

[Condor Gold plc](#) ('Condor', 'Condor Gold' or 'the Company') (AIM: CNR) is pleased to announce drill results from an initial 2,000 m drill programme on the Mestiza Vein Set ('Mestiza') at La India Project, Nicaragua. The objective is to test an historic, relatively shallow, Soviet mineral resource (2,392 kt at 10.2 g/t gold for 785,694 oz gold). Initial results from the Tatiana Vein, one of the constituent veins, are excellent. The programme continues.

#### Highlights:

- LIDC344 drill width 3.3 m (true width 2.2 m) at 28.3 g/t gold and 38.9 g/t silver including 0.95m@75.6 g/t Au. From 76.7 m depth.
- LIDC348 drill width 2.65 m (true width 1.7 m) at 12.6 g/t gold and 21.8 g/t silver including 0.6m@27.7 g/t Au. From 91 m depth.
- The initial 2,000 m drilling is now expanded to 3,000 m.
- The Tatiana vein has excellent continuity for 1.5km and is a 4-5 m wide mineralised structure.
- High recoveries achieved in vein zone, including mineralised fault breccias that previous drilling failed to recover.
- Second rig mobilised and has commenced drilling.

#### Mark Child, Chairman and CEO comments:

"The initial drill results at Mestiza of 3.3 m at 28.3 g/t gold and 2.65 m at 12.6 g/t gold are highly encouraging. The objective is to convert an historic Soviet-style mineral resource of 2,392 kt at 10.2 g/t gold for 785,694 oz gold to Canadian NI 43-101 standard. This will boost the current NI 43-101-compliant Inferred Mineral Resource at Mestiza of 1,490 kt at 7.47 g/t for 333,000 oz gold.

Mestiza is excluded from the current mine plans in the PFS and PEAs. A successful resource conversion has the potential to add large, high grade, and relatively shallow resources to a future mine plan, thereby increasing the annual gold production, life of mine and project economics. The Tatiana vein has excellent continuity for 1.5km and is a 4-5 m wide mineralised structure. In the past few days a second rig has commenced drilling on Mestiza."

#### Background

La India Project's existing NI 43-101-compliant mineral resource is 18 Mt at 4.0 g/t Au for 2.31 Moz gold. This comprises 7 separate resources, all open along strike and at depth. It includes Mestiza, which hosts a NI 43-101-compliant mineral resource of 1,490 kt at 7.47 g/t for 333,000 oz gold (Table 2). Soviet-backed drilling in 1991 estimated a Soviet-style mineral resource of 2,392 kt at 10.2 g/t gold for 785,694 oz gold at Mestiza (Table 3). The bulk of the resources are contained within the Tatiana vein, the largest of the four main veins on Mestiza.

#### Current Drill Plan

Condor commenced drilling with one drill rig on Mestiza on 23<sup>rd</sup> March 2017, to test the Soviet drill intercepts and convert the Soviet GKZ mineral resource estimate to Canadian NI-43-101 standard (See RNS dated 31<sup>st</sup> March 2017). It is expected that further drilling of about 4,000 m (total of 6,000 m drilling) will be required to convert the majority of the Soviet mineral resource to a NI 43-101-compliant Inferred Mineral Resource.

#### Initial Drill results

The initial 7 drill holes have focussed on the Tatiana Vein. Results to date have been excellent and broadly validated the Soviet drilling. See Table 1 below. A second drill rig has arrived on site and the initial programme increased to 3,000 m.

Tatiana is an approximately 4-6 m wide mineralized structure crosscutting a major unit of welded tuff with conspicuous fiamme. The structure consists of:

- A central high grade vein, 0.5-1.0 m wide, with comb and drusy quartz and minor chalcedony. Textures of the vein vary between holes, from massive silica, to leaching textures with skeletons of former calcite, to locally colloform banded pale green chalcedony with fine streaks of sulphide mineralization.
- 2.5 m of jigsaw and crackle hydrothermal breccia around the central vein. Drusy and comb quartz forms the matrix of these breccias, normally associated with lower gold grades.
- Late fault breccias along the structure containing clasts of vein and hydrothermal breccia, which can contain significant high grade gold mineralisation.

