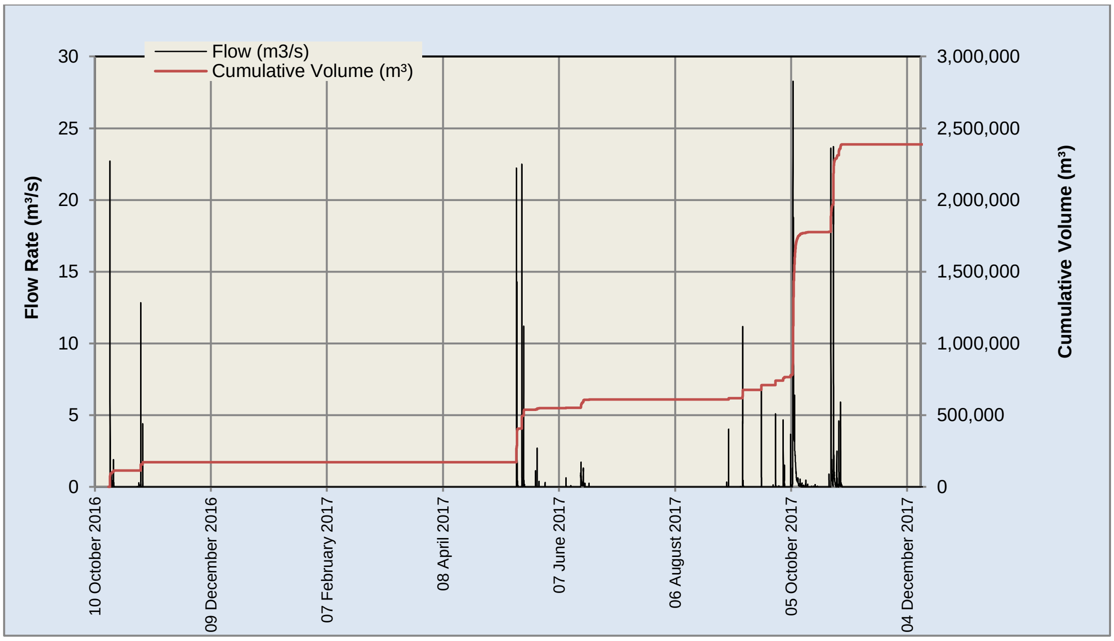


Figure 3-4: Flow time series and Cumulative Volume observed at La Simona Weir for the period between October 2016 and December 2017.

4 IMPLICATIONS FOR DESIGN

The La India PFS Hydrological Review (SRK,2014) estimated the MAP to be 1094 mm/year. The updated analysis presented in the sections above has resulted in the MAP being revised upwards to 1284 mm/year. The comparison of the monthly precipitation for the 2014 and 2020 SRK reviews is shown in Figure 4-1.

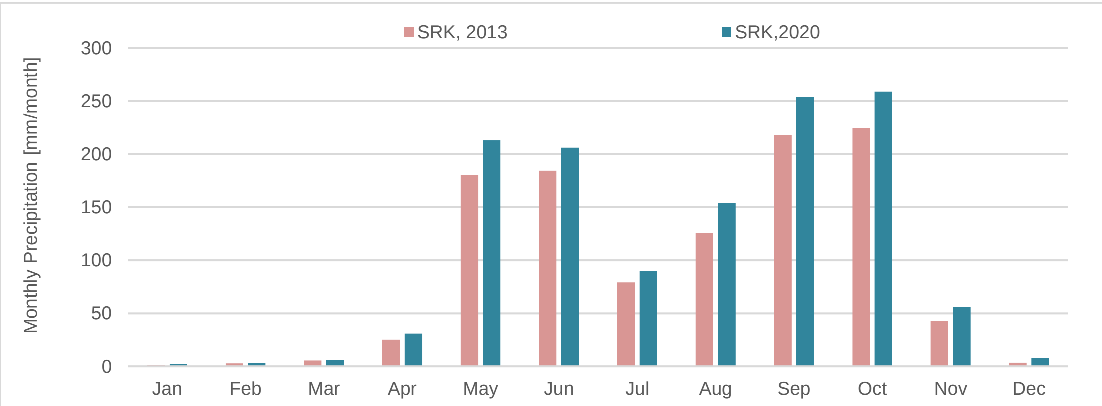


Figure 4-1: Comparison of Monthly Precipitation between 2014 and 2020

The 24-hour design storm has also been updated and revised upwards. The 24-hour 1 in 100 year event is estimated to be 254 mm; ~18% higher than the value estimated by SRK in 2014 (216 mm).

The updated MAP and design storms will be used to define the revised design criteria for the main infrastructure in the future studies.

Preliminary flood peak estimates were developed to support the PFS design (SRK,2014) to estimate the resulting peak discharge at La Simona for a 1:100 flood event, using both the Rational Method and the SCS Method. The resulting peak discharges were 81 and 22 m³/s respectfully.

The updated dataset of flow records provided for La Simona weir includes peak flows between October 2016 and December 2017. The largest flood event occurred on 5 October 2017 where a peak flow of 28 m³/s was recorded, associated with a storm event recording 195 mm of rainfall. This event, based on the results in Table 2-3, is equivalent to a 1:25 year rainfall event.

Whilst the peak flow estimates are important for channel sizing and spillway sizing on the dam, the runoff volume is the most critical consideration for the sizing of the dam. In order to evaluate the adequacy of the PFS design with respect to storage volume, SRK implemented a simplified water balance for La Simona Dam to assess if the PFS design for La Simona Dam can handle an event of the same magnitude as the flood in October 2017 (i.e. a ~ 1 in 25 year event) without overtopping.

A water balance was constructed using historical flow data from the La Simona Weir, adjusted to represent the flow rate for the catchment delineated by the Dam (8 km²) which is slightly upstream of the weir location. The direct rainfall to dam area and evaporation have not been considered for this preliminary study but this is unlikely to affect the overall conclusion. The pumping system at the Dam has been assumed to have a maximum pumping rate of 19,000 m³/day, as per the PFS design flow rate.

Assuming the maximum volume of the La Simona Dam is 990,000 m³, the results show the Dam will be able to receive the flow from a 1:25 year rainfall event without the risk of overtopping (Figure **4-2**). Given that the PFS level design was specified for a 1:10 year flood event, this review has indicated that the La Simona dam design remains valid and is likely to accommodate a more extreme flood event than that assumed at the time of the PFS when a suitable flow record was not available to support the design.

