

Company number: 05587987

CONDOR GOLD PLC
Report and Accounts
Year ended 31 December 2022



CONDOR GOLD PLC
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FOR THE YEAR ENDED 31 DECEMBER 2022

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CONDOR GOLD PLC
HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2022

- In Q1 2022 the Company released good drill results on Mestiza open pit:
 - 6.3 m true width at 6.84 g/t gold from 31.45 m (drill hole LIDC568), approximately 50 m below surface outcrop (which occurs on a rise).
 - 4.1 m true width at 15.23 g/t gold from 47.80 m (drill hole LIDC514) approximately 40 m below surface.
 - 3.6 m true width at 29.1 g/t gold from 105.70 m (drill hole LIDC471) approximately 85 m below surface.
- In La India open pit new drill results were: 34.1 m true width at 2.56 g/t gold and 28.7 m true width at 2.62 g/t gold.
- Updated Mineral Resource Estimate at La India of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category.
- The La India open pit Mineral Resource Estimate is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. The underground Mineral Resource Estimate is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.
- The Cacao Mineral Resource has increased 69% to 1,164 kt at 2.5g/t gold for 101,000 oz gold in the inferred mineral resource category. The deposit remains 'open' along strike and at depth.
- Feasibility Study confirmatory metallurgical test work demonstrated that gold recovery is independent of grade and a fixed gold recovery of 91% assuming a 75 micron grind size is being used in the project economics. 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%.
- In October 2022, a Feasibility Study demonstrated a robust and economically viable base case for the La India open pit:
 - Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold
 - Production averages 81,545 oz gold per annum for the first 6 years of an 8.4 year mine life
 - An Internal Rate of Return ("IRR") of 23% and a post tax, post upfront capital cost NPV of US\$86.9 million using a discount rate of 5% and price of US\$1,600 oz gold (Mineral Reserve Case).
 - An IRR of 43% and a post tax, post upfront capital cost NPV of US\$205.2 million using a discount rate of 5% and price of US\$2,000 oz gold.
 - Low initial capital requirement of US\$105.5 million (including contingency and EPCM contract)
 - Low average Life of Mine All-in Sustaining cash costs US\$1,039 per oz gold
- Land acquisition continued at the La India open pit and associated mine site infrastructure. To date, 99.6% of the core areas have been purchased.
- Site clearance of 14 hectares has been completed for the processing plant location, including areas for offices, warehouses, a stockpile, and a buffer zone.
- On 12 October 2022, Jim Mellon assumed the Chairmanship of Condor Gold.
- £6,650,000 of gross proceeds raised by way of private placements, the issue of convertible loan notes, and an open offer during 2022.

CONDOR GOLD PLC

CHAIRMAN'S STATEMENT and CEO's REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

Chairman's introductory comments

Dear Shareholder,

Condor is at an important point in its history. It is very close to mining, with substantial proven reserves, and a carefully costed mining plan. It is now the time for a larger company to take on the reins of our key assets and our CEO, Mark Child, has been working hard to find the right partner. The gold price is rising and the omens for further rises are good. The Company enjoys strong shareholder support and I am confident that our outcomes are positive.

Jim Mellon
Chairman

Date: 27 March 2023

CEO'S Report

Dear Shareholder,

I am pleased to present Condor Gold Plc's ("Condor", the "Company" or the "Group", www.condorgold.com or, if you are viewing from Canada, ca.condorgold.com) annual report for the 12-month financial year to 31 December 2022. The fully permitted La India Open Pit and associated mine site infrastructure has been materially de-risked, with the completion of all technical studies required for a Feasibility Study Technical Report ("2022 FS") utilising the new SAG Mill package acquired by Condor in March 2021. Details of the 2022 FS were announced on 12 September 2022 and filed on SEDAR (<https://www.sedar.com>) and made available on the Company's websites under "Technical Reports" on 26 October 2022. During the year Condor produced a much more robust Mineral Resource Estimate for the La India Project, details of which are included in the 2022 FS.

The Company's strategy has been to develop the fully permitted La India Project in two stages using the new SAG Mill that has already been purchased. The delivery of a Feasibility Study on La India open pit with an average of 81,524 oz gold per annum for the initial six years for a relatively low total upfront capital cost of US\$106 million is a landmark and further de-risks the Project. At US\$1,600 oz gold, the La India open pit Mineral Reserve produces total revenues of US\$888 million, the total operating costs of mining, process and G&A are US\$480 million, leading to an operating profit of US\$408 million or a 46% operating margin. After government and other royalties, but before sustaining capital, the operating profit is US\$355 million, which in Condor's opinion is ample to repay any project debt on the relatively low upfront capex. At US\$2,000 oz gold after paying royalties, but before sustaining capital the operating profit is US\$563 million. In reality, two permitted high grade feeder pits will be added during the early years of production thus increasing production ounces of gold. Early production is targeted at 100,000 oz gold p.a.

