



# Condor Gold plc

7/8 Innovation Place  
Douglas Drive  
Godalming  
Surrey  
GU7 1JX

4 August 2022

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

## **Condor Announces Feasibility Study Level Metallurgical Test Results for La India Open Pit**

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce that it has received the final results of metallurgical tests for a Feasibility Study (FS) being conducted on the La India Open Pit from Bureau Veritas Laboratories in Richmond, British Columbia. The most recent iteration of testing was focused on variability testing and confirmation of recoveries at the lower grades. The 2022 FS Study (the “FS” or “Feasibility Study”) will bring the level of confidence for the Project to the industry-standard of engineering design, sufficient to support +/- 15% capital and operating cost estimates.

### **Highlights of Feasibility Study Metallurgical Test Results**

- The confirmatory testwork demonstrated that gold recovery is independent of grade and a fixed gold recovery of 91% assuming a 75 micron grind size will be used in the project economics of the forthcoming Feasibility Study.
- Gold extraction from the 11 variability composites averaged 92.6% at the 75 micron grind size, which is reduced by 2% to allow for gold being locked up in the processing plant.
- Gold extraction from the four low grade composites averaged 93.8% at the 75 micron target grind, indicating a gold recovery of 91.8% after a 2% reduction to allow for gold being locked up in the processing plant.
- At a finer grind size of 53 microns an average gold extraction of 94.7% was achieved, indicating a potential upside gold recovery of about 93%.
- The selection of the composites by both grade and approximate year of production provides confirmation that the mill recovery will not be materially affected over the life of the La India Mine.

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

“I am delighted that a net metallurgical recovery of 91% will be used in the technical economic models for the forthcoming Feasibility Study on the La India Open pit. Very comprehensive metallurgical test-work has been conducted to the highest standards as a Feasibility Study level is the technical document to which project finance is provided to the Project. 91% metallurgical recovery over the life of mine is a terrific result and represents a significant de-risking of one of the most important variables in the development of a new mine at La India Project and provides significant comfort to investors.

The application of both variability testing and confirmation of low-grade responses is consistent with best practices in the mining industry, while confirming the ability of the processing plant to achieve excellent recoveries down into the lower grade portions of the deposit, in a standard Carbon-in-Pulp cyanidation plant.

The higher gold recovery at 53 micron-grinds suggests an opportunity to recover an additional 2% of the contained gold from the La India material”.

**Background**

During August of 2021 in preparation for the FS, Condor assembled eleven further variability composites from La India Open Pit, testing high grade, medium grade and low-grade composites as well as composites selected to represent individual phases and production years. Additional composites were selected to test responses of the lower grade ores (below 1.5 g/t Au) to ensure that the recovery parameters previously applied were valid at the lower grade ranges. This work was conducted by Bureau Veritas Laboratories (BV) in Richmond, British Columbia.

**Discussion – Leaching Studies**

The 2022 studies were conducted as a confirmation and check of earlier leaching test results obtained in December 2021, and to extend Condor’s understanding of the response of the mineralized material at smaller grind sizes and lower grade ranges.

The variability test results are summarized below in Table 1.

Condor notes that the results of the current BV results are consistent with the results from the PFS study in 2014, which indicated a fixed gold recovery of 91%. It is notable that the current design parameters at a 75 micron grind support a total retention time of 48 hours versus the 30-hour retention time nominated in the PFS.