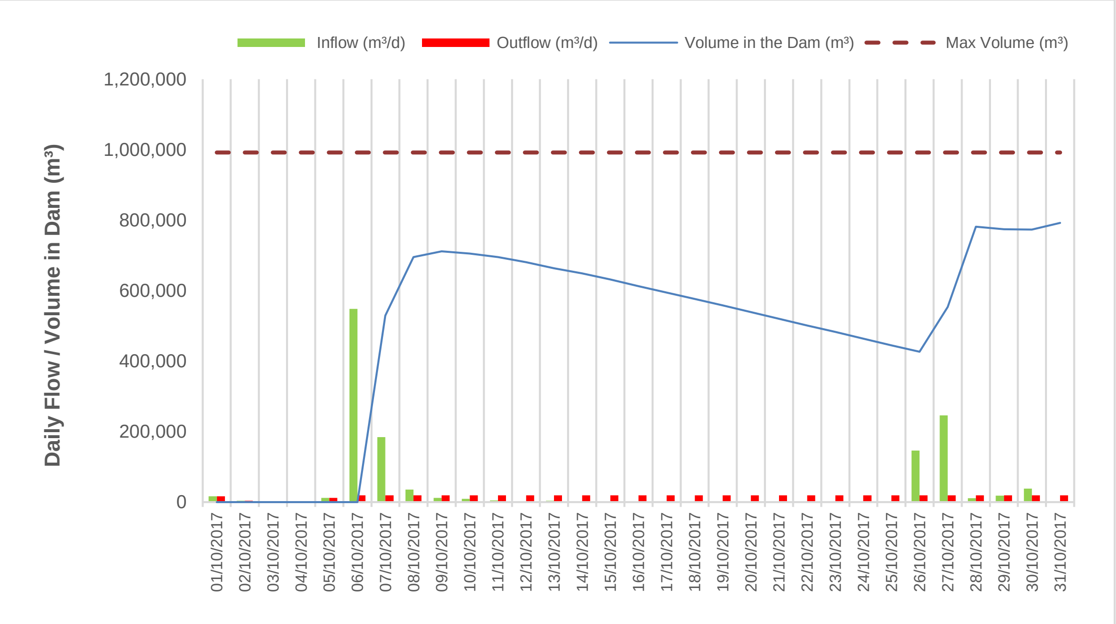
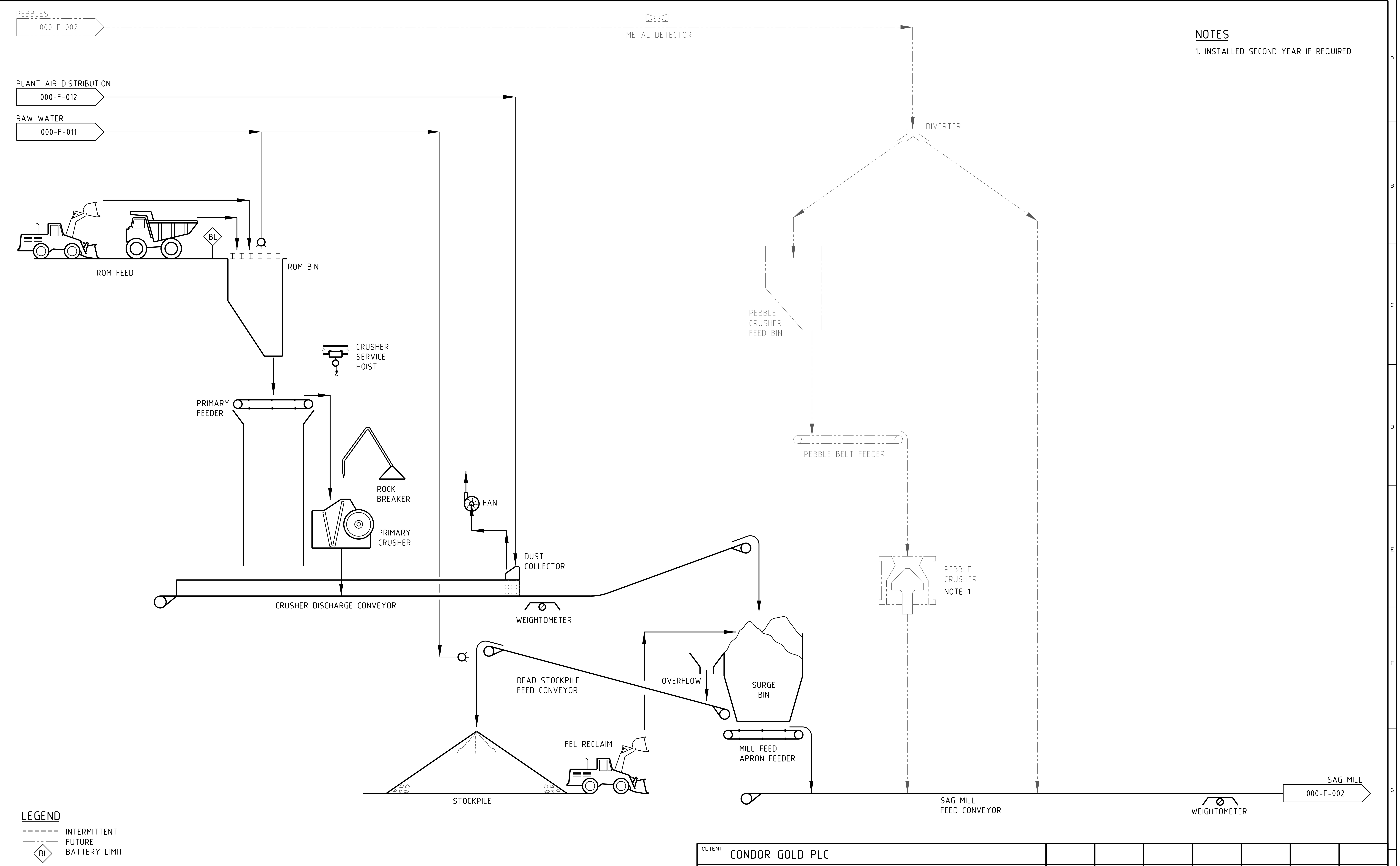