The plan would be to materially expand production with a stage two expansion by converting existing Mineral Resources into Mineral Reserves and an associated integrated mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021" detailing average annual production of 150,000 oz of gold over the initial nine years of production from open pit and underground Mineral Resources and provides an indication of a production target. Outside the main La India open pit Mineral Reserve, there are additional open pit Mineral Resources on four deposits (America, Mestiza, Central Breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1 Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescane, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated Mineral Resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred Mineral Resource category.

The Company informed the Ministry of the Environment and Natural Resources ("MARENA") that it had commenced construction (consisting of site clearance of 14ha, importing the SAG Mill and completing the FS studies) and fulfilled the initial conditions of an Environmental Permit (the "EP") granted for the development, construction, and operation of an open pit mine, a 2,800 tpd or 1.0 Mt per annum CIP processing plant and associated infrastructure at the La India Project, Nicaragua.

During 2022, Condor produced a much more robust and conservative Mineral Resource Estimate ("MRE") of the entire La India Project, which comprises six separate deposits all of which have potential to be expanded. The focus has been on strengthening the confidence of the geological model for the 2022 FS on La India Open Pit. The update on La India Open Pit includes assay results from infill drilling, a new lithological, structural and weathering model, a new depletion model for historic and artisanal mining and an increase in the cut-off grade to 0.65 g/t gold from 0.50 g/t gold. The updated Mineral Resource includes the latest operating costs and bulk density measurements. I am pleased the drilling on the Cacao deposit increased the MRE in the inferred mineral resource category by 69% to 101,000 oz gold at 2.5 g/t gold, the interpretation is that drilling has clipped the top of a fully preserved epithermal vein system with a strike length of at least 1km with the potential to host over 1 million oz gold.

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CHAIRMAN'S STATEMENT and CEO's REPORT (CONTD.) **FOR THE YEAR ENDED 31 DECEMBER 2022**

The MRE update was prepared by SRK Consulting (UK) Limited ("SRK") and uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves (May 2014).

The updated Mineral Resource Estimate is 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The 2022 FS was conducted on La India Open Pit which has a Mineral Resource Estimate of 8,487 kt at 3.0g/t gold in for 827,000 oz gold in the indicated mineral resource category and 893 Kt at 2.4 g/t gold for 69,000 oz gold in the inferred mineral resource category. The La India Open Pit Mineral resource is inclusive of a Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold.

Outside the main La India open pit Mineral Reserve (the subject of the 2022 FS), there is a historical estimate, outlined in the 2021 Preliminary Economic Assessment, of additional open pit Mineral Resources on four deposits (America, Mestiza, Central breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescane, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated mineral resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

In March 2022, the Company announced drill results from infill drilling on Mestiza open pit of 6.3 m true width at 6.84 g/t gold from 31.45 m and 3.6 m true width at 29.1 g/t gold are both reassuring of the high-grade nature of the deposit and continuity of grade. The wide zones of mineralisation within the La India open pit, near surface of 34.1 m true width at 2.56 g/t gold amalgamated from 2.80 m drill depth are confirmatory in nature.

During 2022, the Company has been focused on de-risking La India Project by completing several technical and engineering studies for the 2022 FS, some of which are a condition of the EP. In addition to a much more robust and conservative MRE for the entire La India Project, the following key technical studies were completed:

