Gold mineralisation on the Estrella Concession, Siuna Municipality, RACCN, Nicaragua

For CONDOR GOLD PLC

Luc English PhD CGeol
Consultant Geologist
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SUMMARY

The Estrella Concession covers an 18 km² area around the historic Estrella de Venus ('Estrella') gold mine in Northeast Nicaragua. The concession is a 25 year mining concession owned by Condor Gold PLC, due for renewal in 2039. The historic mine operated for a few years in the 1930's extracting oxide ore from shallow underground workings. Parts of the old mine are currently worked by artisanal miners. The gold mineralisation is classified as low sulphidation mid-level epithermal gold-silver mineralisation on at least two different structural orientations. Trenching and underground channel sampling has defined wide, high-grade oxide gold mineralisation of up to 9.0 m at 5.44 g/t gold on two structures; northeast striking and East-West striking, along a combined 400 m strike length. Rock chip, stream sediment and soil sampling indicate that gold mineralisation extends along strike in both directions on the Northeast structure for a total of at least 2 km, and that the East-West structure may extend for an additional 1 km to the west. In addition, several unconfirmed very low grade rock chip anomalies were reported by the previous explorer elsewhere in the concession.

Drilling on the concession has been limited to three locations along a 200 m strike length of the Northeast structure. The drilling encountered wide zones of low-grade stockwork mineralisation suggesting that the high-grades at surface may represent supergene enrichment in the upper c.20 m thick weathered oxide zone. The East-West striking structure that is the focus of artisanal mining activity has not been drill tested.

The Estrella Concession is at the centre of an under-explored gold district with a pipeline of exploration targets and opportunities already identified. The East-West structure exploited by the historic mine and the current focus of artisanal mining has not been drill tested and could present a different, and possibly better structural style of mineralisation than the Northeast structure. Stream sediment sampling and a localised soil geochemistry survey suggest that mineralisation on the Northeast structure may extend for over 2 km. Rock chip sampling results suggest that the East-West structure may extend 1 km further along strike than the 100 m exploited by historic and artisanal miners.

Future exploration should be designed to look for structural orientations and/or host lithologies that support wide, high-grade veins rather than the stockwork veining intersected in drilling to date. Soil sampling is demonstrated as an effective exploration tool, but has been limited to what is effectively an orientation survey of one known mineralised structure. A regional soil geochemistry survey using an un-biased survey grid pattern, supported by geological mapping and, budget-permitting, geophysics, would be expected identify the structural controls on gold mineralisation, and identify and rank new prospects. Drill testing the East-West gold mineralised structure at the historic Estrella Mine would test to see whether this structural orientation provides a better host.

INTRODUCTION

This exploration report is a summary of the gold mineralisation, the exploration results, and the historical and recent artisanal mining activity on Condor Gold PLC's ('Condor') Estrella Concession in the Siuna Municipality of the Autonomous RACCN region in Northeast Nicaragua Fig. 1). The report draws on a compilation of exploration data collected by previous concession holders Radius Gold between 2006 and 2008 and submitted to the Nicaraguan Department of Mines when they relinquished the concession. It is also draws on field work carried out by Condor between 2009 and 2020, much of which was carried out under the Author's supervision.

Figure 1. Location of Estrella Concession. 100 km grid squares.

The exploration report was commissioned by Condor Gold PLC and has been prepared by Dr Luc English, a Chartered Geologist and Fellow of

the Geological Society of London with over twenty years of experience in the exploration and definition of precious and base metal resources. Luc English has sufficient experience in the relevant style of mineralisation 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 JORC and a Qualified Person as defined under the CIM reporting codes.

RELIANCE ON OTHER EXPERTS

This study refers to the results of regional rock chip sampling undertaken by TSX-listed Radius Gold Inc. between 2005 and 2007. Radius' rock chip and trench sampling results have been validated by work completed under the Author's supervision, on the Estrella concession by AIM-listed Condor Gold PLC between 2008 and 2014 when the Author was Country Exploration Manager, and in the adjacent concessions by the Author during consultancy work in 2018.

PROPERTY DESCRIPTION AND LOCATION

The Estrella Concession covers an area of 18 km² in the Siuna Municipality in the autonomous RACCN region in northeastern Nicaragua. The mining concession was granted to Condor S.A., a wholly owned subsidiary of Condor Gold PLC on the 14th April 2010 and will due for renewal after 25 years in April 2035.

ACCESSIBILITY, CLIMATE, INFRASTRUCTURE AND PHYSIOGRAPHY

The Estrella concession is situated on the eastern foothills of the Central Highlands of Nicaragua, an area characterised by flat or undulating land at 100-150m altitude with some isolated hills rising up to 200m above the base level. An estimated 80% of the area has been cleared for pasture and subordinate crops, or is used for forestry. Many creeks and some hill tops are covered by forest.

The climate is classified by the Köppen system as transitional between tropical monsoon and tropical rainforest. The wet season between May and November is characterised by intense afternoon rain storms. During the rest of the year it is generally dry, but subject to irregular light rain.

The nearest town, Siuna, is located 20km to the northwest of the concession. Siuna provides most basic requirements and is serviced by daily flights to the capital city, Managua. There is one 4WD vehicle access track onto the concession which goes as far as the historic mine workings. The track is generally passable during the dry season (November to April), but would require improvements to be used during much of the wet season (May to October) when vehicle access is restricted to within 2 km of the concession boundary and 4 km from the historic mine workings. The entire concession area is accessible by foot or horse all year round.

HISTORY

The Estrella Concession hosted a gold mine for a few years in the 1930's and whilst mentioned in several subsequent reports, appears to not have been subject to organised gold exploration until 2004.

Historic Mining

The earliest record of gold in the District is Rosario Mining's Estrella Gold Mine (also referred to as the Estrella de Venus Mine in old reports) which only operated for a few years before being destroyed in 1935 during civil unrest: abandoned steel mine trolleys and rail tracks are testament to this period of mechanised mining. No mine plans or production data are has been sighted for the Estrella Mine. Old reports refer to the mine having four 'tunnels' which could include drifts, access and drainage adits or could imply that they worked on four different levels. The old workings can be traced for approximately 100m where the mineralised structure runs close to the bank of a small river and has been accessed

by artisanal miners at approximately 10-15 m below surface. This is considered likely to have been the lowest level as the mine likely relied on dewatering by gravity drainage and there is a drainage adit from this level to the adjacent river. The vein extends up and along a ridge along strike to the northwest and there is some evidence that the other levels continue for an indeterminate distance beneath the crest of a ridge. It is reported that the mill had a capacity of 20 to 30 tonnes per day, although this does not necessarily mean that production was ever at full capacity.

Modern exploration

Between 2004 and 2007 TSX-listed Radius Gold Inc. completed a stream sediment survey in the District which highlighted gold mineralisation in the area of the Estrella Mine. This was supplemented with a campaign of prospecting and rock chip sampling over the entire District. Follow-up soil sampling, trenching and reconnaissance drilling was only undertaken around the historic mine at Estrella. Four drill holes from three platforms were drilled to test for continuity at depth beneath one of the mineralised structures at the historic mine site. Radius relinquished the concession during the financial crisis of 2008, along with all their other concessions in Nicaragua, as part of a change in corporate strategy.

Condor Gold PLC were granted the current concession in 2010. They validated the surface gold mineralisation at the historic Estrella Mine with additional trench sampling, and collected the first underground samples from artisanal mine workings including a section of the historic mine that had been opened up by the artisanal miners. They also completed some additional prospecting and rock chip sampling which validated and upgraded one of the gold anomalies identified by Radius. Condor established a DGPS survey station and surveyed the location of the Condor trenches and the Radius drill collars to centimetre-accuracy. The status of the artisanal mining activity on the concession was surveyed every four years; in 2010, 2014 and again in 2018.

GEOLOGICAL SETTING AND MINERALISATION

The bedrock is a Late Cretaceous to Tertiary calc-alkaline volcanic arc assemblage overlying oceanic crust. The volcanic arc sequence is dominated by andesite with minor rhyodacite tuffs and flows. The underlying oceanic crustal assemblage consists of an ophiolite sequence of ultramafic pyroxenites and serpentinites, basalts and fine-grained sediments (Venables 1994).

At least three different structural trends representing two different structural events are apparent in topography (Fig. 2):

1. A dominant **northeast-southwest trending structure** cuts through the centre of the concession forming a line of ridges that include the northwest mineralised structure at the historic Estrella Mine.
2. This structural trend is cross-cut, and possibly slightly offset by a more topographically subtle, but nevertheless regionally continuous **conjugate set of East-northeast and East-West structures**.

The older Northeast structure probably formed in response to major tectonic forces, the more subtle conjugate structures may representing adjustment during a tectonic relaxation.

The known gold mineralisation is located within a 10km x 5km area (referred to here as the Estrella Gold District) centred on the Estrella Concessions and extending onto parts of the surrounding Labu and nearby El Hormiguero concessions. Gold is hosted by quartz veins with textures typical of epithermal mineralisation at intermediate to deep epithermal levels. Rock chip geochemistry suggests that there are two types of gold mineralisation within this area:

1. Au-Ag mineralisation with associated Mn enrichment at Estrella and in the surrounding concessions at the Pejibay, Aurora and La Fortuna rock chip anomalies.

2. Au-Ag-Pb with associated Cu-Zn-Sb-Mn-As enrichment in the neighbouring concessions to the immediate north at Oro Fino Prospect.