Figure 4-2: **Conceptual Water Balance for La Simona Dam.**

APPENDIX

C PROCESS FLOWSHEET - LYCOPODIUM MINERALS CANADA LTD, LA INDIA GOLD PROJECT PRE-FEASIBILITY STUDY 2014



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		A	29MAY14	ISSUED FOR REVIEW - PRE FEASIBILITY STUDY	SH		AC			DM	

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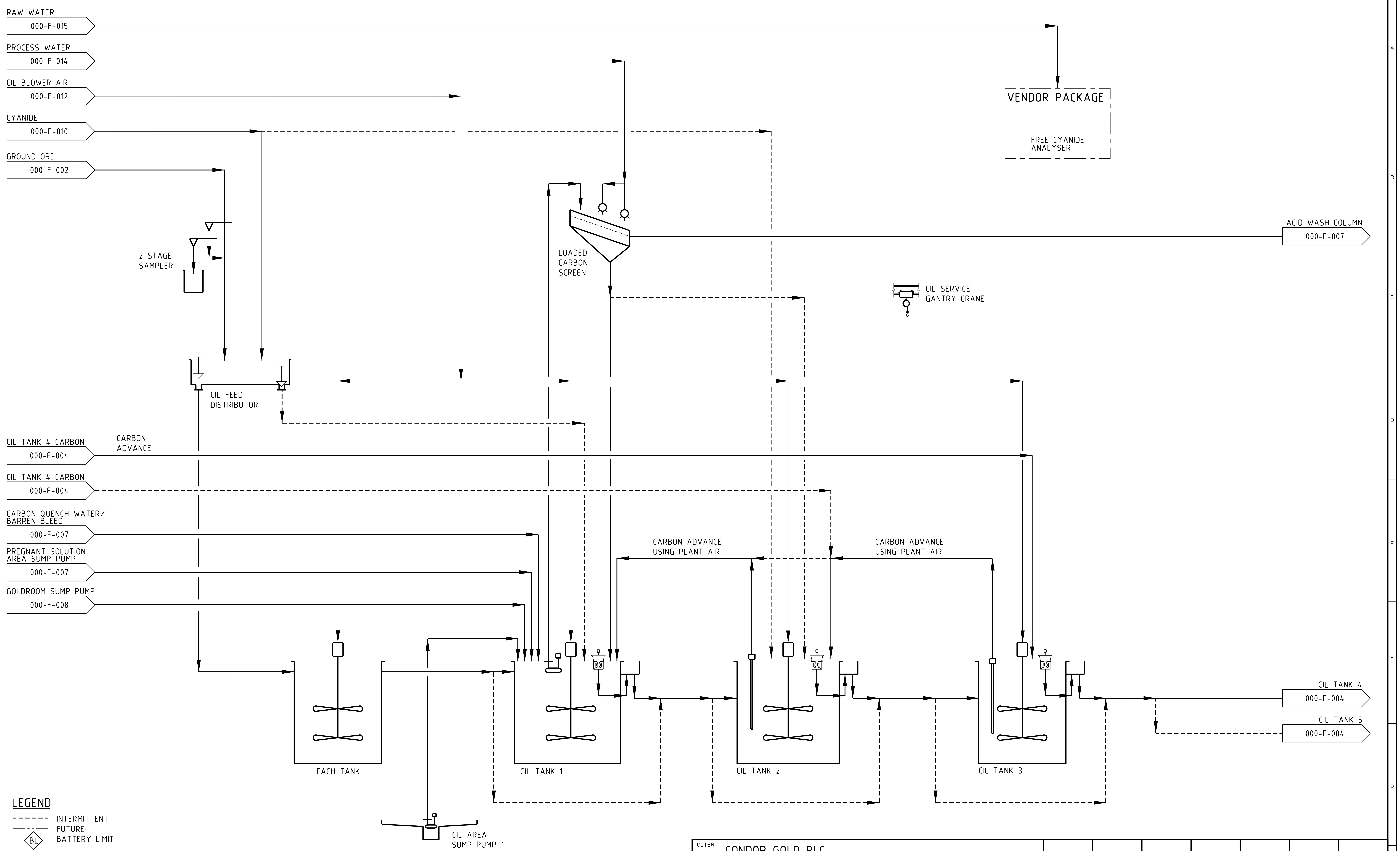

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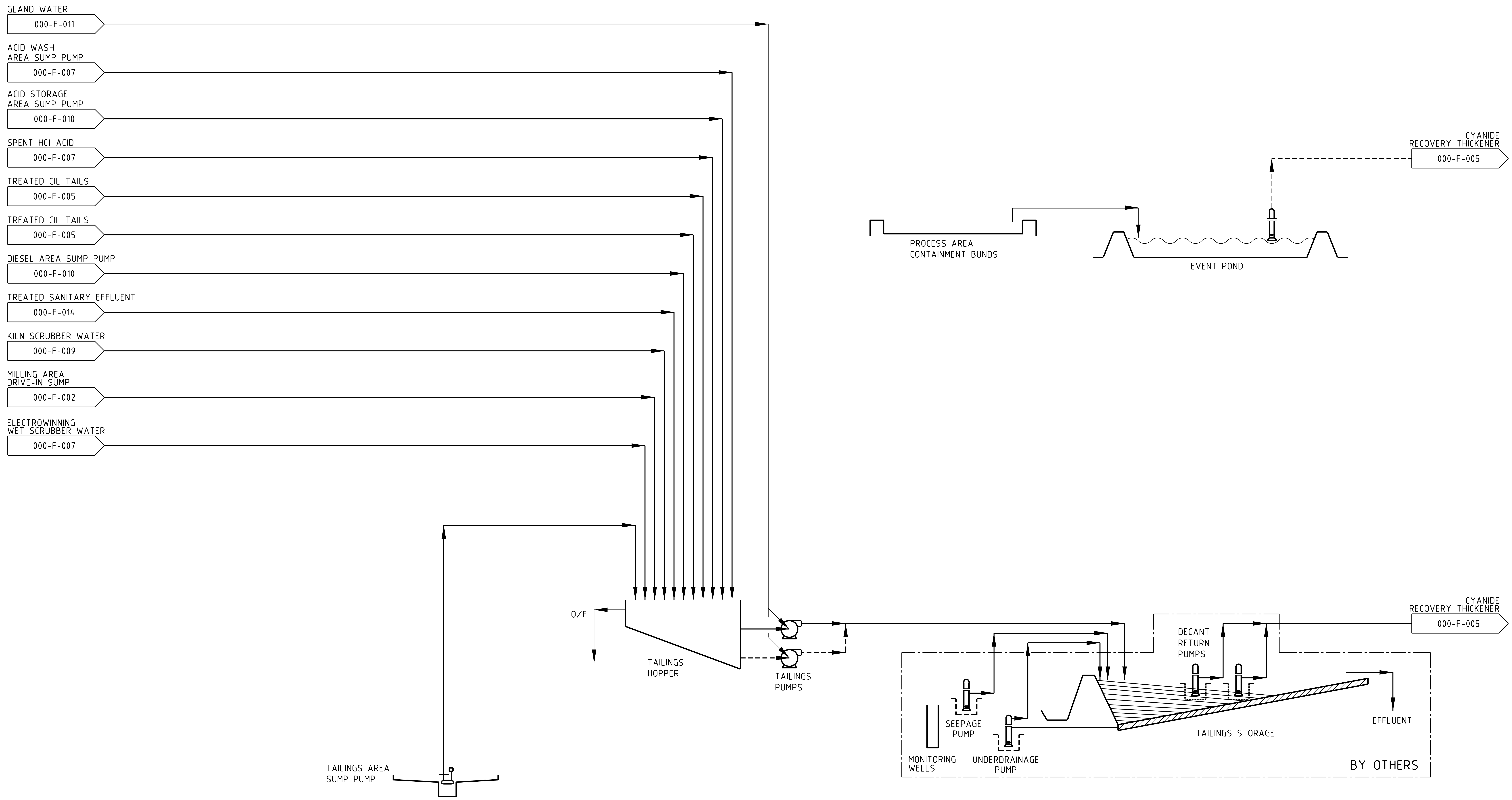