**Table 1: Summary of Leach Test Results for 2022 Bureau Veritas – 11 Variability Composites**

100 Micron Summary - 11 Variability Composites							
Sample ID	Actual P80 Size µm	Measured Head*		Calculated Head		48h Extraction	
		Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)
High Grade Var Comp	103	5.16	12.67	5.43	14.20	88.74	64.79
Medium Grade Var Comp	99	1.76	9.00	2.29	9.33	87.65	57.11
Low Grade Var Comp	99	0.89	4.00	1.18	3.89	91.72	48.65
Starter Pit North Var Comp	98	1.84	10.33	2.77	10.01	90.32	60.03
Starter Pit South Var Comp	101	2.95	12.67	3.92	13.63	87.30	63.32
Phase 2 - Year 4 Var Comp	98	3.44	10.33	4.85	11.23	92.00	64.38
Phase 2 - Year 5 Var Comp	101	4.32	7.67	4.93	8.29	91.25	63.82
Phase 2 - Year 6 Var Comp	105	5.25	7.00	6.10	7.13	90.58	57.95
Phase 3 - Year 6 Var Comp	102	1.92	5.00	2.25	6.03	90.58	50.22
Phase 3 - Year 7 Var Comp	98	1.90	4.00	2.48	4.27	91.21	53.16
Phase 3 - Year 8 Var Comp	99	2.65	6.00	3.58	5.49	91.73	63.59
<b>Average</b>	<b>100</b>	<b>2.92</b>	<b>8.06</b>	<b>3.62</b>	<b>8.50</b>	<b>90.28</b>	<b>58.82</b>

75 Micron Summary - 11 Variability Composites							
Sample ID	Actual P80 Size µm	Measured Head*		Calculated Head		48h Extraction	
		Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)
High Grade Var Comp	75	5.16	12.67	5.35	13.43	92.64	70.21
Medium Grade Var Comp	73	1.76	9.00	2.32	12.87	90.42	45.61
Low Grade Var Comp	74	0.89	4.00	1.11	3.99	93.79	49.82
Starter Pit North Var Comp	73	1.84	10.33	2.84	11.51	94.03	65.25
Starter Pit South Var Comp	73	2.95	12.67	3.83	14.07	89.93	64.47
Phase 2 - Year 4 Var Comp	73	3.44	10.33	4.16	10.79	94.10	62.93
Phase 2 - Year 5 Var Comp	72	4.32	7.67	4.86	8.21	92.37	63.46
Phase 2 - Year 6 Var Comp	72	5.25	7.00	6.13	7.55	92.46	60.26
Phase 3 - Year 6 Var Comp	78	1.92	5.00	2.17	5.30	93.01	62.27
Phase 3 - Year 7 Var Comp	78	1.90	4.00	2.54	4.29	93.07	53.34
Phase 3 - Year 8 Var Comp	77	2.65	6.00	3.70	5.76	93.54	65.29
<b>Average</b>	<b>74</b>	<b>2.94</b>	<b>8.27</b>	<b>3.53</b>	<b>9.20</b>	<b>92.58</b>	<b>59.76</b>

53 Micron Summary - 11 Variability Composites							
Sample ID	Actual P80 Size µm	Measured Head*		Calculated Head		48h Extraction	
		Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)
High Grade Var Comp	54	5.16	12.67	5.61	13.11	94.57	77.11
Medium Grade Var Comp	68	1.76	9.00	2.28	7.90	91.63	74.67
Low Grade Var Comp	55	0.89	4.00	1.15	4.13	95.96	51.58
Starter Pit North Var Comp	52	1.84	10.33	3.04	10.99	95.37	72.70
Starter Pit South Var Comp	52	2.95	12.67	3.87	13.82	93.55	71.07
Phase 2 - Year 4 Var Comp	54	3.44	10.33	4.22	10.32	95.62	70.94
Phase 2 - Year 5 Var Comp	54	4.32	7.67	4.60	7.57	95.53	73.60
Phase 2 - Year 6 Var Comp	52	5.25	7.00	6.02	7.61	95.12	60.56
Phase 3 - Year 6 Var Comp	55	1.92	5.00	2.15	5.38	94.83	62.85
Phase 3 - Year 7 Var Comp	54	1.90	4.00	2.64	4.49	95.64	55.43
Phase 3 - Year 8 Var Comp	56	2.65	6.00	3.59	5.84	95.19	65.77
<b>Average</b>	<b>55</b>	<b>3.06</b>	<b>8.74</b>	<b>3.66</b>	<b>8.98</b>	<b>94.69</b>	<b>68.34</b>

\* Measured Head is determined prior to the leach testing as determined from a split of the initial sample. Calculated head is based on the sum of the assays of both the leach solutions and of the residue. Calculated head is considered the more reliable measure of the contained gold and recovery.