- The Tailings Storage Facility ("TSF") and two water retention ponds have been fully designed and engineered with drawings one step short of "issued for construction", which is beyond an FS level detail of design. Tierra Group Inc, of Denver, Colorado completed site visits and the engineering studies. The study included 23 geotechnical drill holes and 55 geotechnical test pits have been completed.
- The engineering of stormwater attenuation structure at La Simona has been completed and designed to FS level.
- Completion of the site wide water balance ("SWWB"), including the design of a surface water management plan by SRK. SRK's work includes the area of the permitted La India, America and Mestiza open pits. The ultimate objective of the exercise is to produce engineering plans for the installation of the physical components of a management system, including the piping, pumping and structural requirements that will satisfy Nicaraguan authorities and at the same time meet the design standards for a feasibility study. The SWWB will include consideration of the pit dewatering contributions (i.e. subsurface hydrology). SRK's remit includes an emphasis on training and capacity building for the local Condor team to ensure full ownership and facilitate implementation and sustainability of the SWWB.
- Hydrogeology / pit water management - Condor successfully intercepted the deepest level of the 1950s-era underground mine workings, providing confidence that the said workings are suitable to tap into, in order to draw down ground water levels and support depressurization of the pit slopes. A test borehole close to the historical mineshaft was drilled in November 2021 and additional boreholes were drilled to the south and are locations for the long-term pumping station.
- The processing plant designs to FS level have been completed by Hanlon Engineering (owned by GR Engineering Services in Australia) using the new SAG Mill packaged purchased by Condor in February 2021. The processing plant designed has been laid out with the ability to double capacity from 2,800tpd.
- Site preparation and clearance of 14 hectares around the location of the processing plant has been completed.
- Pit Geotechnical – approximately 2,800 m of geotechnical drilling was completed by December 2021. Pit angles to FS level have been completed. This involved oriented core drilling, followed by televiwer logging.
- Mine and waste dump schedules for a number of mining scenarios have been completed to a level that can be submitted to MARENA. The FS level mine and waste dump schedules have been completed.
- The power studies completed to FS level. Several meetings have been held with the Ministry of Energy and Mines. National grid electricity pylons are located 700 meters from the processing plant, and the Government is building a new electricity sub-station 12km from the processing plant. Designs for supplying grid power via the new sub-station are underway.
- The compensation plan under the local law is to replace every tree removed with 10 new trees. Condor has a tree nursery which currently has approximately 8,000 trees.

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CHAIRMAN'S STATEMENT and CEO's REPORT (CONTD.) **FOR THE YEAR ENDED 31 DECEMBER 2022**

Highlights: Feasibility Study La India Open Pit only

The 2022 FS demonstrates a robust and economically viable base case for the La India open pit:

- Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold
- Production averages 81,545 oz gold per annum for the first six years of an 8.4 year mine life
- An Internal Rate of Return ("IRR") of 23% and a post tax, post upfront capital cost NPV of US\$86.9 million using a discount rate of 5% and price of US\$1,600 oz gold (Mineral Reserve Case).
- An Internal Rate of Return ("IRR") of 43% and a post tax, post upfront capital cost NPV of US\$205.2 million using a discount rate of 5% and price of US\$2,000 oz gold.
- Low initial capital requirement of US\$105.5 million (including contingency and EPCM contract)
- Low average Life of Mine All-in Sustaining cash costs US\$1,039 per oz gold.

The Company's strategy of a two-stage approach to production is supported by technical study released in October 2021, Condor Gold announced the key findings of a technical report on the La India Gold Project prepared by SRK. This technical report (the "Technical Report") presented the results of a strategic mining study to Preliminary Economic Assessment ("PEA") standards. The strategic study covers two scenarios: Scenario A, in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone ("CBZ"), which targets a plant feed rate of 1.225 million tonnes per annum ("Mtpa"); and Scenario B, where the mining is extended to include three underground operations at La India, America and Mestiza, in which the processing rate is increased to 1.4 Mtpa. The 2021 Technical Report was issued in October 2021 and filed on SEDAR and the Company's websites for public disclosure to NI 43-101 standards.

Highlights 1.225 Mtpa PEA La India Open Pit + Feeder Pits:

- IRR of 58% and a post-tax Net Present Value ("NPV") of US\$302 million, at a discount rate of 5% and gold price of US\$1,700/oz.
- Average annual production of ~120,000 oz of gold over the initial 6 years of production.
- 862,000 oz of gold produced over 9-year Life of Mine.
- Initial capital requirement of US\$153 million (including contingency).
- Payback period 12 months.
- All-in Sustaining Costs ("AISC") of US\$813 per oz gold.
- Robust Base Case presents an IRR of 48% and a post-tax NPV of US\$236 million at a discount rate of 5% and gold price of US\$1,550/oz.

Highlights: 1.4Mtpa PEA Open Pit + Underground Operations

- IRR of 54% and a post-tax NPV of US\$418 million, after deducting upfront capex, at a discount rate of 5% and gold price of US\$1,700/oz.
- Average annual production of ~150,000 oz of gold over the initial 9 years of production.
- 1,469,000 oz of gold produced over 12-year Life Of Mine.
- Initial capital requirement of US\$160 million (including contingency), where the underground development is funded through cash flow.
- Payback period 12 months.
- All-in Sustaining Costs of US\$958 per oz gold over Life Of Mine.

The Company remains convinced that the La India Project is a major gold district with the potential for significant future discoveries. Condor's geologists have identified two major north-northwest-striking mineralised basement feeder zones traversing the Project, the "La India Corridor", which hosts 90% of Condor's gold mineral resource and the "Andrea Los Limones Corridor". Numerous geophysics, soil geochemistry and surface rock chips indicate the possibility for further mineralisation along strike. The updated MRE 2022 for the Cacao deposit increased the MRE in the inferred mineral resource category by 69% to 101,000 oz gold at 2.5 g/t gold, the interpretation is that drilling has clipped the top of a fully preserved epithermal vein system with a strike length of at least 1km with the potential to host over 1 million oz gold.