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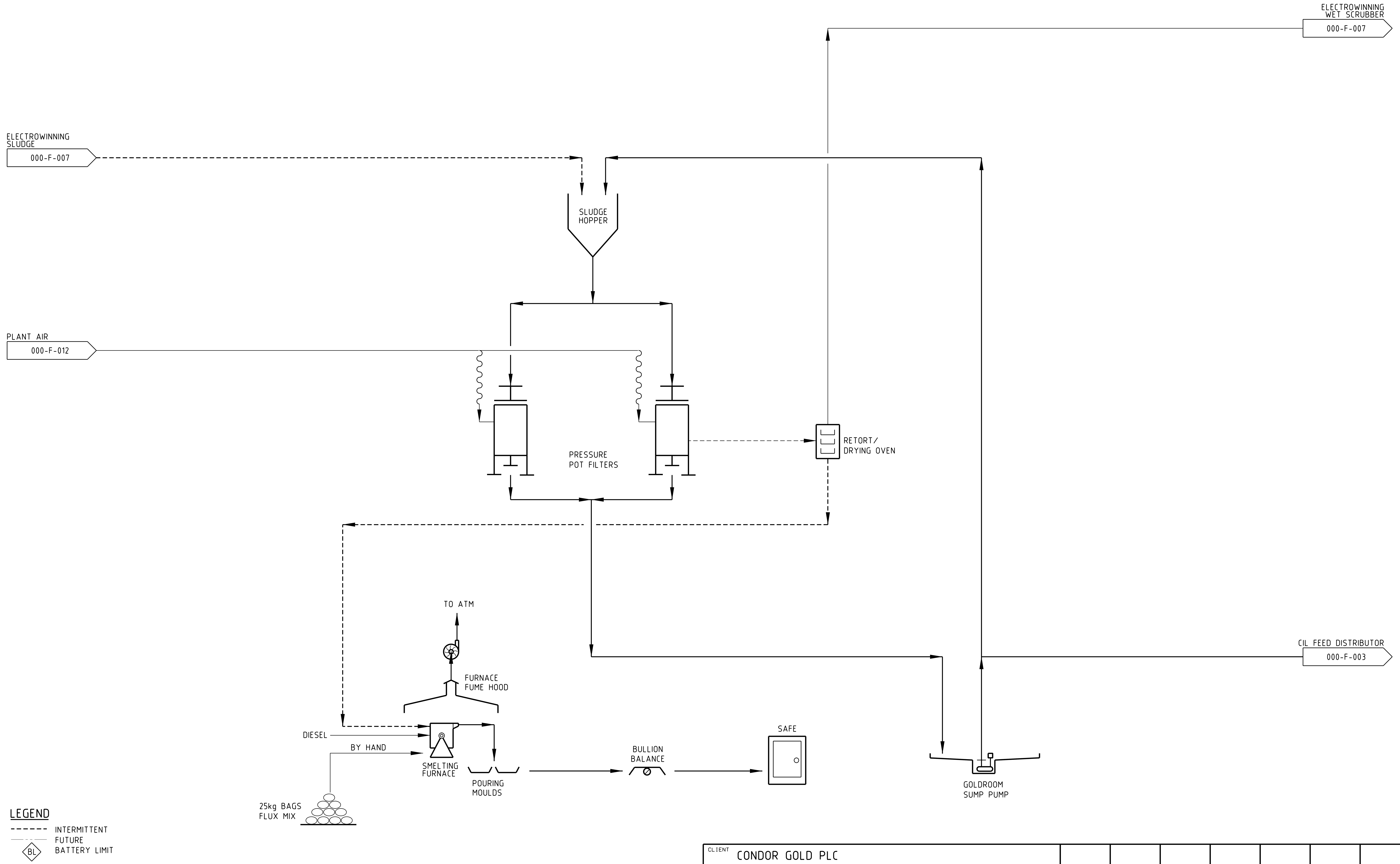

