Condor Gold Additional Exploration Potential, La India Project, Nicaragua

03.04.2014 | Marketwired

Update for La India Project, Nicaragua

LONDON, ENGLAND--(Marketwired - Apr 3, 2014) - Condor (AIM:CNR), is pleased to provide an update on regional exploration activity at La India Project. Condor has reviewed the geological and gold mineralisation model for the La India Project following the airborne geophysics programme and mineral resource update in November 2013 and the detailed NI 43-101 mineral resource estimated published in January 2014.

Highlights of La India Project Additional Exploration Potential:

- **New district-scale gold mineralised geological model completed, permitting greater understanding of structural controls and location of conduits along which gold-bearing fluids flowed and deposited gold-bearing veins.**
- **Eight targets identified outside existing resource areas.**
- **Over 400 rock chip samples were taken from all eight different target areas with 90 assaying above 1g/t gold and 22 returning assay results above 10g/t gold.**
- **The Dos Hermanos Vein which is interpreted as a backbone structure, with rock chip samples of up to 67.7g/t Au from a quartz-calcite-clay vein.**
- **Areas of abundant quartz vein outcrop and float have been identified along a 5km strike length to the south of La India Open Pit and could indicate hidden gold mineralisation that may have underground mining potential.**
- **Trench programme of 1400m ongoing on five target areas, majority of results pending.**

La India Project contains a total mineral resource of 18.4Mt at 3.9g/t for 2.33M oz gold, including an Indicated mineral resource of 9.6Mt at 3.5g/t for 1.08M oz gold, Inferred mineral resource of 8.8Mt at 4.4g/t for 1.25M oz gold. Total open pit mineral resources are 1.14M oz gold at 3.1g/t. the mineral gold resources are confined to approximately 10% of La India Project's 280 sq km area. Condor geologists have identified and ranked eight exploration targets outside the current area of mineral resources and initiated a regional exploration programme. Two styles of exploration target have been identified: near surface gold mineralisation with open pit potential and hidden gold mineralisation that may have underground mining potential. Both target styles have been ranked by prospectivity, with the near surface targets assigned overall priority in line with Condor's mine development strategy at La India Project. Any additional open pit material could be incorporated into the ongoing open pit mining studies. A hidden deposit is considered a longer term exploration play.

Mark Child, Chairman and CEO commented:

"The completion of a District-scale gold mineralisation geological model following the airborne geophysics programme and detailed Mineral Resource update of January 2014 has helped Condor's geologists better understand the upside exploration potential of the Company's tenements. The results of a rock chip sampling programme on eight new target areas are highly encouraging. Over 400 rock chip samples were taken with 90 assaying above 1g/t gold and 22 returning assay results over 10g/t gold. A follow up 1,400 metre trench programme is on-going on five target areas, the majority of the trench results are pending. La India Project has large areas that show surface expressions of gold mineralisation, which have yet to be drilled. We remain of the view the goldfield has the potential to host substantial additional gold resources that will be discovered over time."

Development of District-scale gold mineralisation model

Condor geologists have used airborne magnetic and radiometric, and satellite derived topographic data collected last year over the entire 280km² project area, combined with geological mapping and the existing exploration database to develop a geological model of the La India Project's epithermal gold mineralisation system. The topographic and magnetic data has improved the understanding of the structural system that provides the conduits along which the hydrothermal gold-bearing fluids flowed and deposited the gold-bearing quartz and quartz-carbonate veins. The radiometric data, in particular the potassium concentration, has provided a quantitative indication of the amount of hydrothermal fluid flow and epithermal vein deposition along the geological structures. Structures with the strongest potassium concentrations are interpreted as the principal conduits for the flow of hydrothermal fluids during the period of active gold deposition and are referred to as 'backbone' structures.

The strongest and most consistent potassium anomaly forms a backbone structure that initiates at the southern end of La India structure, passes along the Escondido structure to the America Vein, then northwestern along the America and Guapinol structures to what is interpreted as a fluid dispersion zone further northwest (see Figure 2; locations 3 to 4). Two other 'backbone' structures with similar orientations are recognised to the south and west of the La India structure; the San Lucas structure and the Dos Hermanos structure (see Figure 2; locations 1 and 2 respectively). At the northern part of the Project area a separate mineralised trend, or backbone structure, is recognised with a similar strike direction, which includes the Cristalito-Tatescame Resource and can be traced as far as the Andrea Vein in the northwest (see Figure 2; locations 6 to 7 to 8).