Drilling in the northeastern end of the Estrella Prospect shows the mineralisation is hosted by a sequence of interbedded dacitic and subordinate mafic rocks. The bedrock near the mineralised zones has been altered to some degree which complicates identification. The dominant fine-grained felsic rock is interpreted as dacite tuff, with some subordinate beds of dacite lapilli tuff confidently identified. Fine grained mafic rocks are similarly hard to confidently identify in hand specimen. Some coarser horizons have lithic textures that suggest at least some of these units represent mafic pyroclastic deposits. Petrography is recommended to determine whether all of the mafics are pyroclastic rocks, or if some of the units are basalt flows, dykes or sills. Most of the drill holes show a general trend from more mafic rocks at depth to more felsic at shallower levels, except the barren north-easternmost drill hole (EODH-008-004) which is predominantly felsic, suggesting some lateral variation in geology.

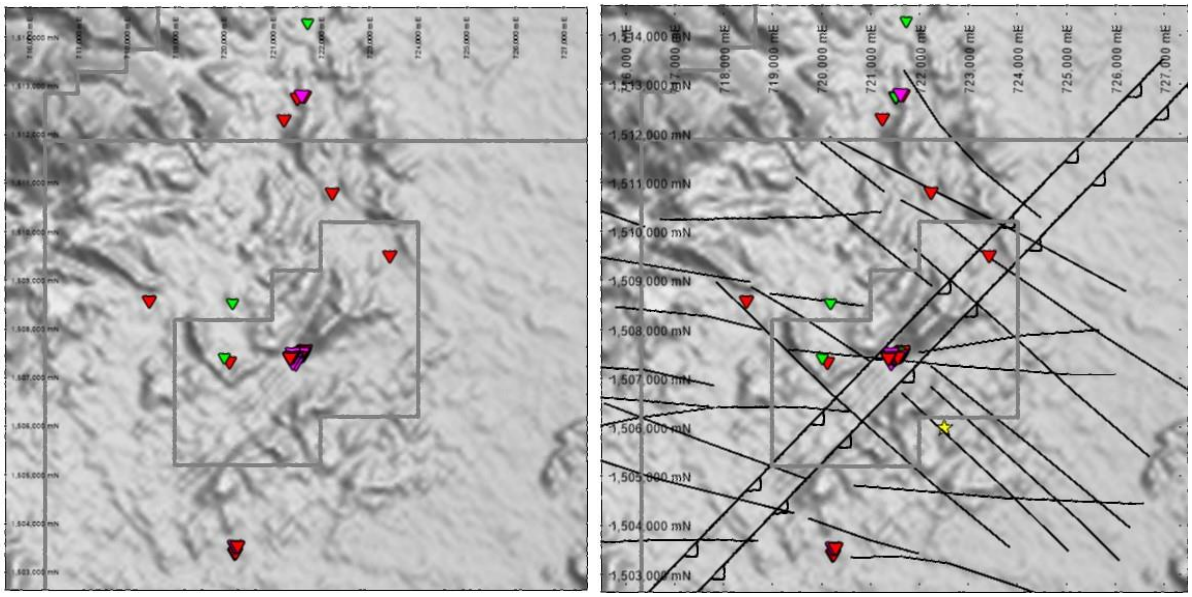

Figure 2. Satellite Digital Terrain Model ('DTM'; left) with interpreted structural trends (right) showing a primary northeast-southwest trending structure (with triangles depicting a provisionally interpreted downthrow to the Southeast), and secondary East-West and northeast conjugate structures. Gold-bearing rock chip samples shown for reference.

Mineralisation and alteration

The gold mineralisation is associated with quartz-carbonate **veining** with accessory chlorite and sulphide inclusions. Elevated lead and to a lesser extent copper and zinc in some quartz vein rockchip samples is supported by the observation that there are a variety of sulphide species. Replacement, breccia and fracture–fill vein textures are recognised and at least two cross-cutting vein directions can be seen in core. (1) The wider, up to 0.3 m, replacement and breccia veins that appear to be associated with the higher gold grades cut the core at an angle consistent with the main steep dipping mineralisation direction. (2) Narrower fracture-fill veinlets are observed running along the long axis of the core that was drilled at a steep inclination (EODH-008-003). The orientation is unclear[1], however their absence from the shallower inclined hole drilled on the same section suggests that they may dip at approximately 65° and represent tension gashes formed by downthrow to the southeast (this interpretation is provisional and requires orientated core and/or better rock exposures to confirm).

The drilling has intersected gold mineralisation in both dacite and the mafic host rocks. The mineralised dacite is stained red with what is interpreted as haematite-silica-calcite **alteration** (Fig. 3). The mafic

[1] The orientation of structures in the core cannot be measured as the drill core was not orientated during drilling.

rocks are strongly chlorite-calcite altered. Microfractures are filled with chlorite-calcite and sulphides in both rock types within and adjacent to the veins (Fig. 4).

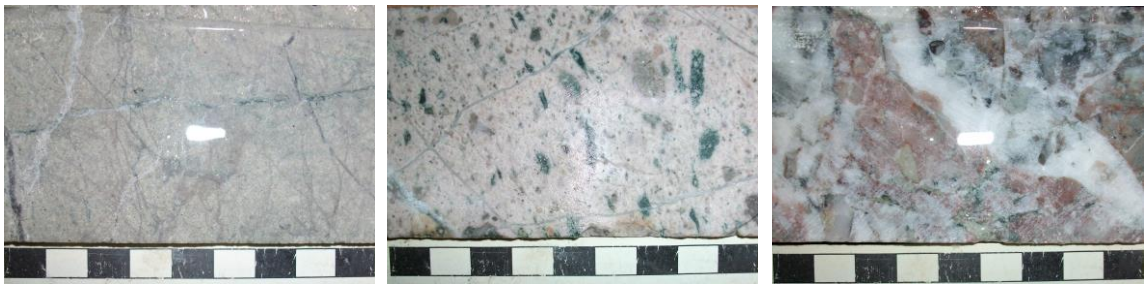

Figure 3. Dacite tuff (left), dacite lapilli tuff (centre) and mineralised, and altered dacite lapilli tuff with pervasive silica-haematite alteration and replacement quartz-calcite-chlorite-sulphide veining (right).

Figure 4. Mafic tuff (left), propylitic-altered mafic tuff with pervasive chlorite and white calcite alteration spots (centre), and mineralised and altered mafic tuff with pervasive propylitic alteration and replacement quartz-calcite+/-chlorite-sulphide veining (right).

Geochemistry of the mineralisation

Multi-element ICP analysis of 221 rock chip samples from the Estrella District, including 108 samples from the Estrella Concession, shows that:

- Silver grade is typically equal to double the gold grade, although some very high-grade silver of up to 280 g/t were returned.
- Enrichment of lead (up to 7,131 ppm Pb) and to a lesser extent copper (up to 3,191 ppm Cu), zinc (up to 3,348 ppm Zn) and bismuth (up to 389 ppm Bi) occurs in some gold mineralised samples, particularly in the North of the concession and the Oro Fino Prospect area in the surrounding concessions (Table 1).

These samples are all quartz vein material collected at the surface and therefore have been subject to some degree of weathering and re-mobilisation of metals. The enrichment and ratios should therefore be treated as indicative only. No geochemistry, other than gold grade, has been sighted for the drilling data which does include fresh mineralised rock.

Subset		n	As ppm	Sb ppm	**Au ppm**	Ag ppm	Pb ppm	Zn ppm	Bi ppm	Cu ppm	Mo ppm	Mn ppm
>0.1 g/t Au	Av.	61	81	57	**5.79**	19.4	587	138	7	189	22	659
	Max		804	930	**59.14**	280	7131	1067	389	3191	110	7788
<0.1g/t Au	Av.	160	9	<3	**0.01**	0.4	164	122	<2	63	9	682
	Max		124	50	**0.10**	22	5788	3348	22	1337	116	10,000
All	Av.	221	28	14	**1.61**	5.6	280	126	1	97	13	675
	Max		804	930	**59.14**	280	7131	3348	389	3191	116	10,000
Estrella Con.	Av.	108	8	<3	**2.44**	6.7	206	110	<3	71	14	598
	Max		124	13	**59.14**	280	7131	2636	30	1337	116	10,000

Table 1. Maximum values of the typical elements associated with epithermal gold mineralisation. The data is from ICP analysis of 202 surface rock chip samples collected in the Estrella District including 108 samples from within the Estrella Concession.

Weathering & supergene enrichment

At the surface bedrock has been completely oxidised and weathered to saprolitic clay which, based on artisanal mine workings, trenching, and the four drill holes in the historic Estrella mine area extends between 2 m and 10 m below surface. Below this level the rock is partially weathered to moderately weak to moderately strong saprolite and saprock, typically to a depth of 20 m below surface. There are however areas where weathering is less not as deep, as demonstrated by one of the drill holes which encountered fresh rock directly below saprolitic clay at a depth of less than 7 m below surface.

Gold grades returned from weathered (oxidised) trench samples on the northeast striking mineralised structure on the Estrella Prospect are an order of 10 times higher than drill samples of fresh rock some 50m to 100 m below. This suggests that gold grades in the weathered oxide zone have been enriched by supergene processes. This would be consistent with observations in similar geological and climatic setting such as the Santo Domingo gold mining district in Chontales (Belt[2] 1874). However it is noted that the artisanal mining and trench sampling has selectively sampled high-grade surficial zones of mineralisation discovered by historic miners. If these trenches have actually preferentially sampled discontinuous high-grade zones with short strike lengths and a non-vertical plunge then the drill holes, which tested vertically beneath the highest-grade trenches, could have missed the high-grade shoots. A better understanding of the gold distribution at surface would test this hypothesis: if the surface mineralisation is consistently high grade along strike then supergene enrichment is likely responsible for the high-grades. If the trenches were on high-grade segments with a short strike length then the drilling may have missed the high-grade.