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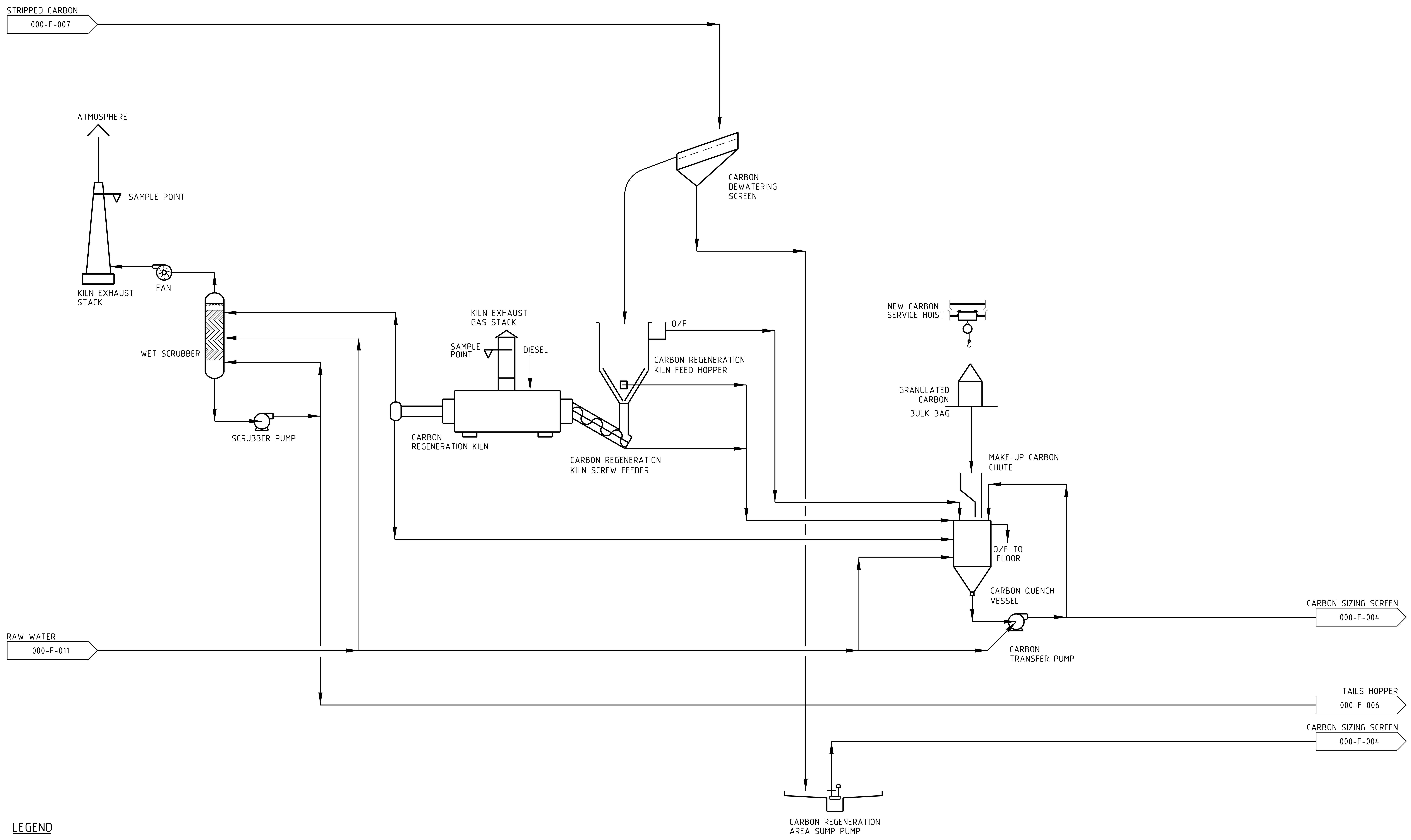

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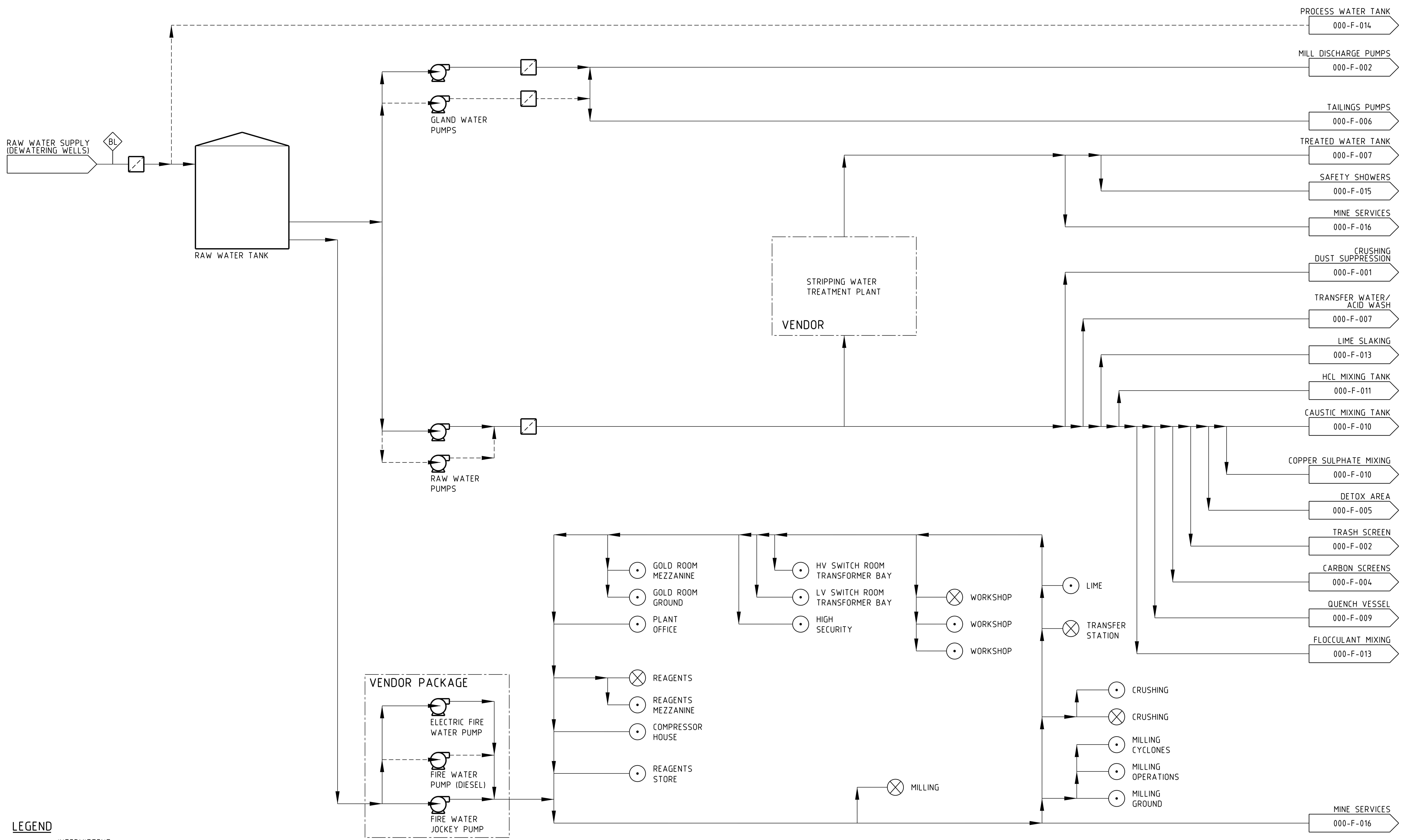