The Company continues to enhance its social engagement and activities in the community, thereby maintaining its social licence to operate. Condor has strengthened its community team and stepped-up social activities and engagement programmes. The main local focus is the drinking water programme, implemented in April 2017. A total of 740 families are currently benefiting from the program and currently receive five-gallon water dispensers each week. In May 2021, the Company installed a water purification plant at a cost of approximately US\$200,000 to double the amount of drinking water provided to the local communities.

In January 2018 Condor initiated 'Involvement Programmes', which now extend to six groups in the local village to benefit communities which may be affected by the mine. Taking the Elderly Group as an example, a committee of six people has been formed. The Company allocates monthly support to the Elderly Group, which decides how this money is spent to benefit the elderly in the Community. Projects include a garden for medicinal herbs which are made into products which are used by group members and sold to others in the community.

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CHAIRMAN'S STATEMENT and CEO's REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Condor continues to have very constructive meetings with key Ministries that granted the EP for the La India, La Mestiza and America open pits. The Company has been operating in Nicaragua since 2006 and, as a responsible gold exploration and development company, continues to add value to the local communities and environment by generating sustainable socio-economic and environmental benefits. The new mine would potentially create approximately 1,000 jobs during the construction period, with priority to be given to suitable skilled members of the local community. The upfront capital cost of approximately US\$105 million as detailed in the 2022 FS will have a significant positive impact on the economy. The Government and local communities will benefit significantly from future royalties and taxes.

In June 2022 the Company announced it had raised £3.25 million by way of a private placement of new ordinary shares. See RNS for details. On 21 December 2022 the Company announced a fundraising of £3.3M. See RNS for details.

Turning to the financial results for the year 2022, the Group's loss for the year was £2,537,459 (2021: £2,330,003). The Company raised a total of £5,574,674 million after expenses during the financial period (2021: £11,459,817). The net cash balance of the Group at 31 December 2022 was £2,444,093 (2021: £2,072,046).

On 22 November 2022, the Company announced a strategy update and informed the market that it had appointed an advisor to sell its assets. The Board reviewed the Company's options, including going through a financing and construction phase as a single asset, single jurisdiction company with no existing gold production, and concluded that it is in the best interests of the Company and all stakeholders to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India, a significant investment in the local area, and a regeneration of the local communities. As a result of this strategy, the board has reclassified the Nicaraguan assets as held for sale within the Group and Company Statements of Financial Position.

The focus for 2023 is to execute on a successful sale of the assets while maintaining a social license to operate at the fully permitted La India Project.



Mark Child
CEO

Date: 27 March 2023

CONDOR GOLD PLC

PROJECT OVERVIEW
FOR THE YEAR ENDED 31 DECEMBER 2022

CURRENT CONCESSION HOLDINGS

Nicaragua Projects

Project	Concession	Ownership	Expiry Date	Area (km²)
La India Project	La India	100% Owned	January 2027	68.50
	Espinito Mendoza	100% Owned	November 2036	2.00
	Cacao	100% Owned	January 2032	11.90
	Santa Barbara	100% Owned	April 2034	16.20
	Real de la Cruz	100% Owned	January 2035	7.66
	Rodeo	100% Owned	January 2035	60.40
	La Mojarra	100% Owned	June 2029	27.00
	La Cuchilla	100% Owned	August 2035	86.39
	El Zacatoso	100% Owned	October 2039	1.00
	Tierra Blanca	100% Owned	June 2040	32.21
	Las Cruces	100% Owned	December 2043	142.3
	Cerro Los Cerritos	100% Owned	June 2044	132.1
	Subtotal			587.66
Boaco	Rio Luna	100% Owned	June 2035	43.00
RAAN	Estrella	100% Owned	April 2035	18.00
TOTAL				648.66

All concessions in Nicaragua are combined exploration and exploitation concessions.