DEPOSIT TYPE

The geological setting of the gold mineralisation; quartz-calcite veining within brittle fractures in a volcanic arc is consistent with low sulphidation epithermal mineralisation. The propylitic chlorite-carbonate-sulphide alteration, the style of mineralisation as replacement veining and fracture-fill, rather than banded veins, and the association of gold-silver mineralisation with elevated lead and to a lesser extent zinc, molybdenum and copper, all point to the mid to lower levels of the epithermal system. It is suggested that the Estrella gold mineralisation should be classified as **magmatic arc-related low sulphidation epithermal carbonate-base metal gold mineralisation** according to the Corbett and Leach (1998) system (Fig. 5). The increase in base metal content in the north of the concession and beyond on the neighbouring concessions at the Oro Fino prospect suggests that this was the deeper part of the epithermal system.

[2] Belt, T. 1874. A naturalist in Nicaragua. – *Thomas belt was superintendent of the Santo Domingo Mine, then owned by an English Company, between 1869 and 1874. He was a Fellow of the Geological Society of London and a respected Naturalist and Geologist at the time with previous experience of the goldfields of Australia, Wales and Canada. Some of his observations and theories made at the Santo Domingo Gold Mine were instrumental in shaping the understanding the processes of gold mineralization and remobilisation, including a description of the process of supergene enrichment of gold in the upper weathered zone that is largely accepted to this day.*

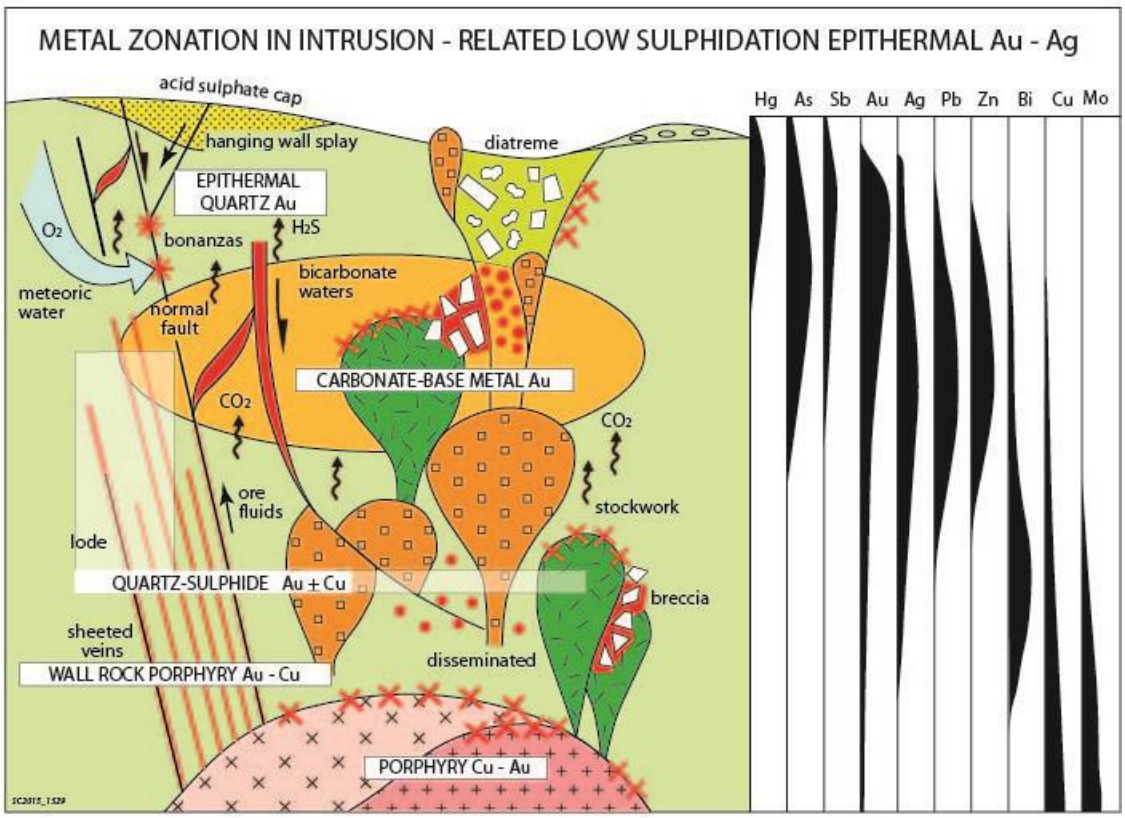

Figure 5. Diagram showing the geochemical associations and schematic model for magmatic arc-related low sulphidation epithermal mineralisation from Corbett (2017). Geochemistry, vein and alteration suggests that the Estrella District mineralisation is at the mid-level carbonate-base metal gold mineralisation with associated gold-silver-lead-zinc+/-copper enrichment.

EXPLORATION

Stream sediment sampling

Radius completed an 84 sample stream sediment survey programme over a 30 km² area which included 48 samples on the 18 km² Estrella Concession. The samples were sieved to -60 Mesh (250µm) and appear to have been selected at the mouths of tributaries and at between 200 m and 1000 m intervals up-stream. They were analysed for 29 elements including gold and silver at trace level.

The results highlight gold mineralisation centred on the historic Estrella gold mine within the Estrella Concession and also in the Oro Fino area some 4 km north of the concession area which was known, and named for, historic alluvial gold production (Fig. 6; see section on 'Adjacent Properties' below). Most of the other smaller anomalies can be attributed to rivers draining from either of these two areas.

Significant gold enriched stream sediment occurs along a 2,500 m strike length of the Estrella structure, but *in situ* gold mineralisation has only been discovered in the central 400 m segment where the historic mine workings are located (Fig. 7). The gold enriched stream sediment at the extremities cannot be attributed to the Estrella Mine because they occur at the heads of streams that drain towards the mine. This suggests that the entire 2,500 m is gold mineralised to some extent and is a valid exploration target.

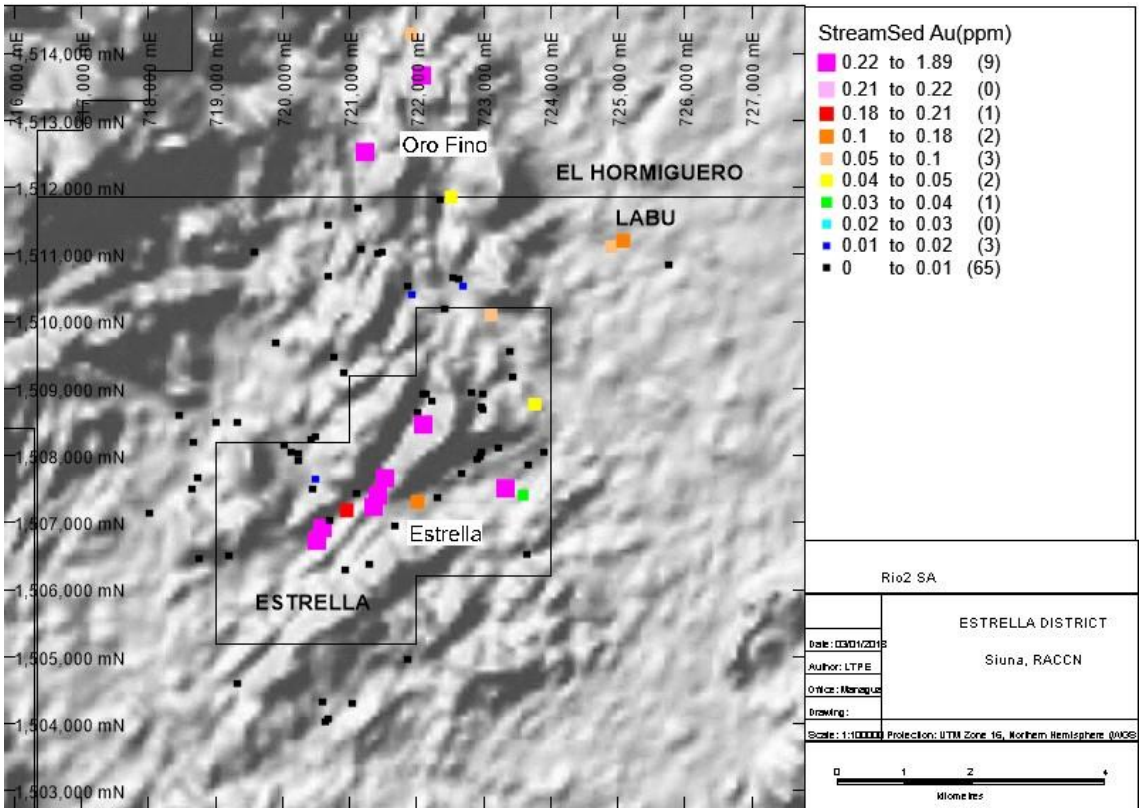

Figure 6. Results of Radius Gold's stream sediment sampling in the Estrella Gold Mining District which clearly identifies Au anomalies associated with the historic Estrella Mine and the Oro Fino area.