Importantly, the current drilling has, with only one exception, achieved 100% recovery of the vein zone, including the fault

breccias.

In 2006 Triton Minera SA (now owned by B2Gold Inc) twinned drilled a number of the Russian drill holes, but failed to recover the mineralised fault breccias, which resulted in narrower and lower grade drill intercepts. In 2011, Condor Gold drilled the southeast extension of the Tatiana vein on the La India concession and experienced similar poor core recovery (typically less than 70%). Part of the future drilling programme will be used to replace the poor recovery drill holes.

Table 1 Current Drill Results on Mestiza

Prospect	Drill hole ID	From	To	Drill Width (m)	*True Width (m)	Au (g/t)	Ag (g/t)	Other
Tatiana	LIDC342	48.85	51.2	2.35	1.3	1.72	14.5	
Tatiana	LIDC343	90.3	91.8	1.50	0.9	4.50	12.4	
Tatiana	LIDC344	76.7	80	3.3	2.2	28.34	38.9	Including 0.95m@75.6 g/t Au and 0.5m@19.9 g/t Au
Tatiana	LIDC345	129.6	133	3.4	2.2	6.06	21.4	Including 0.2m@22.8 g/t Au and 0.6m@11.8 g/t Au
Tatiana	LIDC346	83.8	86.85	3.05	2.3	6.79	14.1	Including 0.5m@22.5 g/t Au
Tatiana	LIDC347	78.3	81.2	2.9	2.2	5.26	17.1	Including 0.4m@13.6 g/t Au
Tatiana	LIDC348	91	93.65	2.65	1.7	12.64	21.8	Including 0.6m@27.7 g/t Au and 0.8m@14.5 g/t Au

### Mestiza in the context of the La India Project

Mestiza is significant for five reasons:

1. It already hosts a NI 43-101-compliant mineral resource (1,490 kt at 7.47 g/t for 333,000 oz gold; Table 2). However, this is excluded from the current Pre-Feasibility Study ('PFS') and Preliminary Economic Assessments ('PEAs') at La India Project described in points 2 and 3.
2. The December 2014 PEA contains an open pit and underground mining scenario using a 1.6 Mtpa processing plant recovering 1,203 koz gold over the life of mine, with the first 5 years production averaging 138,000 oz gold pa.
3. The January 2016 Whittle Enterprise Optimisation to NPV of the above PEA materially increased the recovered gold and project economics. Using the same 1.6 Mtpa processing plant, recovered gold increases to 1,437 koz gold over the life of mine with the first five years of production averaging 165,000 oz gold pa.
4. All production scenarios to date exclude Mestiza, which is in close proximity to the La India and America vein sets (See Figure 1). There is a high possibility of bringing additional high grade gold from Mestiza into a future mine plan, feeding a centralised processing plant.
5. Importantly, Mestiza hosts a relatively shallow high grade resource, which is currently viewed as a combined open pit-underground mining target. The average drill depth is 112 m for the 6,000 m resource conversion drilling programme. The existing resource is open along strike in both directions and at depth. The shallow, high grade nature of the resource suggests it could be added early on to the mine plan, enhancing the production profile and economics of the project.

Table 2 Mestiza Vein Set NI 43-101 Mineral Resource Estimate

SRK NI-43-101 resource estimate (30-09-2014)				
Vein	Category	Tons (kt)	Grade (g/t)	Au (oz)
Espinito	Inferred	200	7.7	50,000
Buenos Aires Jicaro	Inferred	210	8.0	53,000
Tatiana	Inferred	1,080	6.6	230,000
TOTAL		1,490	7.5	333,000

Table 3 Mestiza Vein Set, Soviet GKZ Mineral Resource Estimate (including the above NI-43-101 resources)

Soviet GKZ mineral resource estimate (1991)					
Vein	Category	Tons (kt)	Grade (g/t)	Au (oz)	
Espinito	C1,C2,P1	353	9.8	112,013	
San Pablo	P1	39	12.2	15,338	
Buenos Aires Jicaro	C2, P1	317	16.8	171,489	
Tatiana	C2, P1, P2	1,682	9.0	486,855	
TOTAL		2,392	10.2	785,694	

Note: The numbers in Tables 1 to 3 and Figure 1 have been rounded where appropriate.