It is important to note that airborne radiometric data only reflects the chemistry of the surface material and will not detect mineralisation and alteration that is hidden, either because the gold-enriched boiling zone mineralisation does not reach the surface or because it is covered by transported material such as river deposits or thick forest. Potential hidden or deep-seated mineralised bodies have been targeted by identifying the strike continuation of backbone structures using magnetic, topographic and geological data, and also by identifying evidence of upper level and near surface hydrothermal fluid movement above the boiling zone through the field identification of low-temperature vein textures such as chalcedonic and opaline quartz phases.

Identification and ranking of exploration targets

Eight targets were identified as under-explored areas within prospective geological settings (see Figure 1). Initial follow-up geological prospecting and rock chip sampling provided sufficient information about the style of mineralisation, and an indication of the gold grades to rank the targets and develop exploration plans. Two target styles have been identified: near surface gold mineralisation with open pit potential and deep-seated gold mineralisation that may have underground mining potential. Over 400 rock chip samples were taken from the eight target areas with 90 assaying above 1g/t gold and 22 returning assay results above 10g/t gold, underlining the abundant and widespread gold mineralisation in the project area (see Figure 2).

To view Figure 1, "Current mineral resources and regional exploration targets shown overlying a radiometric Thorium:Potassium background, high potassium to low thorium coloured blue", please click the following link: http://media3.marketwire.com/docs/CondorFig1.pdf

Table 1. Regional exploration targets identified in the latest gold-mineralisation model developed using new geophysics, topographic, geological mapping and prospecting data.

Area	No.	Name	Target Style	Interpretation
Southern Zone	1	Dos Hermanos	Near surface	Backbone structure, boiling zone at surface.
	2	San Lucas	Near surface	Backbone structure, boiling zone at surface.
	3	La Mojarra	Hidden	Principal backbone structure, high-level vein textures at su
	4	NW extension of India-America and Mestiza	Near surface	Dispersion zone of principal backbone structure, boiling zo
Northern Belt	5	El Tanque	Partially hidden	Top of boiling zone reaches surface over a limited area.
	6	Real de la Cruz	Near Surface	Boiling zone at surface.
	7	Tatescame (Cristalito)	Near surface - partially hidden	Boiling zone and top of boiling zone reaches surface over
	8	Andrea Vein	Near surface	Backbone structure, boiling zone at surface.

To view Figure 2, "Exploration targets shown overlying a radiometric Thorium:Potassium background

coloured such that high potassium to low thorium is coloured blue", please click the following link: http://media3.marketwire.com/docs/CondorFig2.pdf

The Company is prioritising near surface targets because they have the potential to supply supplementary open pittable resources. The priority ranked near surface targets are those interpreted as backbone structures where the current ground surface is at or just above the epithermal boiling zone. The top ranked near surface targets are located in the southwest and east of the Project area:

- The Dos Hermanos Vein which is interpreted as a backbone structure, with rock chip samples of up to 67.7g/t Au from a quartz-calcite-clay vein.
- The northern strike extension of the San Lucas structure which is interpreted as another backbone structure and which returned rock chip samples up to 13.4g/t Au.
- Lower priority targets include the northwestern strike extension of the America Structure and Real de La Cruz area in the northeast of the Project area.

High-grade near surface gold mineralisation that does not fall within an interpreted backbone structure such as the interpreted fluid dispersion zone to the northwest of the America and Mestiza vein sets is assigned a lower priority.

The priority targets for hidden gold mineralisation is considered to be the southeastern strike extension of the La India backbone structure on Condor's La Mojarra Concession. Areas of abundant quartz vein outcrop and float with chalcedonic and opaline textures are indicative of near-surface or surficial hot-spring type deposition, well above the gold-enriched boiling zone have been identified along a 5km strike length. This quartz does not typically contain gold mineralisation, but may be located directly above an undiscovered gold-enriched boiling zone. Drilling on the southern strike extent of the principal La India Vein has already established the presence of high-grade hidden gold mineralisation. The southern 300m strike length of the La India Vein dips beneath the surface towards the south with intercepts of up to 21.08m (16.1m true width) at 10.24g/t gold from 193.80m drill depth encountered where no vein is present at surface (see press release dated 29th August 2012). The gold mineralisation remains open at depth along strike beneath the La Mojarra target.