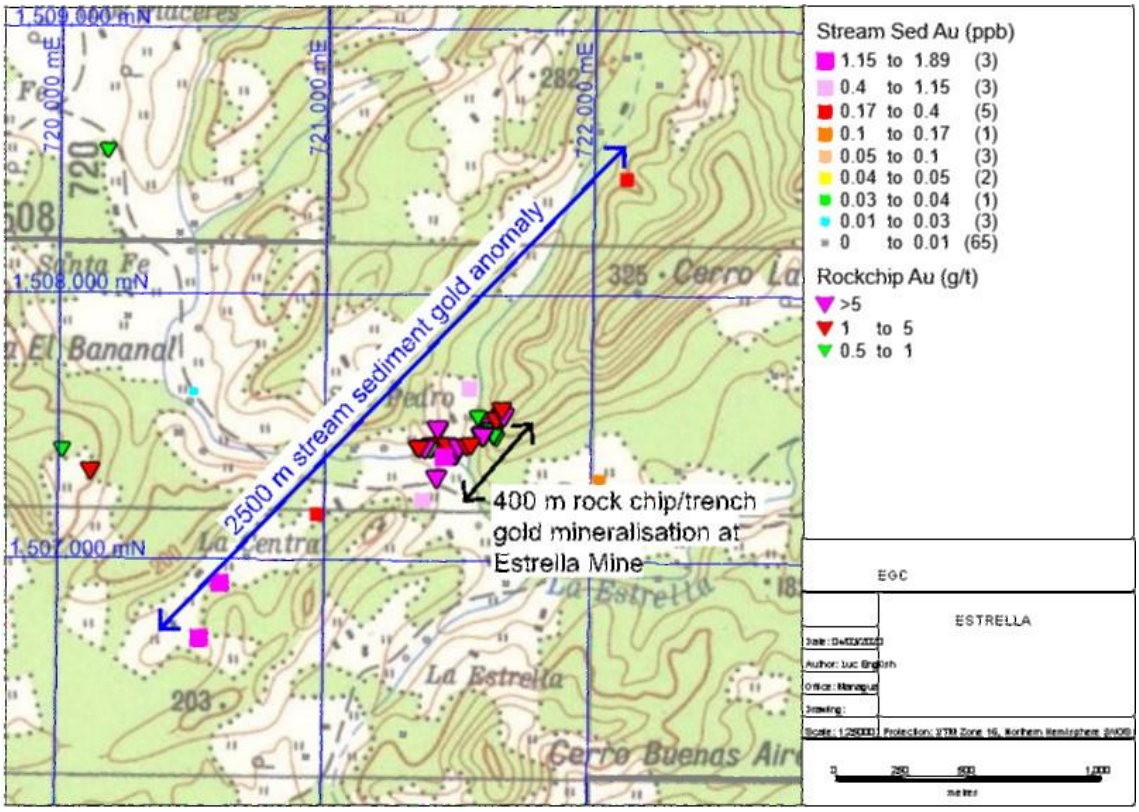

Figure 7. Stream sediment anomalies extend for 2,500m along the Estrella structure, but in situ gold mineralisation has only been discovered in the central 400 m segment where the historic mine workings are located.

Prospecting and Rock chip sampling

A total of 118 rock chip samples have been collected on the Estrella Concession, the majority by Radius between 2005 and 2007, with 19 of the samples collected by Condor since 2009. In almost all cases the samples were analysed for suite of 33 elements. Thirty of the samples assayed over 1 g/t gold, of which 15 samples were over 5 g/t and 12 were over 10 g/t gold.

Most of the gold mineralised rock chip samples were collected along the 400 m strike length of gold mineralisation at the historic Estrella Mine with a best assay exceeding the detection limit of 100 g/t gold and 100 g/t silver (ICP-MS analysis, the sample was not re-assayed using gravimetric finish to obtain a definitive assay). Rock chip sampling also returned significant gold mineralisation at two other locations within the concession area:

1. Three mineralised rock chip samples collected from a hill located 1.2 km to the east of the Estrella Mine returned a best assay result of 1.9 g/t gold and 21.5 g/t silver from quartz vein float. This could be the strike extension of the mineralised East-West structure currently exploited by artisanal miners at the Estrella Mine. However the possibility that this material was transported from the mine, perhaps for processing at a nearby property, cannot be discounted and further exploration is required to look for *in situ* gold mineralisation.
2. Rock chip sampling by Radius also returned 4.2 g/t gold from a sample near a river approximately 4.5 km to the northeast of the Estrella Mine. Condor geologists were unable to repeat this sample and the possibility that it was transported a considerable distance, perhaps from the Oro Fino prospect several kilometres upstream cannot be discounted (see section on 'Adjacent Properties' below).

Four Radius rock chip samples also returned trace gold values of 0.1-0.3 g/t gold. These have not been validated and there are no geological descriptions on the sample data available and so no further comments can be made.

Some samples have elevated levels of lead and to a lesser extent copper and zinc. The lead-copper-zinc enrichment is concentrated in the northern part of the concession, and extends at least 4 km beyond the concession to the Oro Fino gold Prospect with maximum values of 7,140 ppm lead, 3,200 ppm copper and 3,350 ppm zinc.

Soil sampling

Radius tested the 2,500 m long Estrella stream sediment gold anomaly with a soil grid in 2005. They sampled five East-West lines, 400 m apart, at 25 m sample spacing for 257 samples to cover a 1000 m wide corridor centred on the historic mine workings. B-horizon soil was sampled using a screw-blade auger. The samples were assayed for 33 elements including gold and silver at trace level.

The soil samples confirm anomalous gold along more than 2 km strike length of the Northeast-striking Estrella structure (as indicated by stream sediment sampling). There appear to be three parallel gold anomalies spread across a 500-600 m wide corridor (Fig. 8). The central anomaly that includes the 400 m of known gold mineralised veins at the historic mine workings and continues along the topographic ridges that mark the strike extension in both directions appears to be the principal anomaly. The other two anomalies which run along the lower flanks of the ridges require validation as they may represent mineral concentrations caused by downhill soil creep and/or leaching.

The soil geochemisty data demonstrate that this is an effective exploration method in this terrain and provides compelling evidence that the north-east structure that hosts the northeastern part of the gold mineralisation at the Estrella Mine is enriched in gold over a strike length of at least 2000 m. However the limited extent of the soil grid and the extremely wide line spacing mean that it has only tested one direction of mineralisation.

The brittle upper crustal structures that typically host epithermal vein mineralisation usually have at least two strike directions (Northeast and East-West). It is noteworthy that the East-West striking 100 m long southern part of the historic mine that is the focus of current artisanal mine activity has not been detected by the soil survey due to the wide line spacing. An isotropic square or diamond shaped grid would provide much more useful unbiased geochemical data to detect and rank all mineralised structures. Based on the data available a 200 m sample spacing would have provided reasonable survey that would be expected to pick up significant mineralised structures with three or more samples.

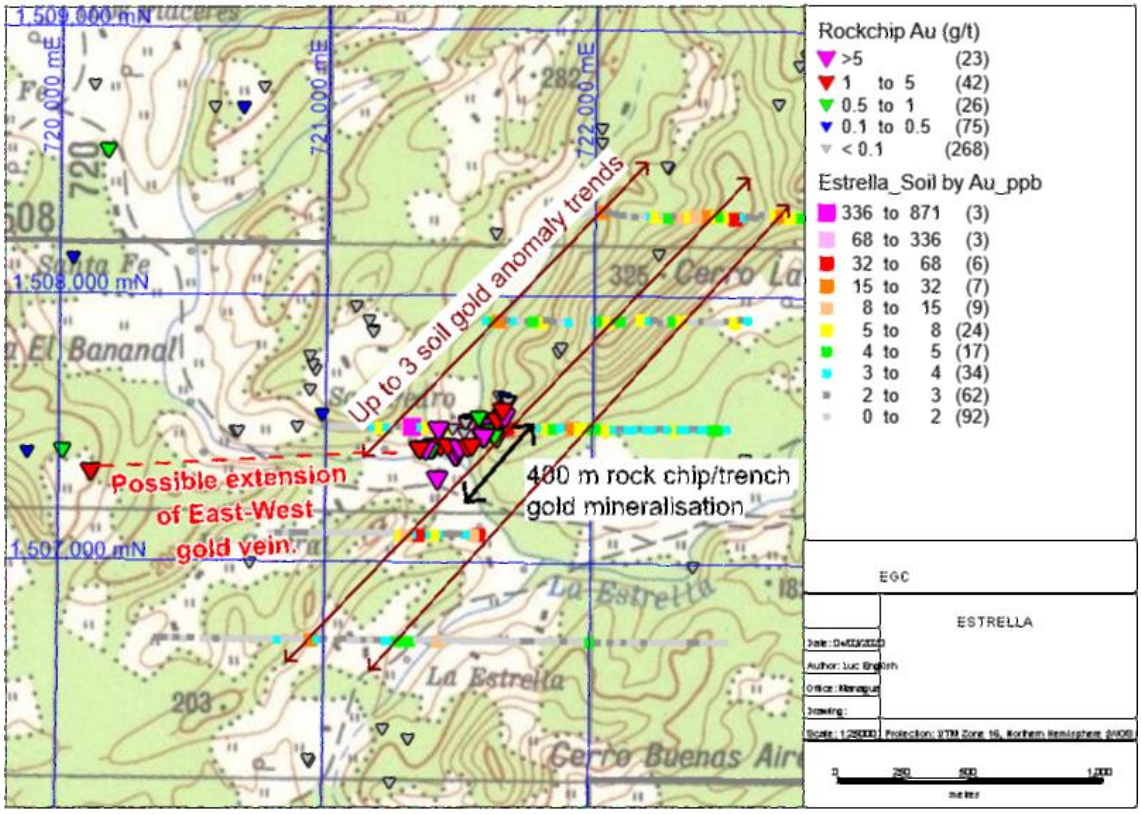

Figure 8. Soil sampling suggests up to three trends confirming the 2,500 m strike length of the Estrella structure gold anomaly. In situ gold mineralisation has only been discovered in the central 400 m segment where the historic mine workings are located.

Trench and underground channel sampling

Radius excavated and sampled 11 trenches at between 15 m and 125 m spacing along a 400 m strike length covering the historic Estrella Mine. In 2011 Condor validated and extended the channel sample coverage with continuous channel samples across two trenches, two face samples on active artisanal mine pits and three roof samples along a 14m section of the historic mine drift that had been re-opened by artisanal miners at the southwest end of the structure (Table 2). Condor used a circular saw to maintain constant volume samples at surface and a hammer and chisel to collect chip channel samples underground (the petrol powered circular saw was not safe for underground use; Fig. 9).

