



# Condor Gold plc

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11 August 2021

## **Condor Gold Plc ("Condor Gold", "Condor" or the "Company")**

### **Interim Report and Accounts for the Three and Six Months Ended 30 June 2021**

Condor Gold plc ("Condor Gold", "Condor", the "Group" or the "Company"), (AIM: CNR; TSX: COG) presents its unaudited interim financial report together with Management's Discussion and Analysis for the three- and six-month periods to 30 June 2021. Both of the above have been posted on the Company's website [www.condorgold.com](http://www.condorgold.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Highlights for the three and six months ended 30 June 2021**

- Mobilisation in January of a second diamond drill rig for the then on-going 3,300 m infill drilling campaign at La India Starter Pits was announced by the Company. The drilling is on 25m by 25m drill spacing.
- Completion of ground investigation drilling of 23 geotechnical drill holes for the final designs of the Tailings Storage Facility and Water Retention Reservoir and 58 geotechnical test pits on these areas and at the location of the processing plant.
- Completion in February of a private placement of 9,523,810 new ordinary shares in the Company at a price of 42p per share, including a Directors & CFO subscription of 4,871,414 shares to raise in aggregate gross proceeds of £4,000,000 before expenses. The Placing was arranged directly by the Company with institutional and other investors.
- In February, the Company commenced drilling of a 5,000m exploration program on the Cacao prospect with the objective of demonstrating the depth of the main gold mineralisation level and extending it along strike for up to 3,000m. Cacao, located only 4km from the planned and permitted processing plant at La India, already hosts an Inferred Mineral Resource of 662 Kt at 2.8 g/t gold for 60,000 oz gold as defined by Condor from 2,890m drilling in 2019. It is a highly prospective target, sitting on a major dilational opening between two major feeder zones (La India and Andrea Corridors). The Cacao vein is one of the widest in the district, comparable to the main La India Vein. Mineral textures are identical to La India.
- The results for the first 26 diamond drill holes for a combined 1,296m on the La India Starter Pit infill drilling programme were announced in March. The primary objective of the drilling programme is to provide 25m spaced drill sampling within the two shallow (up to 35m deep), high-grade Starter Pits within the main La India Open Pit Mineral Reserve. Results included

LIDC404, which drilled 9.6m true width at 3.98 g/t gold from surface (announcement of 9 March, 2021 refers).

- On 15 March the Company agreed to purchase a complete new Semi Autogenous Mill (“SAG Mill”) package from First Majestic Silver Corp (“First Majestic”) (TSX:FR). The purchase consideration is approximately US\$6.5 million, including US\$3.0 million payable in shares of the Company at 50p per ordinary share (the “Consideration Shares”). The SAG Mill package represents a key item of the plant required to bring the Company’s La India Project into production. The SAG Mill is estimated by Metso Outotec’s technical support group to have a throughput of up to 2,300 tonnes per day (“tpd”) or 0.8 million tonnes per annum (“tpa”) on a sustained basis, based on the metallurgical characteristics of the ore and mineralised material at Condor’s La India Project. Based on internal technical studies and mining dilution studies conducted by SRK Consulting (UK) Limited, initial production is expected to be 80,000 – 100,000 oz gold per annum.
- On 30 March further drill results from the on-going diamond drill programme at La India Starter Pits were reported. LIDC406 of 17.90 m (17.4m true width) at 3.27 g/t gold from 24.55m drill depth, including 2.1m @ 15.1 g/t gold is highly encouraging and adds considerable confidence to the geological model, the mineral resource and reserve calculation and mine plan. See announcement of 30 March for further details.
- On 29 April Condor announced 44 drill holes for a combined 2,290m of infill and RC replacement drilling completed within La India Starter Pits. A drill intersect in LIDC413 of 22.05m (21.6m true width) at 6.48 g/t gold including 15 m true width at 8.68 g/t gold from 24.75m drill depth in a starter pit is exceptional in terms of width and grade near surface. The drill intercept in LIDC416 of 16.00m (15.7m true width) at 5.30 g/t gold from 18.35m drill depth including 5.8m true width at 12.35 g/t is also very impressive. See announcement of 29 April for further details.
- Hannam and Partners were appointed as Joint Broker to the Company in June.
- Commencement of a 8,500 metre infill diamond drilling programme within the permitted La Mestiza Open Pit Mineral Resource was announced on 10 June. The programme is anticipated to take a further 4 months to complete. Details regarding the updated preliminary mine schedules on La Mestiza Open Pits, based on the existing Mineral Resource and in support of the 8,500 metre drilling programme were also provided.
- In line with its intent to develop La India Mine into a production unit, on June 15 the Company announced that had commenced a 1,700 metre infill geotechnical drilling programme within the permitted La India Open Pit. Two diamond drill rigs were deployed to expedite progress, with the programme is anticipated to take 5-6 weeks to complete. The programme has been designed by SRK Consulting (UK) Limited to achieve a Feasibility Study (“FS”) level of design and will complement other ongoing FS level work programmes already underway.
- Hanlon Engineering & Associates of Tucson, Arizona (“Hanlon”) was selected in June as the Lead Engineer to develop a FS level of design for a new processing plant around the Company’s recently acquired new SAG Mill. Hanlon will be responsible for the engineering designs, the capital cost and operating costs of the processing plant to a FS level of design.