The northern mineralised belt that runs for over 10km between Real de la Cruz and the Andrea Vein is generally characterised by vein and breccia zones that might represent the top of the boiling zone. Further geochemical characterisation work is being conducted to clarify the interpretation and better establish the prospectivity at depth.

Exploration activity

Trench testing of the near surface targets using both manual methods and a mechanical excavator have been underway since February 2014 with over 1200m of trenching excavated to date. Five trenches for 411m tested a 1500m section of the Dos Hermanos Structure. The Dos Hermanos Vein was exploited by a British Company using small scale mining techniques prior to the nearby La India Mine, but has never been trench or drill tested. An intersection of 1.00m at 11.5g/t gold in the centre of the historic mine zone confirmed high grade gold mineralisation encountered in rock chip sampling. Over 1km along strike to the northwest a 304m long trench excavated at the northern known strike extent of the structure intersected a network of multiple veins near the intersection between the northwest striking Dos Hermanos Vein and a north striking vein known as El Duende. In this zone a 20m wide cross-strike interval intersected veins assaying at:

- 1.60m at 4.61g/t gold,
- 0.60m at 5.70g/t gold and
- 0.10m at 2.30g/t gold.

The trench programme is ongoing with further assay results pending for trenches already completed on the San Lucas Structure. Further trench results will be announced once assay results are back for the on-going 1,400m trench programme.

Deep seated hidden mineralisation targets will eventually require deep drilling to define their gold mineralisation potential. Soil geochemistry surveys will be used to help identify hotspots at the centres of the

hydrothermal systems and site deep exploratory drillholes where there is the maximum chance of successfully intersecting any hidden gold deposits. A regional geochemical study is underway to identify the pathfinder elements associated with the gold mineralising epithermal system at La India that will be used in the soil survey using a multi-element geochemistry database containing over two thousand rockchip samples.

The regional exploration will continue during the ongoing pre-feasibility study with the focus shifting to the northern belt over the next few months.

Competent Person's Declaration

The information in this announcement that relates to the mineral potential, geology, Exploration Results and database is based on information compiled by and reviewed by Dr Luc English, the Country Exploration Manager, who is a Chartered Geologist and Fellow of the Geological Society of London, and a geologist with eighteen years of experience in the exploration and definition of precious and base metal mineral resources. Luc English is a full-time employee of Condor Gold plc and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Luc English consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

For further information please visit www.condorgold.com.

About Condor Gold plc:

Condor Gold plc is an AIM listed exploration company focused on developing gold and silver resource projects in Central America. The Company was admitted to AIM on 31st May 2006 with the stated strategy to prove up CIM/JORC Resources in Nicaragua and El Salvador. Condor has eight 100% owned concessions in La India Mining District ("La India Project"); three 100% owned concessions in three other project areas and 20% in the Cerro Quiroz concession in Nicaragua. In El Salvador, Condor has 90% ownership of four licences in two project areas.

Condor's La India Project in Nicaragua currently contains a total attributable mineral resource of 18.4Mt at 3.9g/t for 2.33M oz gold and 2.68M oz silver at 6.2g/t to the CIM Code. Total gold equivalent of 2.37M oz. Including: Indicated mineral resource of 9.6Mt at 3.5g/t for 1.08M oz gold, Inferred mineral resource of 8.8Mt at 4.4g/t for 1.25M oz gold. Total open pit mineral resources of 1.14M oz gold at 3.1g/t. In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6g/t JORC compliant resource. The resource calculations are compiled by independent geologists SRK Consulting (UK) Limited for Nicaragua and Ravensgate and Geosure for El Salvador.

Disclaimer

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Technical Glossary

Alteration	The chemical process of chemically transforming rock minerals to other rock minerals through contact with hot fluids.
Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as p is equivalent to grams of the mineral (i.e. gold) per tonne of rock
Calcite	A common rock mineral composed of the elements calcium, carbon and oxygen.
Caldera	A ring shaped depression caused by the collapse of an area of land at the centre of a volcanic complex caused by the empt magma chamber.
Carbonate	A common rock mineral composed of the elements carbon, oxygen and one or more metal, most commonly calcium, sodiu potassium or iron.
Chalcedonic	A type of quartz texture in which the silica crystals making up the mineral are very small such that they give a waxy luster to characteristic of crystallization under low-temperature conditions.