### Competent Person's Declaration

The information in this announcement that relates to the mineral potential, geology, exploration results and database is based on information compiled, and reviewed, by Mr Peter Flindell, Member of the Australian Institute of Geoscientists, Member of the Australasian Institute of Mining and Metallurgy and Member of the Society of Economic Geologists. Mr Flindell is a geologist with over thirty years of experience in the exploration of precious metal mineral resources. Mr Flindell is a non-executive director on the Board of [Condor Gold plc](#) who also provides technical leadership to the technical team in Nicaragua and has considerable experience in epithermal mineralization, the type of deposit under consideration, and sufficient experience in the type of activity that he is undertaking to qualify as a 'Competent Person' as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Mr Flindell consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

### Technical Glossary

Assay	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. Usually reported as parts per million which is equivalent to grams of the mineral (i.e. gold) per tonne of rock
C1	C1 reserves are broadly equivalent to JORC indicated resources and have been estimated by a sparse grid of trenches, drill holes or underground workings. The quality and properties of the deposit are known tentatively by analyses and by analogy with known deposits of the same type. The general conditions for exploitation are partially known
C2	C2 reserves are broadly equivalent to JORC inferred resources and have been extrapolated from limited data, probably only a single hole
Geochemistry	The study of the elements and their interaction as minerals to makeup rocks and soils
Geophysics	The measurement and interpretation of the earth's physical parameters using non-invasive methods such as measuring the gravity, magnetic susceptibility, electrical conductivity, seismic response and natural radioactive emissions.
Hydrothermal	Hot water circulation often caused by heating of groundwater by near surface magmas and often occurring in association with volcanic activity. Hydrothermal waters can contain significant concentrations of dissolved minerals.
Kt	Thousand tonnes
Mineral Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Mineral Resource	A concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological knowledge, or interpreted from a well constrained and portrayed geological model.
NI 43-101	Canadian National Instrument 43-101 a common standard for reporting of identified mineral resources and ore reserves
Phreatic breccias	Fragmental rocks formed near the Earth's surface by the interaction of hot rock and cold water, or vice versa. Commonly occur at the top of mineralized epithermal gold systems.
Rock chip	A sample of rock collected for analysis, from one or several close spaced sample points at a location. Unless otherwise stated, this type of sample is not representative of the variation in grade across the width of an ore or mineralised body and the assay results cannot be used in a Mineral Resource Estimation
Soviet Classification	The former Soviet system for classification of reserves and resources, developed in 1960 and revised in 1981, which divides mineral concentrations into seven categories of three major groups, based on the level of exploration performed: explored reserves (A, B, C1), evaluated reserves (C2) and prognostic resources (P1, P2, P3)
Soviet GKZ	The former Soviet State Commission for Mineral Reserves.
Stockwork	Multiple connected veins with more than one orientation, typically consisting of millimetre to centimetre thick fracture-fill veins and veinlets.
Strike length	The longest horizontal dimension of an ore body or zone of mineralisation.
Vein	A sheet-like body of crystallised minerals within a rock, generally forming in a discontinuity or crack between two rock masses. Economic concentrations of gold are often contained within vein minerals.
Zeolite veinlets	Zeolites are hydrated aluminosilicates found in gas bubbles within basalts and in geothermal districts. They also found in the upper parts of gold-bearing epithermal systems.

#### About Condor Gold plc:

[Condor Gold plc](#) was admitted to AIM on 31st May 2006. The Company is a gold exploration and development company with a focus on Central America.

Condor completed a Pre-Feasibility Study (PFS) and two Preliminary Economic Assessments (PEA) on La India Project in Nicaragua in December 2014. The PFS details an open pit gold mineral reserve of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold producing 80,000 oz gold p.a. for 7 years. The PEA for the open pit only scenario details 100,000 oz gold production p.a. for 8 years whereas the PEA for a combination of open pit and underground details 140,000 oz gold production p.a. for 8 years. La India Project contains a total attributable mineral resource of 18.08 Mt at 4.0 g/t for 2.31 M oz gold and 2.68 M oz silver at 6.2 g/t to the CIM Code.

In El Salvador, Condor has an attributable 1,004,000 oz gold equivalent at 2.6 g/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.

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