- A significant drill intercept of 25.93m (14.9m true width) at 3.94 g/t gold from 263.82m, including 4.58m (2.6m true width) at 7.76g/t gold from 282.12m drill depth in drill hole CCDC033 at the Cacao Prospect. This is the best drilling intercept returned to-date from the Cacao Prospect (“Cacao”). This assay result supports the geological model that Cacao is a fully preserved, deep-seated epithermal gold mineralisation system, with the potential to host a significant gold deposit. Cacao is located approximately 4km from the planned processing plant at Condor’s fully permitted La India gold mine and is being assessed as a potential satellite deposit. See announcement of 28 June for further details.

## **Post Period Highlights**

- The Company received final assay results from the diamond drill programme at the Southern Starter Pit at La India and comprising forty five holes for 2345.95 m in and just beneath the La India Starter Pits. The two planned high-grade Starter Pits (up to 35 m deep), the Northern and Southern Starter Pits, have now been drill tested at 25 m by 25 m spacing. These results will be used to estimate an updated mineral resource and reserve. In summary, the infill drilling programme confirmed that the La India Starter Pits, which sit within the fully permitted La India Open Pit Mineral Reserve Estimate of 6.9Mt at 3.1 g/t gold for 675,000 oz gold, contain approximately 447Kt at 4.17 g/t gold for 59,672 oz contained gold within 35m of surface will be targeted early for extraction. The drill assay results further derisk the project ahead of production. See announcement of 5 July for further details.
- An assay result of 60.60 m (54.5 m true width) at 1.98 g/t gold from 4.15 m drill depth, including 5.75 m (5.2 m true width) at 16.88 g/t gold from 42.55 m drill depth in drill hole LIDC452 located between the two proposed starter pits and a further eleven diamond core drill holes located between and along strike of the planned high-grade La India Starter Pits were announced on 21 July. The wide zone of gold mineralization near surface has the potential to reduce the strip ratio in this area due to the increase in gold mineralized tonnage versus waste rock, thus improving Project economics. These results will be incorporated into a revised FS-level mine plan and are expected to have a positive impact on project economics.

## **Mark Child, Chairman and Chief Executive of Condor Gold, commented:**

“Condor made significant advances during the 6 month period at the fully permitted La India Project. A state of the art new SAG Mill has been purchased, with capacity of between 2,300 tpd to 2,800 tpd capable of producing circa 100,000 oz gold per annum, the first shipments have already arrived in Nicaragua. A lead engineering firm has been appointed to produce FS-level designs for a new processing plant using the new SAG mill. Upfront capital costs and operating costs are currently being updated accordingly. The Project has been significantly de-risked by the purchase of 97% of the land and significant progress has been made with several engineering studies to an FS level. The completion during the quarter of a further 1,242 metres (3,370 metres in total) of a 25m x 25m infill drilling within the high grade La India Starter Pits has returned some excellent drill results, notably 21.6m true width at 6.48 g/t gold including 15m true width at 8.68 g/t gold from 24.75 m drill depth and confirmed the geological model. The exploration drilling on Cacao has demonstrated a wide structure, 14.9m true width at 3.94 g/t gold. The Company has completed circa 4,100 metres of a 8,500 metres infill drilling programme on the high grade Mestiza open pit. The Company is on track with its strategic objective of constructing and operating a processing plant producing circa

100,000 oz gold per annum, then materially expanding the production capacity and demonstrating a 5M oz Gold District.”