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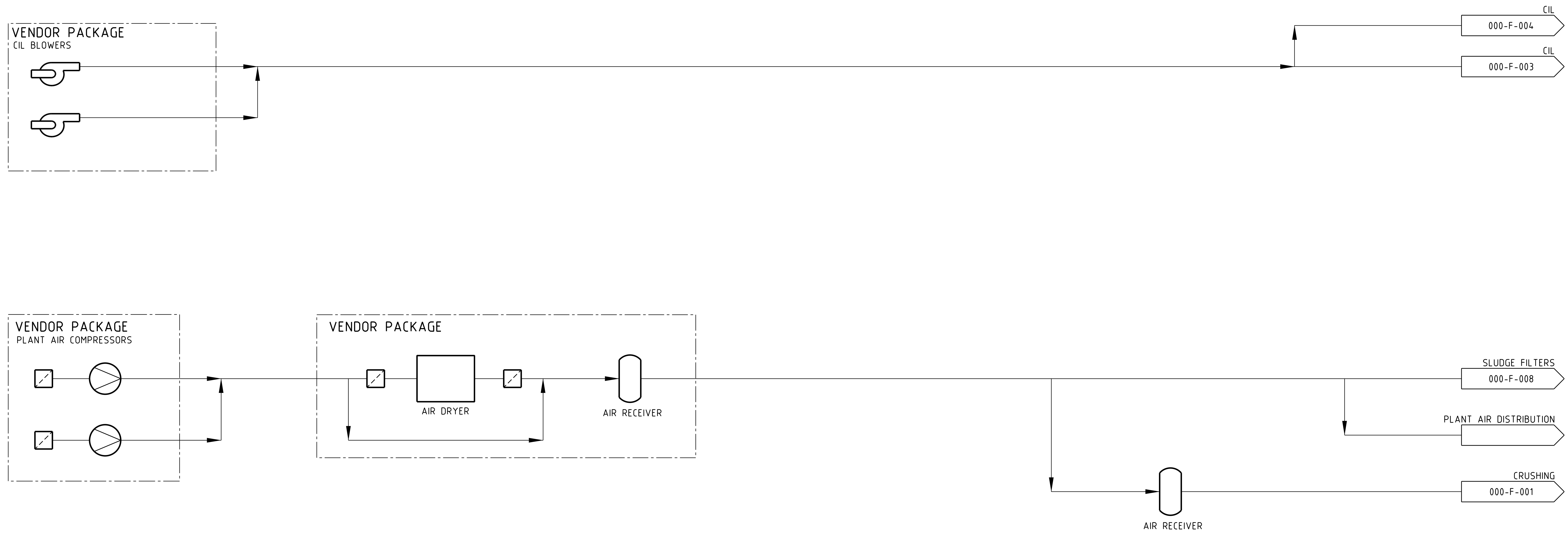

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AIR SERVICES

PROCESS FLOW DIAGRAM

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REAGENTS
LIME SLAKING & FLOCCULANT
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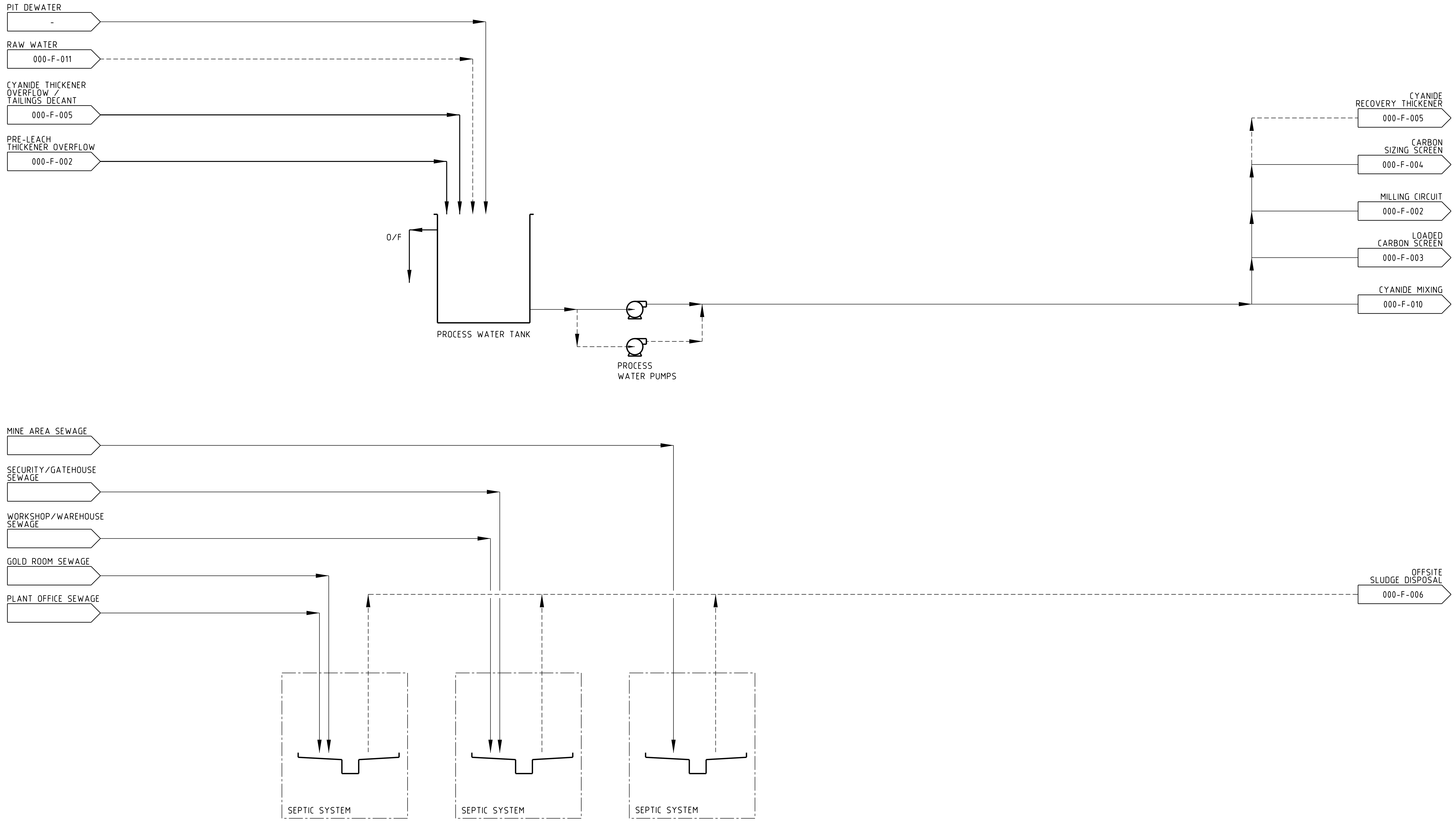