Condor and its consultants also recognized the lack of metallurgical testing at the lower grade ranges, particularly at the break-even and marginal cutoff ranges. While not a significant contributor to overall project economics, the stockpiling of low and even sub-grade material offers the opportunity for capturing additional ounces at the end of mine-life. This recognition initiated the secondary investigation on the low-grade material.

The results of the low-grade investigations are presented in Table 2 below:

**Table 2: Low Grade Recovery at 75 micron**

Low Grade Composites - 75 micron target grind							
Sample ID	Actual P80 Size µm	Measured Head*		Calculated Head		48h Extraction	
		Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)
Condor 0.5	78	0.48	3.00	0.59	3.10	93.49	35.53
Condor 0.75	82	0.74	3.00	0.86	3.75	94.96	46.66
Condor 1.5	78	1.23	4.67	1.55	4.97	93.08	59.79
Condor 2.0	70	1.81	6.00	2.32	5.65	93.48	64.58
<b>Average response</b>	<b>77</b>	<b>1.06</b>	<b>4.17</b>	<b>1.33</b>	<b>4.37</b>	<b>93.75</b>	<b>51.64</b>

- Ends -

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

Condor Gold plc

Mark Child, Chairman and CEO  
+44 (0) 20 7493 2784

Beaumont Cornish Limited

Roland Cornish and James Biddle  
+44 (0) 20 7628 3396

H&P Advisory Limited

Andrew Chubb and Nilesh Patel  
+44 (0) 20 7907 8500

BlytheRay

Tim Blythe, and Megan Ray  
+44 (0) 20 7138 3204

#### About Condor Gold plc:

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

On 25 October 2021 Condor announced the filing of a Preliminary Economic Assessment Technical Report (“PEA”) for its La India Project, Nicaragua on SEDAR <https://www.sedar.com>. The highlight of the technical study is a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54% and 12 month pay-back

period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial 9 years of gold production. The open pit mine schedules have been optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first 2 years from open pit material and underground mining funded out of cashflow.

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 has purchased a new SAG Mill, which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

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

## **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 technical review of the SGS metallurgical results has been conducted by Eric Olin, a principal consultant with SRK Consulting (U.S. Inc., who is a registered member of SME and a “qualified person” as defined by NI 43-101. Mr. Olin has over 40 years’ experience in extractive metallurgy including extensive experience with CIP and CIL gold extraction plants. Eric Olin 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 mineralization and type of deposit under consideration. Eric Olin 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.

## **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, October 2021", dated October 22, 2021 with an effective date of September 9, 2021 (the "Technical Report"), prepared in accordance with NI 43-101. The Qualified Persons responsible for the Technical Report are Dr Tim Lucks of SRK Consulting (UK) Limited, and Mr Fernando Rodrigues, Mr Stephen Taylor and Mr Ben Parsons of SRK Consulting (U.S.) Inc. Mr Parsons assumes responsibility for the MRE, Mr Rodrigues the open pit mining aspects, Mr Taylor the underground mining aspects and Dr Lucks for the oversight of the remaining technical disciplines and compilation of the report.

## **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 Mineral Resources, Mineral Reserves and future production rates and plans at the 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 licensing 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, 2018 dated March 22, 2019, available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).*

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

## **Technical Glossary**

### **Abrasion Index**

The Bond Abrasion Test determines the Abrasion Index, which is used to determine steel media and liner wear in crushers, rod mills, and ball mills. Bond developed correlations based on the wear rate in pounds of metal wear/kWh of energy used in the comminution process. Higher values indicate more abrasive rock.