**CONDOR GOLD PLC**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS TO 30 JUNE 2021**

	Six months to 30.06.21 unaudited £	Six months to 30.06.20 unaudited £	Three months to 30.06.21 unaudited £	Three months to 30.06.20 unaudited £
Revenue	-	-	-	-
Share based payments	(199,591)	(98,534)	(111,320)	(61,932)
Administrative expenses	(814,269)	(735,676)	(390,022)	(385,964)
Gain on disposal of project	-	477,616	-	-
Operating loss	<u>(1,013,860)</u>	<u>(356,594)</u>	<u>(501,342)</u>	<u>(447,896)</u>
Finance income	-	1,175	-	-
Loss before income tax	<u>(1,013,860)</u>	<u>(355,419)</u>	<u>(501,342)</u>	<u>(447,896)</u>
Income tax expense	-	-	-	-
<b>Loss for the period</b>	<b><u>(1,013,860)</u></b>	<b><u>(355,419)</u></b>	<b><u>(501,342)</u></b>	<b><u>(447,896)</u></b>
<b>Other comprehensive income/(loss):</b>				
Currency translation differences	(624,628)	1,323,274	(202,236)	(113,382)
<b>Other comprehensive income/(loss) for the period</b>	<b><u>(624,628)</u></b>	<b><u>1,323,274</u></b>	<b><u>(202,236)</u></b>	<b><u>(113,382)</u></b>
<b>Total comprehensive income/(loss) for the period</b>	<b><u>(1,638,488)</u></b>	<b><u>967,855</u></b>	<b><u>(703,578)</u></b>	<b><u>(561,278)</u></b>
<b>Earnings per share expressed in pence per share:</b>				
Basic and diluted (in pence)	Note 7 <u>(0.78)</u>	<u>(0.36)</u>	<u>(0.37)</u>	<u>(0.43)</u>

**CONDOR GOLD PLC**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	30.06.21 unaudited £	31.12.20 audited £	30.06.20 unaudited £
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7,495,031	3,067,397	1,666,570
Intangible assets	24,096,294	22,089,314	23,179,856
	<u>31,591,325</u>	<u>25,156,711</u>	<u>24,846,426</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	390,128	114,409	207,730
Cash and cash equivalents	3,005,389	4,159,391	7,513,056
	<u>3,395,517</u>	<u>4,273,800</u>	<u>7,720,786</u>
<b>TOTAL ASSETS</b>	<b><u>34,986,842</u></b>	<b><u>29,430,511</u></b>	<b><u>32,567,212</u></b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	328,300	266,412	217,412
	<u>328,300</u>	<u>266,412</u>	<u>217,412</u>
<b>TOTAL LIABILITIES</b>	<b><u>328,300</u></b>	<b><u>266,412</u></b>	<b><u>217,412</u></b>
<b>NET CURRENT ASSETS</b>	<u>3,067,217</u>	<u>4,007,388</u>	<u>7,503,374</u>
<b>NET ASSETS</b>	<b><u>34,658,542</u></b>	<b><u>29,164,099</u></b>	<b><u>32,349,800</u></b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Called up share capital	26,983,286	23,732,526	23,409,725
Share premium	40,858,206	37,175,626	36,974,763
Exchange difference reserve	(2,986,729)	(2,362,101)	576,341
Retained earnings	(30,196,221)	(29,381,952)	(28,611,029)
	<u>(30,196,221)</u>	<u>(29,381,952)</u>	<u>(28,611,029)</u>
<b>TOTAL EQUITY</b>	<b><u>34,658,542</u></b>	<b><u>29,164,099</u></b>	<b><u>32,349,800</u></b>

**CONDOR GOLD PLC**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2021**

	Share capital	Share premium	Exchange difference reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2020	18,932,704	33,953,693	(746,933)	(28,354,144)	23,785,320
Loss for the period	-	-	-	(355,419)	(355,419)
Other comprehensive income:					
Currency translation differences	-	-	1,323,274	-	1,323,274
Total comprehensive income	-	-	1,323,274	(355,419)	967,855
New shares issued	4,477,021	3,243,280	-	-	7,720,301
Issue costs	-	(222,210)	-	-	(222,210)
Share based payment	-	-	-	98,534	98,534
Total contributions by & distributions to owners of the parent, recognised directly in equity	4,477,021	3,021,070	-	98,534	7,596,625
At 30 June 2020	23,409,725	36,974,763	576,341	(28,611,029)	32,349,800
At 1 January 2021	23,732,526	37,175,626	(2,362,101)	(29,381,952)	29,164,099
Loss for the period	-	-	-	(1,013,860)	(1,013,860)
Other comprehensive income:					
Currency translation differences	-	-	(624,628)	-	(624,628)
Total comprehensive income	-	-	(624,628)	(1,013,860)	(1,638,488)
New shares issued	3,250,760	3,682,580	-	-	6,933,340
Issue costs	-	-	-	-	-
Share based payment	-	-	-	199,591	199,591
Total contributions by & distributions to owners of the parent, recognised directly in equity	3,250,760	3,682,580	-	199,591	7,132,931
At 30 June 2021	26,983,286	40,858,206	(2,986,729)	(30,196,221)	34,658,542