Company	Trench ID	Width (m)	Au (ppm)	Ag (ppm)	Comments
Radius	TR-LE-001	15.20	6.73	-	NE struct. – southern end
	Including	2.72	10.24	-	– base of hill, duplicated by
	Including	1.30	44.17	-	ESCT001
Radius	TR-LE-002	12.3	1.55	-	NE struct. - centre
Radius	TR-LE-003	9.30	3.77	-	NE-struct – northern end
	including	3.62	7.15	-	
Radius	TR-LE-004	4.90	8.55	-	East-West structure
Radius	TR-LE-010	1.50	5.30	-	NE struct. - centre
Condor	ESCT001	9.00	5.44	5.87	NE struct. – southern end,
		2.00	0.56	0.4	repeat of TR-LE-001
Condor	ESTR001	12.40	1.46	0.4	NE-struct – northern end
	including	4.00	2.97	0.65	
Condor	ESTR002	3.10	5.19	8.65	20m strike extension to the east
Condor	ESTN001_1m	0.80	9.33	13.2	East-West struct. underground
Condor	ESTN001_8m	1.20	9.48	8.6	East-West struct. underground
Condor	ESTN001_14m	0.70	6.00	4.1	East-West struct. underground

Table 2. Trench and underground channel sample intersections from trenching on the historic Estrella mine site. Gold and silver grades are reported by Condor, only the gold grades have been sighted for the Radius data.

Figure 9. Channel sampling by Condor in 2011 at the historic Estrella Mine: face sampling (ESCT001; left), trenching (ESTR1; centre) and underground in the historic mine (ESTN001; right).

DRILLING

In 2008 Radius drilled four diamond core drill holes for 462.5m to test a 200 m strike length of the northeast striking mineralised structure at the historic Estrella mine on three sections at approximately 100m intervals along strike (Fig. 10). The holes were drilled to intercept the mineralisation 50m to 100 m beneath high-grade trench incepts. Energold Drilling was contracted and the drilling was completed using a portable drilling rig with slimeline NTW (57.1 mm) core. Core recovery was good, and half core samples were cut and sent for assaying. The core was given to the Department of Mines when Radius relinquished the concession and is currently stored in Managua.

The drilling successfully intercepted the wide zone of gold-bearing stockwork veining observed in the trenches but drilling intercepts are all an order of magnitude lower grade than the trench intercepts suggesting either supergene enrichment of gold in the near-surface weathered (oxide) horizon, or less-probably that the trenching had tested short-strike length high-grade zones that plunged at an angle that was missed by the drilling (Table 3; Fig. 10). Whilst the results are disappointing it is noted that drilling has only tested a 200 m strike length of the northeast-trending structure. The East-West orientated structure that is currently being exploited by artisanal miners has not been drill tested.

Nearest trench Intercept	Drillhole	From (m)	To (m)	Width (m)	True width (m)	Au (g/t)	RL (mamsl)
Trench TR-LE-001: 15.2m @ 6.73g/t Au Trench EOCT001: 9.0m @ 5.44g/t Au	EODH-08-01 (Southwest)	69.50	71.87	2.37	**1.9**	**1.25**	111
Trench TR-LE-002 12.3m @ 1.55g/t Au	EODH-08-02 (Central)	43.00 49.06 67.75	44.19 50.06 72.00	1.19 1.00 4.25	**1.0** **0.8** **3.5**	**1.5** **1.04** **2.19**	157 153 139
	EODH-08-03 *Including:*	83.32 *83.32* *89.57* *94.96*	97.85 *84.22* 92.01 96.75	14.53 *0.90* *2.44* *1.79*	**8.3** *0.5* *1.4* *1.0*	**0.82** *1.80* *1.37* *2.45*	106
Trench TR-LE-003 9.3m @ 3.77g/t Au Trench EOTR002 4.0m @ 5.44g/t Au	EODH-08-04 (Northeast)					NSR	

Table 3. Drilling intercepts compared to nearest trench intercepts. The lower grade encountered in drilling suggests that the trench results were measuring supergene enriched gold mineralisation.

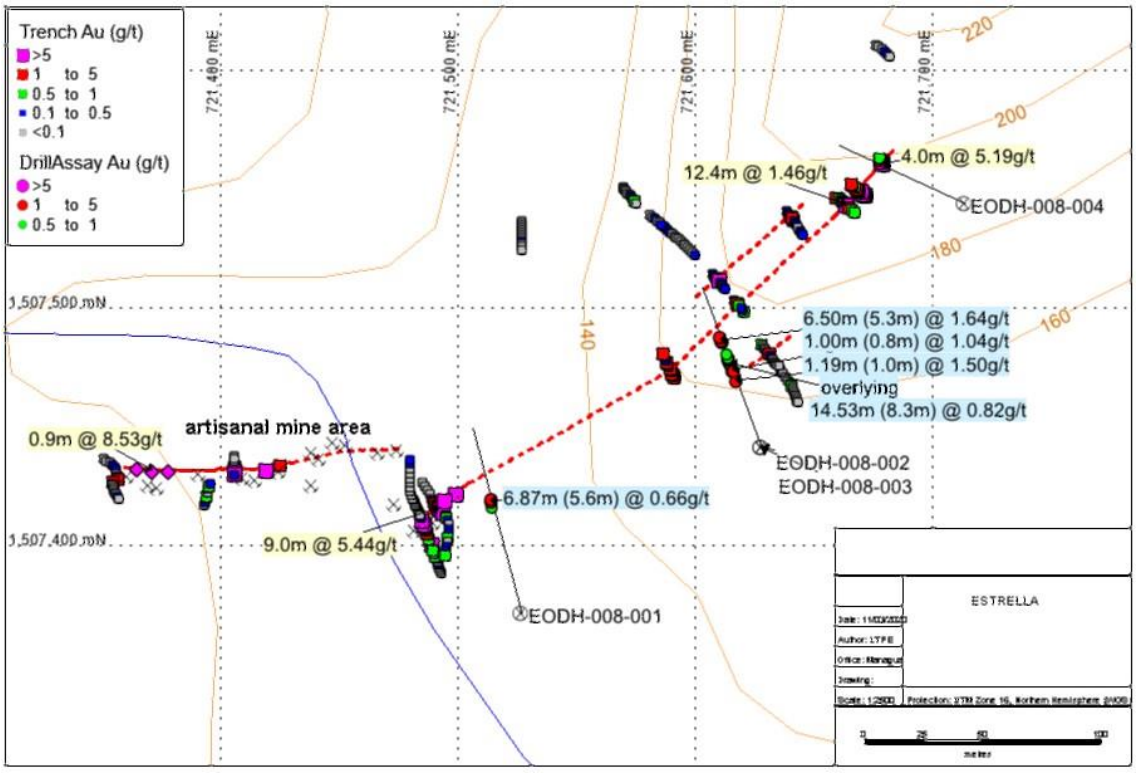

Figure 10. Plan of the trenching (yellow highlight) and drilling (blue highlight) intercepts on the historic Estrella mine site. Square = surface channel sample; Diamond = underground channel sample; Circle = drill core sample; Scale = 100 m grid squares. Drilling intercepts are all an order of magnitude lower grade than the trench intercepts suggesting supergene enrichment of gold grade in the near-surface weathered (oxide) horizon. The East-West orientated structure that is currently being exploited by artisanal miners has not been tested by drilling.

SAMPLE PREPARATION, ANALYSIS AND SECURITY

Radius samples 2005-2008

Detailed information on the sample preparation, analysis and security procedures undertaken by Radius between 2005 and 2008 has not been sighted. As a TSX-listed company it is understood that they followed standard industry practice and used an accredited laboratory for sample preparation and analysis.

Condor samples 2009-2020

Between 2009 and 2020 Condor collected 51 channel samples and 19 rock chip samples.

Sample collection

Samples weighing between 1kg and 3kg were collected either by breaking pebble-sized fragments of rock from outcrop with the aid of a steel geological hammer, or as grab samples of float material on the ground, or from piles of artisanal miners ore that had been collected using steel hammer and chisel. Channel samples were collected by first cutting two parallel groves along the sample channel approximately 5 cm apart and 3 cm deep into the rock face using a circular saw. The sample was then chipped out between the grooves using a chisel. The sample collection method for all samples was supervised and recorded by a company geologist. Samples were collected in cloth sample bags which were clearly labelled with a unique sample number. Each sample was photographed at or near the collection site with the sample material laid on the labelled sample bag adjacent to a handheld GPS displaying the location and date.

Sample transport

The samples were delivered to the sample preparation laboratory by a member of Condor's field staff.

Sample preparation and analysis

Sample preparation was undertaken by accredited laboratory Bureau Veritas Managua where samples were crushed, split and pulverised to produce a 250g split passing a 200 mesh sieve (Lab code SP-RX-2K/PRP70-250). Bureau Veritas took responsibility to ship the sample split to their certified laboratory in Vancouver for analysis. Gold assay to 0.005ppm detection limit was achieved using standard lead collection fire assay with AAS finish on a 30g charge (Lab code Au-1AT-AA/AR400-AG) and silver assay to 0.1ppm detection limit was achieved using an aqua regia digest and AAS finish (Lab code Ag-AR-TR). Samples returning over 10 g/t Au were re-analysed using gravimetric finish (Lab code Au-1AT-GV/FA530-Au). The rock chip samples collected in 2014 were also analysed for 30 elements at trace level using 4 acid digest and ICP finish (Lab code AR400-AG). For this report laboratory assay results reported as ppm are converted to grams per tonne (g/t) using a 1:1 conversion factor.

DATA VERIFICATION

QAQC procedures and data verification undertaken by Radius between 2005 and 2008 are not known, however it is understood that as a TSX-listed company that they used accredited laboratories for their analysis and generally followed standard industry practice. The rock chip and chip channel sample assay results by Condor were analysed by accredited laboratory Bureau Veritas who applied their in-house QAQC system of standards and blanks.