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**PROJECT OVERVIEW (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022**

CURRENT MINERAL RESOURCES AND RESERVES

The following Mineral Resource estimations set out Condor's Mineral Resource Statement as at 28 February 2022 for the La India Project:
Table showing SRK CIM Compliant Mineral Resource Statement effective 28 February 2022 for La India Project

MINERAL RESOURCE STATEMENT SPLIT PER VEIN as of February 28, 2022 ^{(7),(8),(9),(10),(11)}								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
Indicated	La India Vein Set	La India/California ⁽¹⁾⁽⁶⁾	0.65 g/t (OP)	8,487	3.0	827	6.1	1,669
		La India/California ⁽²⁾	2.0 g/t (UG)	391	5.0	63	10.6	134
	America Vein Set	America Mine ⁽³⁾	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine ⁽⁴⁾	2.0 g/t (UG)	470	7.3	110	4.7	71
	Mestiza Vein Set	Tatiana ⁽³⁾	0.5 g/t (OP)	92	12.1	36	19.5	57
		Tatiana ⁽⁴⁾	2.0 g/t (UG)	118	5.5	21	11.3	43
Inferred	La India Vein Set	La India/California ⁽¹⁾⁽⁶⁾	0.65 g/t (OP)	893	2.4	69	4.7	134
		Teresa ⁽¹⁾	0.65 g/t (OP)	5	6.4	1		
		La India/California ⁽²⁾	2.0 g/t (UG)	1,142	5.6	206	12.2	446
		Teresa ⁽²⁾	2.0 g/t (UG)	85	10.9	30		
		Arizona ⁽⁵⁾	2.0 g/t (UG)	399	4.3	56		
		Agua Caliente ⁽⁵⁾	2.0 g/t (UG)	43	9.0	13		
	America Vein Set	America Mine ⁽³⁾	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine ⁽⁴⁾	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol ⁽⁵⁾	2.0 g/t (UG)	497	5.9	94		
	Mestiza Vein Set ⁽⁹⁾	Tatiana ⁽³⁾	0.5 g/t (OP)	220	6.6	47	13.6	97
		Tatiana ⁽⁴⁾	2.0 g/t (UG)	615	3.9	77	8.8	174
		Buenos Aires ⁽³⁾	0.5 g/t (OP)	120	9.8	38		
		Buenos Aires ⁽⁴⁾	2.0 g/t (UG)	188	7.1	43		
		Espenito ⁽⁴⁾	2.0 g/t (UG)	181	8.4	49		
		Central Breccia ⁽³⁾	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas ⁽⁵⁾	2.0 g/t (UG)	298	5.9	56		
	Cristalito-Tatescane	Cristalito-Tatescane ⁽⁵⁾	2.0 g/t (UG)	185	5.5	33		
	Cacao	Cacao ⁽¹⁾	0.65 g/t (OP)	190	2.4	15		
		Cacao ⁽²⁾	2.0 g/t (UG)	975	2.8	86		

(1) The La India and Cacao pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A Gold price of USD1,800 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles defined by the Company Geotechnical study which range from angle 42 - 48°. Metallurgical recovery assumptions are set at 90.2% for gold, based on test work conducted to date. Marginal costs of USD24.32/t for processing, USD7.50/t G&A and USD2.33/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2%, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(3) The America, Central Breccia, La Mestiza pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits. No new work has been completed on the Mineral Resources estimates for these projects since the previous estimates (2019) which SRK based on the following parameters: A Gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles defined by the Company Geotechnical study which range from angle 40 - 48°. Metallurgical recovery assumptions are between 91-96% for gold, based on test work conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant, with consideration for mining royalties, but without considering revenues from other metals.

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PROJECT OVERVIEW (CONTD.)
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(4) Underground Mineral Resources beneath the America, Central Breccia, La Mestiza open pits are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.36/t for processing, USD4.55/t G&A and USD50.0/t for mining, without considering revenues from other metals.
(5) Mineral Resources as previously estimated by SRK (22 December 2011), cut-off grade updated to reflect current price and cost assumptions and using a 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2% for resources, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.
(6) The La India deposit Mineral Resource as reported considers the current maximum limits for potential extraction. The current operating permits consider a limitation from the current village boundaries, which have been applied to the Mineral Reserves. It is the QP's opinion there remains a reasonable prospect that this may be revisited at a future date once mining commences, and relocation of the La India village may be required. Further work will be required on the costs associated to such relocation efforts, along with the potential timelines to achieve the relocation. In order to achieve this outcome Condor will need to submit an updated EIA and receive environmental approval, where this will need to take account stakeholder interests and concerns, and complete a resettlement process. Such exercises require careful stakeholder engagement.
(7) Back calculated Inferred silver grade based on a total tonnage of 4,569 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Agua Caliente, Guapinol, San Lucas, Cristalito-Tatescane or Cacao inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concessions are wholly owned by and exploration is operated by Condor Gold plc
(8) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concessions are wholly owned by and exploration is operated by Condor Gold plc.
(9) Mineral Resources presented do not include any updated Mineral Resource Estimates on the 2021 Mestiza drilling program completed and reported on March 10, 2022, as it post-dates the effective date for the current study. Updated Mineral Resources will be disclosed in future updates.
(10) The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
(11) SRK has completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP). Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.