CIM Code	The reporting standard adopted for the reporting of the Mineral resources is that defined by the terms and definitions given definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Reserves (December 2005) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as def Reserves International Reporting Standards Committee
Dip	A line directed down the steepest axis of a planar structure including a planar ore body or zone of mineralisation. The dip ha direction and inclination from horizontal.
Down-dip	Further down towards the deepest parts of an ore body or zone of mineralisation
Epithermal	Mineral veins and ore deposited from fluids at shallow depths at low pressure and temperatures ranging from 50-300°C
Geophysics	The measurement and interpretation of the earth's physical parameters using non-invasive methods such as measuring the susceptibility, electrical conductivity, seismic response and natural radioactive emissions.
Gold Equivalent	Gold equivalent grade is calculated by dividing the silver assay result by 60, adding it to the gold value and assuming 100% recovery
Grade	The proportion of a mineral within a rock or other material. For gold mineralisation this is usually reported as grams of gold
g/t	grams per tonne
Hanging wall	The rock adjacent to and above an ore or mineralised body or geological fault. Note that on steeply-dipping tabular ore or m hanging wall will be inclined nearer to the vertical than horizontal.
Hydrothermal	Hot water circulation often caused by heating of groundwater by near surface magmas and often occurring in association w Hydrothermal waters can contain significant concentrations of dissolved minerals.
Inferred Mineral Resource	That part of a Mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidenc geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered thr techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited, or of uncertain qual
Indicated resource	That part of a Mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate te locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced t and/or grade continuity but are spaced closely enough for continuity to be assumed
Intercept	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralized zone. The intercept entire thickness and the average grade of mineralisation
JORC	Australian Joint Ore Reserves Committee, common reference to the Australasian Code for reporting of identified mineral re reserves
koz	Thousand troy ounces
kt	Thousand tonnes
Magnetic (aeromagnetic) survey	The measurement of the magnetic properties of the earth surface as controlled by the concentration and distribution of mag particularly magnetite, in the rock. Rocks containing higher levels of iron, such as mafic igneous rocks or some sedimentary higher magnetic susceptibility than felsic igneous rocks, siliciclastic and carbonate sediments and their metamorphic derivat
Mineral Resource	A concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geol of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and model
Opaline	A type of silica texture in which the quartz mineral are hydrated (contain water) and have a microcrystalline or non-crystallin
Open pit mining	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in opposed to underground mining).
oz	Troy ounce, equivalent to 31.103477 grams
Quartz	A common rock mineral composed of the elements silicon and oxygen.
Quartz breccia	Broken fragments of rock cemented together by a network of quartz rock. The quartz is deposited from saturated geotherma space between the rock fragments.
Quartz veins	Deposit of quartz rock that develop in fractures and fissures in the surrounding rock. They are deposited by saturated geoth the surface through the cracks in the rock and then cooling, taking on the shape of the cracks that they fill.
Radiometric	Also known as gamma ray spectrometry, is the measure of natural radiation on the top 30-45cm of the earth's surface. The three naturally occurring radioactive elements, potassium (K), thorium (Th) and uranium (U), is proportional to the abundanc containing those elements. This information can be used in mapping the surface geology including the definition of areas of enrichment related to hydrothermal alteration.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
Trench	The excavation of a horizontally elongate pit (trench), typically up to 2m deep and up to 1.5m wide in order to access fresh and take channel samples across a mineralised structure. The trench is normally orientated such that samples taken along perpendicular to the mineralised structure.
Mt	Million tonnes
Vein	A sheet-like body of crystalised minerals within a rock, generally forming in a discontinuity or crack between two rock masse concentrations of gold are often contained within vein minerals.

Contact

Condor Gold plc
Mark Child
Executive Chairman and CEO
+44 (0) 20 7408 1067
www.condorgold.com
Condor Gold plc
Luc English
Country Manager
Nicaragua
+505 8854 0753
Beaumont Cornish Limited
Roland Cornish
+44 (0) 20 7628 3396
Numis Securities Limited
John Prior and James Black
+44 (0) 20 72601000
Farm Street Media
Simon Robinson
+44 (0) 7593 340107