In 2011 Condor repeated two of the 2008 Radius trenches on the northeast-striking Estrella Mine structure. The exact location of the samples of the original Radius trenches could not be determined as the survey was by handheld GPS which had an inherent 2-5 m lack of precision and the sampling faces had subsequently been disturbed by erosion and artisanal miner activity. However the duplicate trenches are believed to have been sampled within 8-10 m of the original and so provide a general check. At both locations the grade and width of gold mineralisation in Condor's duplicate trench was

considered sufficiently similar to the Radius results to be considered a successful validation of Radius' data (Table 4).

Radius original Trench ID	Original trench intercept	Condor duplicate trench ID	Duplicate trench intercept
TR-LE-001	15.2 m @ 6.73 g/t Au	ESCT001	9.0 m @ 5.44 g/t Au
TR-LE-004	9.30 m @ 3.77 g/t Au	Between: ESTR012 ESTR013	Between: 12.4 m @ 1.46 g/t Au 4.0 m @ 5.19 g/t Au

Table 4. Comparison of two original trench intercept (Radius, 2008) with nearby duplicate trench channel samples by Condor (2011).

ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Condor was issued a 'Prospecting Permit' in May 2010 which allowed surface exploration activities. This has not been active since 2014 and so will require reactivation with the regional authority for any future exploration activity. Additional permits are required for ground disturbing activities including drilling on a plan-specific basis.

ADJACENT PROPERTIES

The Estrella Concession is surrounded by the Labu Concession which is held by Blue Stone Gold Mining, S.A., a privately owned Nicaraguan company (not to be confused with unrelated TSX-listed Bluestone Resources Inc.). The Labu Concession, and El Hormiguero Concession just 2 km to the north which is also owned by Blue Stone Gold Mining, S.A., were granted in 2014 and will expire in 2039. The concession holder has not undertaken any significant exploration. However between 2004 and 2007 TSX-listed Radius Gold Inc. held a concession that covered the current Estrella Concession and extended well into the neighbouring area. Their regional stream sediment sampling recognised the **Oro Fino gold anomaly** 1 to 2 km to the north of the Estrella Concession (Fig. 11). They also collected 107 rock chip samples on what is now the Labu and El Hormiguero concessions, of which seventeen samples returned >0.1g/t Au. Nine of those samples returned >0.5g/t Au of which five samples were >1g/t Au with a best assay result of 8.57g/t Au. The anomalous rock chip samples defined three clear prospects, Oro Fino, La Aurora and La Fortuna, and two lower grade anomalies, up to 5 km distance to the north and northwest of the historic Estrella Mine.

Some 4 km south of the historic Estrella Mine, within the Labu Concession, gold was discovered in April 2015 by the landowners. They noted narrow (<0.1m) fracture fill quartz veining in an outcrop of conglomerate-tuff near their farm house and invited an artisanal miner to investigate. The **Pejibay Vein** was recognised in intermittent poor quality ground-level exposures along a 200m strike length in a valley approximately 200m north of the discovery outcrop. This was developed for artisanal mining via a dozen exploratory shafts, of which one, the "main shaft" is currently active. The Author was able to validate gold-silver mineralisation at the Pejibay Prospect with an assay of 48.0g/t Au and 67.2g/t Ag, and gold-silver-lead mineralisation at Oro Fino with a best assay of 1.37g/t Au, 5.4g/t Ag and 1841ppm Pb during a field visit in 2018.

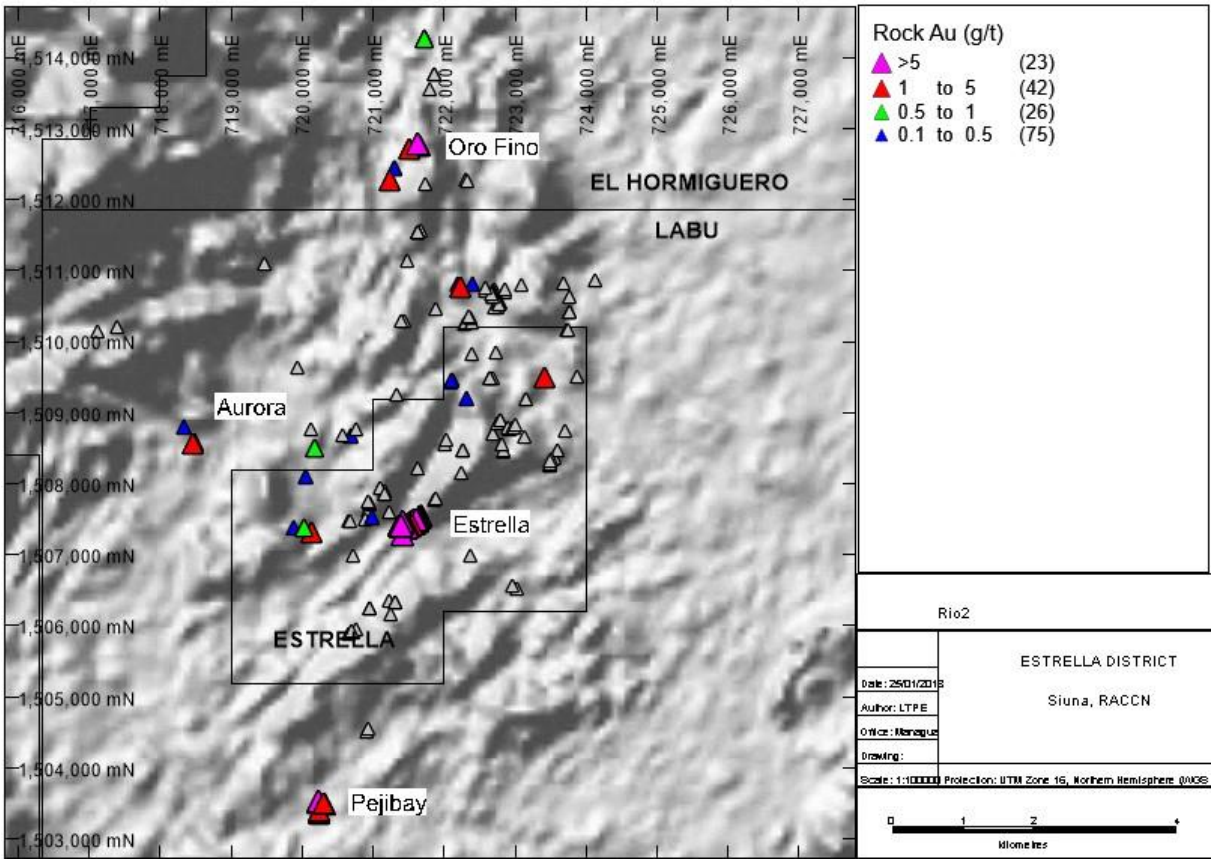

Figure 11. Location of main prospects and reported gold mineralisation in the Estrella Gold Mining District.

OTHER RELEVANT DATA AND INFORMATION

Artisanal mining activity

For more than 10 years artisanal miners have exploited a 100 m strike length at the southwestern end of the historic Estrella Mine where the mineralised structure passes across low-lying topography adjacent to a small river. The miners have been exploiting 10-15 m of crown pillar above the lowest known historic mine level which was driven along the watertable and connected to the river-bank some 10 m across strike for drainage. The artisanal miners have gradually been removing the mineralised crown pillar from surface with a line of close-spaced pits and slots, and from within by accessing the historic drive and stopping out the roof. In the last years the artisanal miners have started excavating underground to exploit the northeast structure that runs up the ridge to the northeast.

Informal surveys of the artisanal mining activity were conducted in November 2010, May 2014 and in February 2020.

1st artisanal mine survey – November 2010

Three groups of 4-6 artisanal miners (approximately 15 people) were operating on the concession under an 'artisanal mining licence' issued by the Siuna Municipal Council which allows the licence holder to undertake non-mechanised mining and processing of ore based on a clause in the National Mining Law which requires concession holders to allow artisinal miners to exploit 1% of any property. The artisinal miners were exploiting the ore from pits up to 10 m deep and from the historic mine workings via a shaft that they had re-opened (Fig. 12). Dewatering was achieved using small motorised pumps and mining was by pick and shovel in the soft saprolite. It was estimated that they were capable of **mining up to 8 t/d**.

Ore was milled on three separate arrastres (independently owned by each group) with an estimated combined **processing capacity of 4.5 t/d**, and gold was recovered by mercury amalgamation. The miners split their time irregularly between mining and processing, leaving the arrastres dormant when mining. The average monthly tonnage processed was not known, although a ratio of 1 day mining to 2 days processing would suggest a maximum of 90 t/month. The gold recovery was reportedly up to 50 g per day gold amalgam when milling. The purity of the gold produced is not known, but this indicates a **recovery grade of up to 11 g/t**. There was concern that they were not properly containing mercury waste in the processing of the ore. These estimates suggest a maximum production of almost 1000 g (32 oz) gold per month, although the actual production was likely to be considerably lower.

Figure 12. Artisanal miners exploiting the Estrella de Venus Mine via a shaft in November 2010 (left). One of the three mercury arrastres (centre), and waste material (white mud in foreground), likely to be contaminated by mercury was poorly confined and represents a possible source of soil and river pollution (right).

2nd artisanal mine survey – May 2014

By May 2014 the artisanal mining had been consolidated under one management. Five groups for a total of 19 people mining ore during the dry season, working 5 days per week and producing an estimated 11 t/day. Seven mills processed ore with a mixture of arrastres and small (200 l) ball mills. They processed up to an estimated 52 t/week (7.5 t/day) for an estimated production of 370 g gold per week (53 g/day or 1.5-2 oz per day) suggesting a recovery of approximately 7 g/t. Mining was only active for the dry season (approximately 6 months of the year), and had been suspended following the first rains of the wet season shortly before the inspection (Fig. 13).