CONDOR GOLD PLC

**PROJECT OVERVIEW (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Table showing SRK CIM Compliant Mineral Resource Statement effective 28 February 2022 for the La India Project

SRK MINERAL RESOURCE STATEMENT as of 28 February 2022 (7),(8),(9),(10), (11)								
Category	Area Name	Vein Name	Cut-Off	gold			silver	
				Tonnes (kt)	Au Grade (g/t)	Au (koz)	Ag Grade (g/t)	Ag (koz) (7)
Indicated	Grand total	All veins	0.5g/t (OP) (3)	206	9.9	66	11.4	75
			0.65 g/t (OP) (1,6)	8,487	3	827	6.1	1,669
			2.0 g/t (UG) (2,4,5)	979	6.2	194	7.9	248
		Subtotal Indicated	9,672	3.5	1,088	6.4	1,992	
Inferred	Grand total	All veins	0.5g/t (OP) (3)	1,939	3.3	208	3.5	217
			0.65 g/t (OP) (1,6)	1,087	2.4	84	4.7	134
			2.0 g/t (UG) (2,4,5)	5,616	5	898	9.5	841
		Subtotal Inferred	8,642	4.3	1,190	8.1(7)	1,193	
(1) The La India and Cacao pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits, which SRK based on the following parameters: A Gold price of USD1,800 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles defined by the Company Geotechnical study which range from angle 42 - 48°. Metallurgical recovery assumptions are set at 90.2% for gold, based on test work conducted to date. Marginal costs of USD24.32/t for processing, USD7.50/t G&A and USD2.33/t for mining, with consideration for mining royalties, but without considering revenues from other metals. (2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2%, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals. (3) The America, Central Breccia, La Mestiza pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits. No new work has been completed on the Mineral Resources estimates for these projects since the previous estimates (2019) which SRK based on the following parameters: A Gold price of USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles defined by the Company Geotechnical study which range from angle 40 - 48°. Metallurgical recovery assumptions are between 91-96% for gold, based on test work conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant, with consideration for mining royalties, but without considering revenues from other metals. (4) Underground Mineral Resources beneath the America, Central Breccia, La Mestiza open pits are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% for resources, costs of USD19.36/t for processing, USD4.55/t G&A and USD50.0/t for mining, without considering revenues from other metals. (5) Mineral Resources as previously estimated by SRK (22 December 2011), cut-off grade updated to reflect current price and cost assumptions and using a 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2% for resources, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals. (6) The La India deposit Mineral Resource as reported considers the current maximum limits for potential extraction. The current operating permits consider a limitation from the current village boundaries, which have been applied to the Mineral Reserves. It is the QP's opinion there remains a reasonable prospect that this may be revisited at a future date once mining commences, and relocation of the La India village may be required. Further work will be required on the costs associated to such relocation efforts, along with the potential timelines to achieve the relocation. In order to achieve this outcome Condor will need to submit an updated EIA and receive environmental approval, where this will need to take account stakeholder interests and concerns and complete a resettlement process. Such exercises require careful stakeholder engagement. (7) Back calculated Inferred silver grade based on a total tonnage of 4,555 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Agua Caliente, Guapinol, San Lucas, Cristalito-Tatescane or Cacao. inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concessions are wholly owned by and exploration is operated by Condor Gold plc (8) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concessions are wholly owned by and exploration is operated by Condor Gold plc. (9) Mineral Resources presented do not include any updated Mineral Resource estimates on the 2022 Mestiza drilling program completed and reported on March 10, 2022, as it post-dates the effective date for the current study. Updated Mineral Resources will be disclosed in future updates. (10) The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101. (11) SRK has completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.								

CONDOR GOLD PLC

PROJECT OVERVIEW (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Table showing CIM Compliant Mineral Reserve Statement effective 31 March 2022 for the La India Open Pit Project.

Mineral Classification	ReserveTonnage	Au Grade	Ag Grade	Contained Au	Contained Ag
	(Mt,dry)	(g/t)	(g/t)	(koz)	(koz)
Proven					
Probable	7.32	2.56	5.31	602	1,250
Proven + Probable	7.32	2.56	5.31	602	1,250

1. Based on a cut-off grade of 0.6 g/t Au, gold price of US\$1,600/oz and Ag price of US\$20/oz.,

2. Average ore loss and dilution are estimated at 3% and 8%, respectively,

3. 91% Au and 56% Ag metallurgical recovery,

4. Waste tonnes within the open pit is 96 Mt at a strip ratio of 13.2:1 (waste to ore);

5. The open pit Mineral Reserves assume complete mine recovery;

6. Topography as of March 31, 2022;

7. The Mineral Reserve estimate has been completed under the supervision of Mr Fernando P Rodrigues of SRK, BSc, MBA MMSAQP #01405QP of SRK Consulting, Inc. in accordance with NI 43-101 and generally accepted Canadian Institute of Mining, Metallurgical and Petroleum "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines ("CIM Guidelines"). Mr Rodrigues has sufficient experience to act as an independent qualified person in accordance with NI 43-101. Mr Rodrigues has not been to site.