### **Calculated Head**

Calculated Head is an assay determined following the metallurgical leach testing and is based on the sum of the assays of both the leach solutions and of the residue, and is considered the more reliable measure of the contained gold and recovery (as compared to the Measured Head).

### **Carbon-in-Pulp (CIP) or Carbon in Leach (CIL)**

A metallurgical process for extracting gold by leaching gold from the pulverized host rock with a cyanide solution. Gold is subsequently adsorbed onto activated charcoal for later recovery.

### **Measured Head**

Measured Head is an assay determined prior to the metallurgical leach testing as determined from a split of the initial sample to be subjected to a leach test. It may vary from the calculated head. Calculated head is based on the sum of the assays of both the leach solutions and of the residue, and is considered the more reliable measure of the contained gold and recovery.

### **Mineral Resource**

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower

level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Material of economic interest refers to diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals.

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of Modifying Factors. The phrase 'reasonable prospects for eventual economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. The Qualified Person should consider and clearly state the basis for determining that the material has reasonable prospects for eventual economic extraction. Assumptions should include estimates of cutoff grade and geological continuity at the selected cut-off, metallurgical recovery, smelter payments, commodity price or product value, mining and processing method and mining, processing and general and administrative costs. The Qualified Person should state if the assessment is based on any direct evidence and testing.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However, for many gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

### **Inferred Mineral Resource**

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes. Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre- Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under NI 43-101.

There may be circumstances, where appropriate sampling, testing, and other measurements are sufficient to demonstrate data integrity, geological and grade/quality continuity of a Measured or Indicated Mineral Resource, however, quality assurance and quality control, or other information may not meet all industry norms for the disclosure of an Indicated or Measured Mineral Resource. Under these circumstances, it may be reasonable for the Qualified Person to report an Inferred Mineral Resource if the Qualified Person has taken steps to verify the information meets the requirements of an Inferred Mineral Resource.

### **Indicated Mineral Resource**

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve. Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Pre-Feasibility Study which can serve as the basis for major development decisions.

### **Mineral Reserve**

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is 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 or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant Modifying Factors. Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the treatment plant or equivalent facility. The term 'Mineral Reserve' need not necessarily

signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals.

'Reference point' refers to the mining or process point at which the Qualified Person prepares a Mineral Reserve. For example, most metal deposits disclose mineral reserves with a "mill feed" reference point. In these cases, reserves are reported as mined ore delivered to the plant and do not include reductions attributed to anticipated plant losses. In contrast, coal reserves have traditionally been reported as tonnes of "clean coal". In this coal example, reserves are reported as a "saleable product" reference point and include reductions for plant yield (recovery). The Qualified Person must clearly state the 'reference point' used in the Mineral Reserve estimate.

### **Master Composite**

A testing sample comprised of multiple sub-samples taken from multiple locations within an area of a deposit. This is a common practice when individual samples are of insufficient size for a minimum sample requirement for metallurgical tests. Source sub-samples are selected to represent specific mineralization types or specific areas within a deposit.

### **Probable Mineral Reserve**

A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

The Qualified Person(s) may elect, to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the Modifying Factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

### **Pre-Feasibility Study (Preliminary Feasibility Study)**

The CIM Definition Standards requires the completion of a Pre-Feasibility Study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves.

A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

### **Relative Density / Specific Gravity**

The weight of a given volume of material expressed as a ratio of the density of water. A specific gravity of 2.50 would indicate that a cubic meter of the material would weigh 2.5 metric tonnes.

SAG Mill Work Index – Short for Semi-Autogenous Grinding –  $(A \times b)$  – The SAG **Mill Work Index** is a measure of the resistance of material to grinding in a SAG mill.

It can be used to determine the grinding power required for a given throughput of material under SAG mill grinding conditions.. The index has no units. Higher values indicate better performance through a SAG mill.