Figure 13. Collapsed and flooded artisanal mine workings following the first rains of the wet season in May. Photograph taken from the same location looking southwest (left) and northeast (right) along the strike of the mineralisation.

3rd artisanal mine survey – February 2020

In February 2020 a total of 18 artisanal mine workings were counted, of which 13 were active at the time of the inspection. The ore was being processed at two nearby sites using ball mills and mercury arrastres (Fig. 14).

Figure 14. An adit driven into the base of the ridge to exploit the Northwest structure (left). Ball mills processing the ore.

INTERPRETATION AND CONCLUSIONS

Historic exploration, and recent well documented stream sediment sampling, prospecting and rock chip sampling in what is a poorly outcropping terrain has identified two gold prospects (including the historic mine) on the Estrella concession, and two prospects on neighbouring concessions. However surface exploration is considered incomplete: no regional geophysics or systematic soil geochemistry surveys have been completed and the structural controls on the known mineralisation at the Estrella Mine remain poorly understood. The discovery in 2015 of gold mineralisation by a farmer and artisanal miners on the neighbouring concession suggests that more discoveries could be made with additional surface exploration. The Gold mineralisation is interpreted as low sulphidation mid-level epithermal carbonate-base metal gold mineralisation along at least two different strike directions hosted by Tertiary volcanic sequence.

The historic Estrella Mine represents the heart of this relatively under-explored gold district with only four drill holes on three sections testing one of two structures recognised at the historic mine. The drilling results suggest that wide, high-grade trench intercepts encountered along a 200 m strike length of the Northwest structure at the historic Estrella Mine is supergene enrichment; 100 m spaced drilling at 50 m to 100 m below surface encountered low-grade gold mineralisation associated with quartz stockwork beneath high-grade (probably supergene enriched) trenches with similar intercept widths at surface.

Three immediate exploration targets identified:

1. The 100 m strike length of an East-West structure at the historic mine that is currently exploited to 10-15 m depth by artisanal miners has not been drill tested and there remains the possibility that this structure may host a higher grade style of mineralisation (for example a planar vein or breccia rather than the wide low-grade stockwork zone seen in the drilling of the Northeast structure).
2. Rock chip samples suggest that mineralisation on the East-West structure may extend for over 1 km further to the West.
3. Stream sediment and an orientated soil survey indicate that gold enrichment along the Northeast striking structure at the Estrella Mine extends for at least 2 km. These extensions have not be tested.

In conclusion, only a 200 m strike length of one of two known mineralisation directions has been drill tested. The drilling results were too low grade to be of economic interest, however this represents only the first exploratory drilling in an under-explored epithermal gold district. An additional three kilometres of mineralised structures that have not been drill-tested have already been identified, including one kilometre on an un-drilled structure that is the focus of artisanal mining, and may prove to be the better host for gold mineralisation. The regional surface exploration is likely to identify additional targets. There is a reasonable chance that economic grade mineralisation exists at depth, although supergene enrichment means that some high-grades at surface are not guaranteed to continue below the oxide zone.

RECOMMENDATIONS

Regional **target generation** exploration to better understand the geological controls on mineralisation and identify and rank new prospects could include:

1. **Geological mapping** supplemented by petrography/mineralogy to better understand the style of mineralisation.
2. **Soil sampling** on isotropic square or diamond grid at a recommended 200 m spacing to identify and rank mineralised structures.
3. **Aeromagnetic and radiometric survey** to supplement the geological mapping. The association of sulphides with the gold mineralisation may mean that a **resistivity** or similar geophysical survey would be an effective way to identify mineralisation. Any geophysical survey should preferably cover the entire district, perhaps with a cost and data-share agreement with the neighbouring concession holder. This would enable a meaningful geological interpretation at district-scale.

Two targets have already been identified for **follow-up exploration**. It is recommended that the strike extension of the known gold mineralisation is tested for high-grade zones, targeting:

1. The strike extension of the Estrella structure identified in stream sediment and soil sampling could be targeted this way.
2. Drill-test the East-West structure that is currently exploited by artisanal miners.

Reverse air blast ('RAB') drilling, perhaps using a modified light water bore drilling rig that is available in country. The drilling should aim to intersect the mineralised structure at 20 m to 30 m below surface could be a cost effective way of exploring beneath the oxide zone. Sampling beneath the oxide zone will avoid misleading results caused by supergene enrichment.

Studies to better **understand the extent of any supergene enrichment** could be carried out using the exposures available in the artisanal workings at the historic Estrella mine and could include detailed surface sampling and petrographic studies of the mineralisation at surface with comparison to the fresh rock mineralisation available in drill core. Significant supergene enrichment would downgrade the potential for the discovery of high-grade gold mineralisation at depth.

Consideration should be given to extending exploration to cover the entire district with an **agreement with the neighbouring concession holder**.

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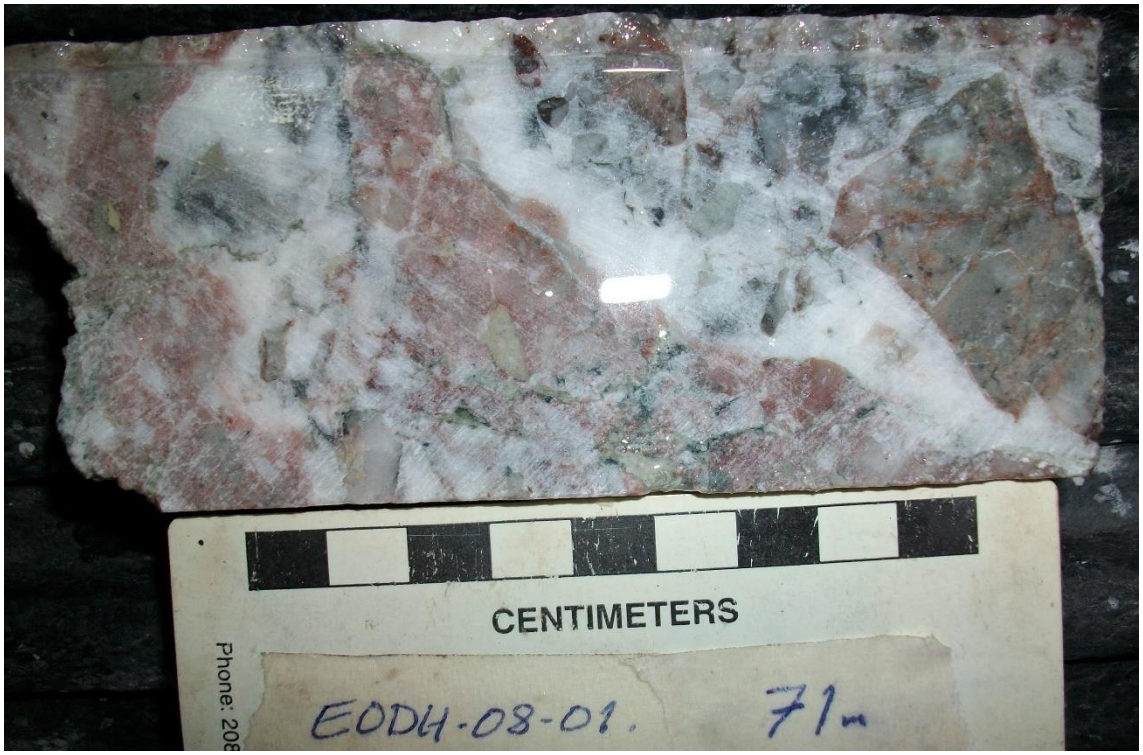
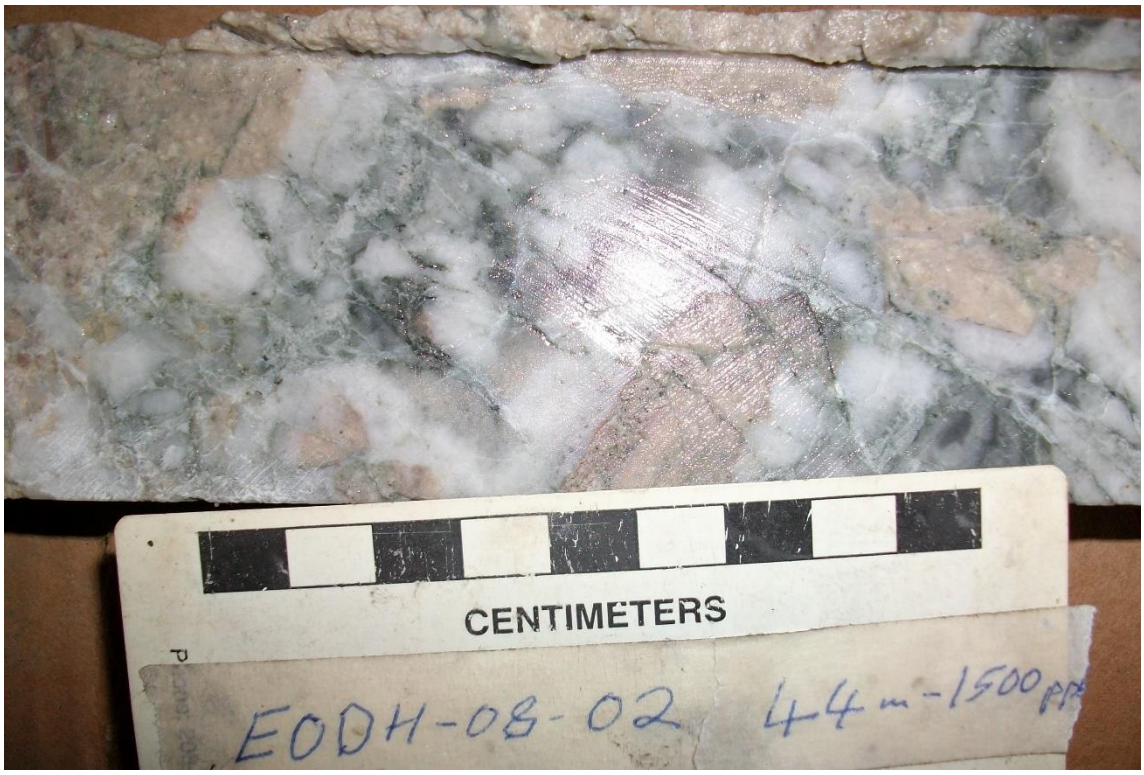
APPENDIX A – DRILL CORE