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PROJECT: LA INDIA PROJECT

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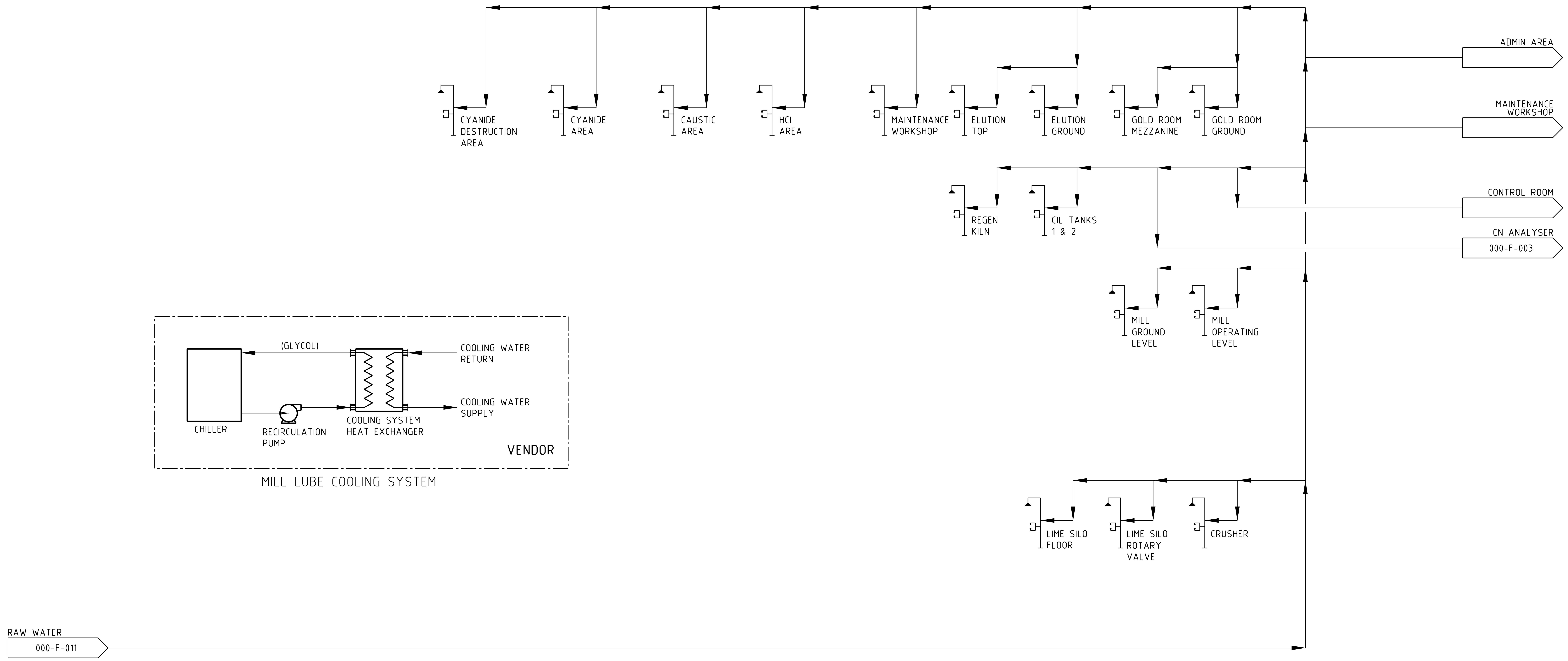

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AND COOLING WATER
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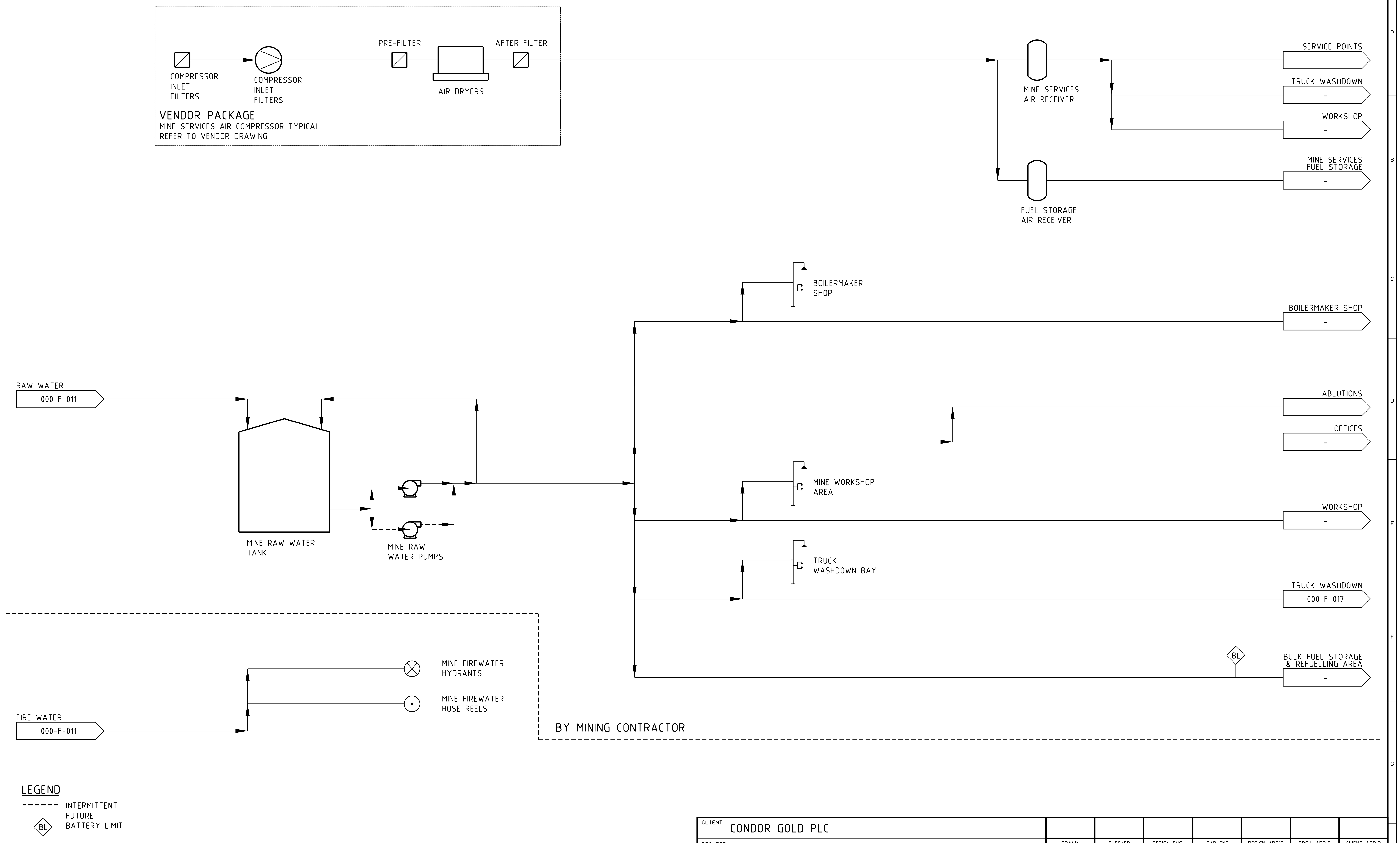