**CONDOR GOLD PLC**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS TO 30 JUNE 2021**

	Six months to 30.06.21 unaudited £	Six months to 30.06.20 unaudited £
Loss before tax	(1,013,860)	(355,419)
Share based payment	199,591	98,534
Depreciation charges	-	16
Finance income	-	(1,175)
	<u>(814,269)</u>	<u>(258,044)</u>
Increase in trade and other receivables	(275,719)	(64,451)
(Decrease)/increase in trade and other payables	61,888	(539,690)
	<u>(1,028,100)</u>	<u>(862,185)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(2,662,661)	(983,927)
Purchase of tangible fixed assets	(4,494,661)	(1,050,706)
Interest received	-	1,175
	<u>(7,157,586)</u>	<u>(2,033,458)</u>
Net cash used in investing activities	<u>(7,157,586)</u>	<u>(2,033,458)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from share issue	6,933,340	7,498,091
	<u>6,933,340</u>	<u>7,498,091</u>
Net cash generated from financing activities	<u>6,933,340</u>	<u>7,498,091</u>
Increase/(decrease) in cash and cash equivalents	(1,252,346)	4,602,448
Cash and cash equivalents at beginning of period	4,159,391	2,903,556
Exchange gains on cash and bank	98,344	7,052
	<u>3,005,389</u>	<u>7,513,056</u>

- Ends -

For further information please visit [www.condorgold.com](http://www.condorgold.com) or contact:

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### **About Condor Gold plc:**

Condor Gold plc was admitted to AIM in May 2006 and dual listed on the TSX in January 2018. The Company is a gold exploration and development company with a focus on Nicaragua.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Environmental Permit (“**EP**”) for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at its wholly-owned La India gold project (“La India Project”). The EP is considered the master permit for mining operations in Nicaragua. Condor Gold published a Pre-Feasibility Study (“**PFS**”) on the project in December 2014, summarised in the Technical Report, as defined below. The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for 7 years. La India Project contains a Mineral Resource of 9,850 Kt at 3.6 g/t gold for 1.14 Moz gold in the Indicated category and 8,479 Kt at 4.3 g/t gold for 1.18 Moz gold in the Inferred category. The Indicated Mineral Resource is inclusive of the Mineral Reserve. A gold price of \$1,500/oz and a cut-off grade of 0.5 g/t and 2.0 g/t gold were assumed for open pit and underground resources, respectively. A cut-off grade of 1.5 g/t gold was furthermore applied within a part of the Inferred Resource. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources will be converted to Mineral Reserves.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) in the Inferred Mineral Resource category. Following the permitting of the Mestiza and America open pits, together with the La India open pit Condor has 1.12 Moz gold open pit Mineral Resources permitted for extraction, inclusive of a Mineral Reserve of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold.

## Disclaimer

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

## Qualified Persons

The Mineral Resource Estimate has been completed by Ben Parsons, a Principal Consultant (Resource Geology) with SRK Consulting (U.S.), Inc, who is a Member of the Australian Institute of Mining and Metallurgy, MAusIMM(CP). He has some nineteen years' experience in the exploration, definition and mining of precious and base metals. Ben Parsons is a full-time employee of SRK Consulting (U.S.), Inc, an independent consultancy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a "qualified person" as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators and as required by the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Ben Parsons consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

The technical and scientific information in this press release has been reviewed, verified and approved by Gerald D. Crawford, P.E., who is a "qualified person" as defined by NI 43-101 and is the Chief Technical Officer of Condor Gold plc.

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., who is a "qualified person" as defined by NI 43-101.

## Technical Information

Certain disclosure contained in this news release of a scientific or technical nature has been summarised or extracted from the technical report entitled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", dated November 13, 2017 with an effective date of December 21, 2014 (the "**Technical Report**"), prepared in accordance with NI 43-101. The Technical Report was prepared by or under the supervision of Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Principal Consultant (Mining), Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, and Neil Lincoln of Lycopodium Minerals Canada Ltd., each of whom is an independent "qualified person" as defined by NI 43-101.

## Forward Looking Statements

*All statements in this press release, other than statements of historical fact, are 'forward-looking information' with respect to the Company within the meaning of applicable securities laws, including statements with respect to: the ongoing mining dilution and pit optimisation studies, and the incorporation of same into any mining production schedule, future development and production plans at La India Project. Forward-looking information is often, but not always, identified by the use*

of words such as: "seek", "anticipate", "plan", "continue", "strategies", "estimate", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", "could", "might", "will" and similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: mineral exploration, development and operating risks; estimation of mineralisation, resources and reserves; environmental, health and safety regulations of the resource industry; competitive conditions; operational risks; liquidity and financing risks; funding risk; exploration costs; uninsurable risks; conflicts of interest; risks of operating in Nicaragua; government policy changes; ownership risks; permitting and licencing risks; artisanal miners and community relations; difficulty in enforcement of judgments; market conditions; stress in the global economy; current global financial condition; exchange rate and currency risks; commodity prices; reliance on key personnel; dilution risk; payment of dividends; as well as those factors discussed under the heading "Risk Factors" in the Company's annual information form for the fiscal year ended December 31, 2020 dated March 31, 2021 and available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.