CONDOR GOLD PLC
REVIEW OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2022

NICARAGUA – OPERATIONS REPORT

The focus of the Company in 2022 has centred around the completion of a Definitive Feasibility Study on La India open pit only, including a fully updated resource model inclusive of mineral reserves along with the supporting studies required for FS-level reporting under NI 43-101. Furthermore, parts of a complete new SAG Mill package were imported to Nicaragua, further surface rights were purchased and 14 hectares of land were cleared in the location of the processing plant. Additional effort was directed to develop a systematic approach to quantifying exploration upside with the La India Project concession package.

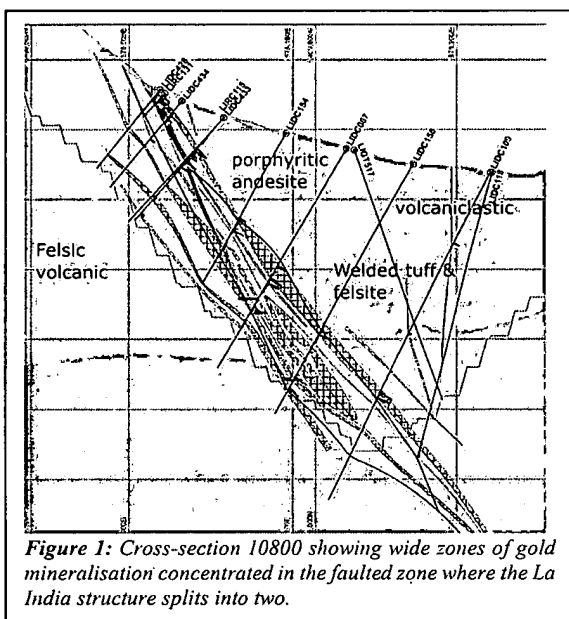
A Feasibility Study Technical Report, sometimes referred to as a Bankable Feasibility Study (“2022 FS”) on the La India open pit, which forms part of the larger La India Project, Nicaragua, was released and filed on SEDAR (<https://www.sedar.com>) on 26 October 2022.

Condor’s strategy has been to target early production of 100,000 oz gold to 120,000 oz gold p.a. from the La India open pit and three feeder pits, then materially expand production to 150,000 oz gold p.a. by adding the underground mineral resources into a mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled “Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021” (the “2021 PEA”) detailing average annual production of 150,000 oz of gold over the initial nine years of production.

As part of the open pit mining feasibility study on the La India deposit the mineral resource estimate was updated to include the additional drilling completed in 2020-2021. The mineral resource update includes a new geological model that benefits from the new drilling and a new understanding of the surface outcrops.

Updated La India geological model

The new geological model developed in 2021 was utilised as a basis to develop a fully integrated weathering model, dividing the La India deposit into weathered, transitional and fresh (un-weathered) zones. The newly amplified bulk density database, which benefited from systematic density measurements performed on-site during the 2020-2021 drilling campaign, was tied into the weathering zones to provide a more refined and accurate density model for the mineral resource estimation.



CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022

Updated artisanal mining impacts

There has been some artisanal mining on the mineral resource area since the last mineral resource statement was released in 2019, most of which has now ceased as the Company acquired 98% of the land holdings during that time. This artisanal mine depletion has had an impact on the near-surface part of the mineral resource, predominantly restricted to the top-most 30-40 m. At this depth the natural water table and the ingress of groundwater forms a barrier to deeper mining. The artisanal depletion was measured by mapping the surface and, where feasible the subterranean artisanal workings, and removing that volume from the final mineral resource estimate.

Mineral resource estimation update

The mineral resource estimation was updated to include all the previous year's infill and RC replacement drilling on the principal La India open pit and the deep exploration drilling at Cacao. Secondary mineral resources were also updated to reflect the latest mining costs.