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Lycopodium

Lycopodium Minerals Canada Ltd Corp. No: 767 852-5
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DRAWN	CHECKED	DESIGN ENG.	LEAD ENG.	DESIGN APP'D	PROJ. APP'D	CLIENT APP'D

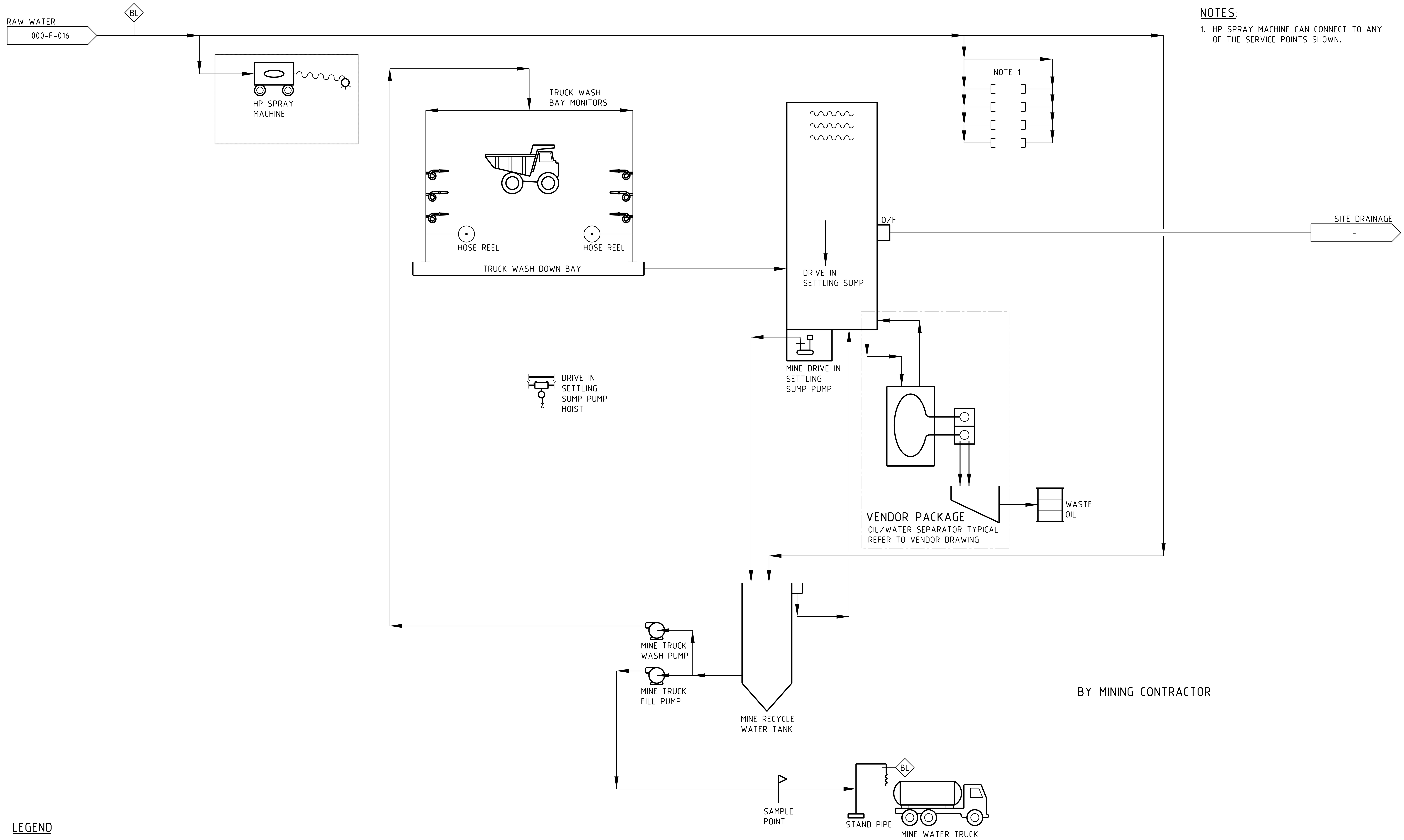
DRAWING TITLE
MINE SERVICES
PROCESS FLOW DIAGRAM

SCALE	JOB NO.	DRG NO.	REV.
NTS	5032	000-F-016	C

DRAWN	DATE
SH	14MAY14

NOTES:

1. HP SPRAY MACHINE CAN CONNECT TO ANY OF THE SERVICE POINTS SHOWN.



LEGEND

- ------ INTERMITTENT
- ——·—— FUTURE
- (BL) BATTERY LIMIT

DRG NO	REFERENCE DRAWINGS	REV	DATE	DESCRIPTION	DRN	CHK'D	DESIGN ENG.	LEAD ENG.	DESIGN APP'D	PROJ. APP'D	CLIENT APP'D
		C	24JUL14	RE-ISSUED FOR STUDY	SH		AC			DM	
		B	17JUN14	ISSUED FOR STUDY	SH		AC			DM	
		A	29MAY14	ISSUED FOR REVIEW - PRE FEASIBILITY STUDY	SH		AC			DM	

CLIENT: CONDOR GOLD PLC

PROJECT: LA INDIA PROJECT

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DRAWN	CHECKED	DESIGN ENG.	LEAD ENG.	DESIGN APP'D	PROJ. APP'D	CLIENT APP'D

DRAWING TITLE: MINE SERVICES TRUCK WASHDOWN PROCESS FLOW DIAGRAM

SCALE	JOB NO.	DRG NO.	REV.
NTS	5032	000-F-017	C

DRAWN: SH — DATE: 14MAY14