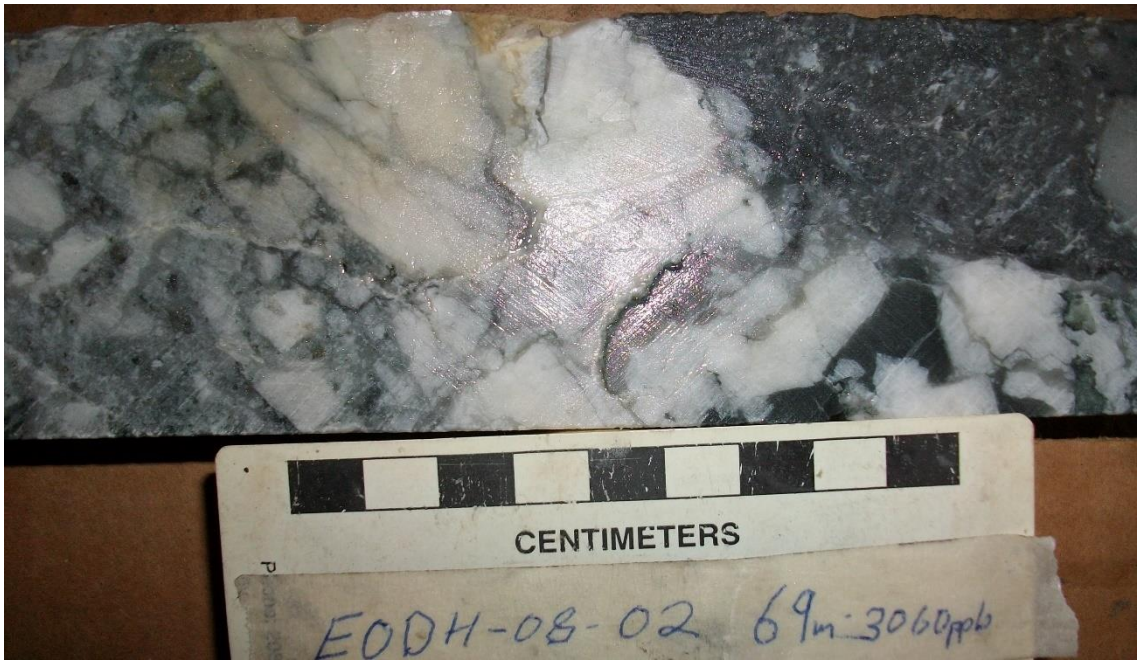
Gold mineralised quartz breccia 6.78 m (5.6 m true width) at 0.66g/t Au at contact between felsic and mafic rock. The intense silica-haematite-sulphide alteration makes it difficult to identify the host rock.

EODH-01: 6.87m (5.6 m true width) @ 0.66g/t Au from 65.53m drill depth, including 1.50m (1.2m true width) @ 0.89g/t Au from 65.53m and 1.2m (0.9m true width) @ 1.25g/t Au from 69.50m depth. Gold mineralisation of 2.40m @ 1.25g/t Au from 69.50m. Mineralisation is associated with quartz-calcite breccia at the contact between felsic (HW/South) and mafic (FW/North) rocks with the best grade on the mafic side of the contact. The breccia is strongly silica-haematite-chlorite-sulphide altered. The wallrock has chlorite-haematite alteration and fracture-fill quartz-carbonate-sulphide in the wallrock with very low grade gold (<0.1g/t).



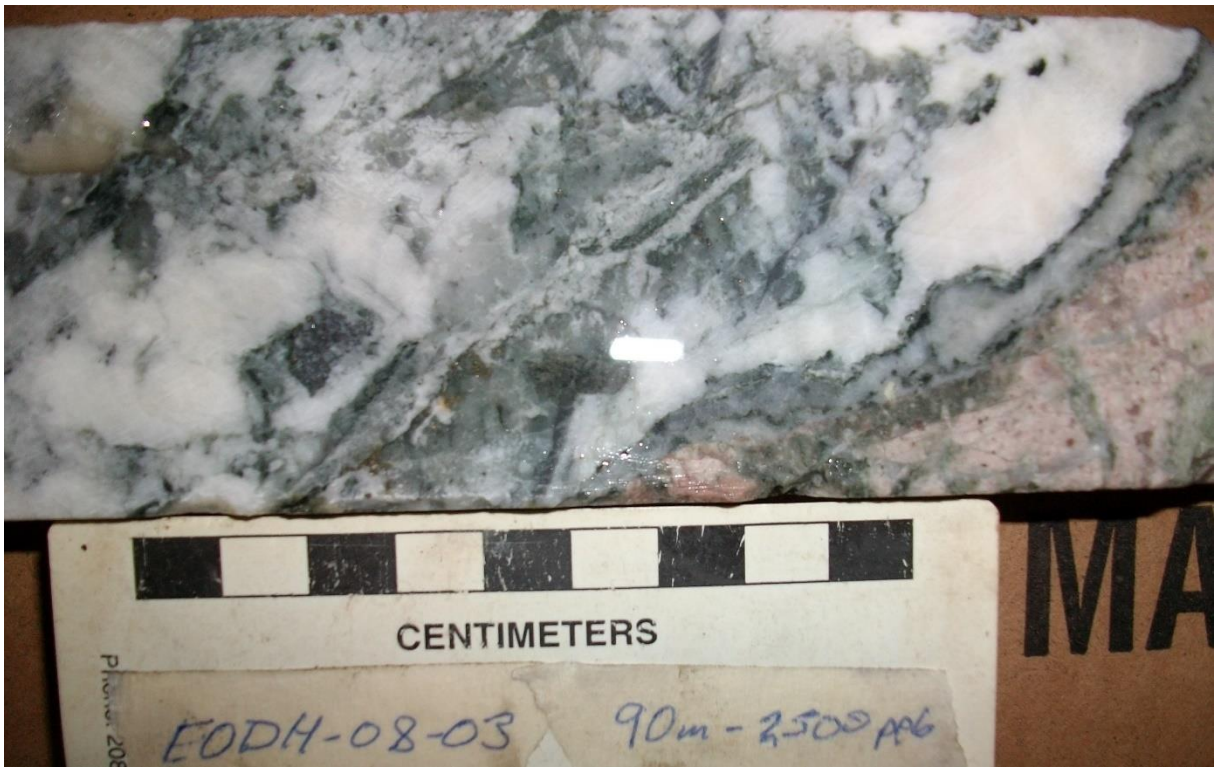
EODH-08-02: 1.20m (1.0m true width) @ 1.50g/t Au from 43.00m 1.2m (0.8m true width) showing intense silica-carbonate-haematite alteration of a felsic protolith.

EODH-08-02: 1.20m (1.0m true width) @ 1.50g/t Au from 43.00m, and 1.00m (0.8 m true width) @ 1.04 g/t Au from 49.06 m representing breccia-fill and replacement quartz-calcite mineralisation concentrated within the felsite on either side of a 4 m thick mafic rock. The felsite is silica-adularia-carbonate altered and the mafic is chlorite-carbonate altered.



Higher grade Northern structure gold-veins hosted by mafic rock; drill hole EODH-08-02: 6.50 m (5.3 m true width) at 1.64 g/t from 65.50 m drill depth. Most of the gold hosted in the footwall (northern contact) shown with 1.3 m (0.9 m true width) at 36.33 g/t gold from 70.72m.

EODH-08-02: 6.50 m (5.3 m true width) @ 1.64 g/t g/t Au from 65.50 m is a breccia zone, possibly a volcanic breccia overlying a thin (2-3 m) mafic unit. Gold mineralisation is associated with replacement and fracture-fill quartz-carbonate veins. Gold mineralisation improves towards the base with 4.25 m (3.5 m true width) @ 2.24 g/t Au. Alteration is strong chlorite-carbonate-sulphide concentrated in the mafic rocks.



Quartz-calcite-chlorite-sulphide veining and haematite alteration in drill hole EODH-08-03: 14.53 m (8.3 m true width) at 0.82 g/t from 83.32 m.


8686mk

EODH-08-03: 14.53 m (8.3 m true width) @ 0.82 g/t Au from 83.32 m depth including three zones grading up to 1.8 m (1.0m true width) @ 2.38g/t Au. The mineralisation is associated with a stockwork of fracture-filling quartz-calcite veins hosted by felsic rock (tuff) and felsic lapilli tuff near the contact with mafic rock.

STATEMENT OF QUALIFICATIONS

This exploration report entitled Gold mineralisation and exploration on the Río Luna Concession, Boaco, Nicaragua, effective as of the 31st March 2020 was commissioned by Condor Gold PLC and has been prepared by Dr Luc English, a Chartered Geologist and Fellow of the Geological Society of London with over twenty years of experience in the exploration and definition of precious and base metal resources. Luc English has sufficient experience in the relevant style of mineralisation 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 JORC and a Qualified Person as defined in the CIM reporting codes.

15th March 2020

Luc English, PhD, CGeol, EurGeol Date Signed