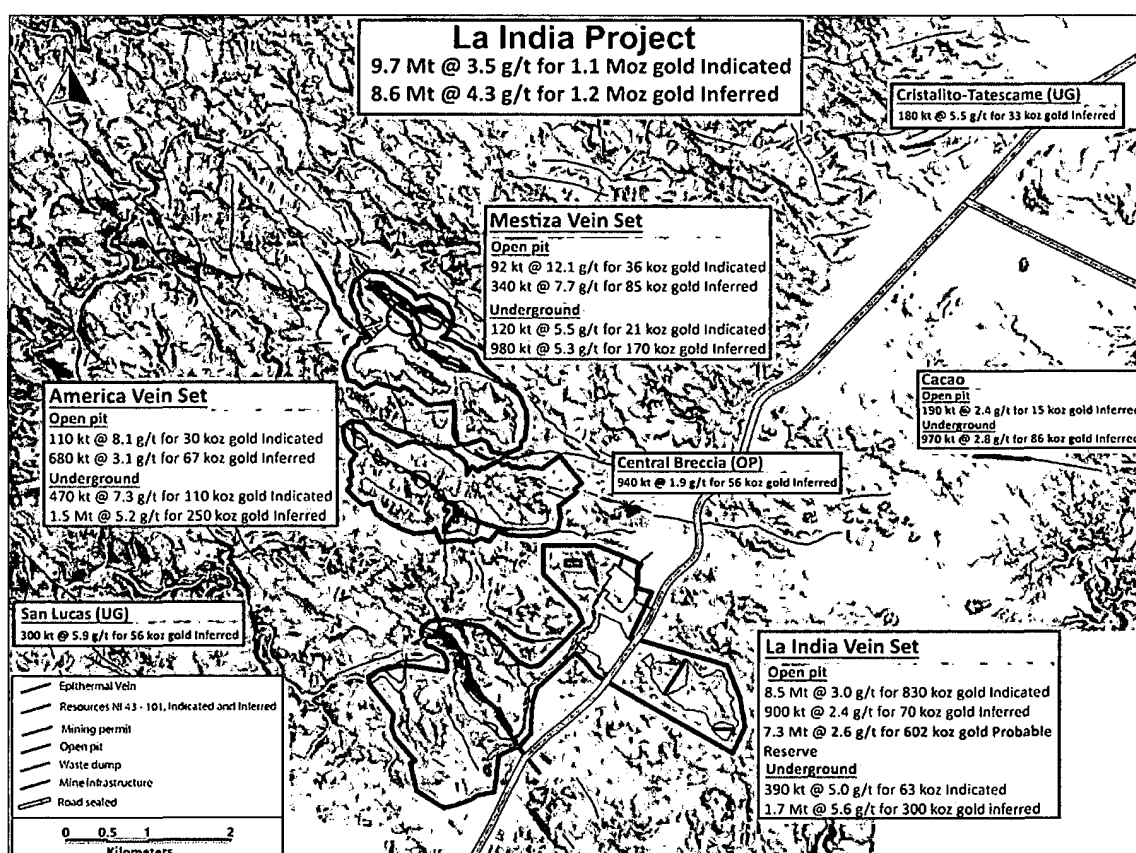


Figure 2: Plan showing the current open pit and underground mineral resources and fully permitted planned mine site infrastructure on La India Project. The principal La India, America and Mestiza vein set mineral resources all fall within the mine permit area. The San Lucas, Central Breccia, Cristalito-Tatescane and Cacao mineral resources represent potential additional satellite mines, all within 6 km of the planned processing plant.

CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022

Mining

Pit geotechnical design

The 2022 FS slope design built on geotechnical knowledge gained from the 1,836 m of technical drilling that informed the Pre-Feasibility Study (PFS). The 2022 FS geotechnical study involved:

- an extensive geotechnical data collection programme from an additional twenty-one wireline diamond drillholes for over 2,600m of orientated core, logged to internationally accepted standards, and supplemented with downhole geophysics and laboratory testing of selected samples;
- Open pit geotechnical analysis and design, including the development of updated structural, weathering and lithological models, detailed characterisation of rock mass conditions, and analysis of all available geological, structural and hydrogeological data to develop a robust geotechnical model; and
- stability assessments for bench, inter-ramp and overall slope design.

Improved understanding of the La India fault zone architecture has highlighted the need to avoid undercutting faults within footwall formations. Based on this analysis, recommended slope design configurations (Table 7) have been incorporated into the 2022 FS mine design and schedules. Geotechnical monitoring will be a requirement for the La India open pit operations, which is typical for open pit mining operations.

Table 1: Summary of Slope Design Parameters for the La India Open Pit

Geotechnical Domain	Design BFA ⁽¹⁾ (°)	Bench Height (m)	Catch Berm Width (m)	Design IRA ⁽²⁾ (°)	Maximum Stack Height (m)	Geotechnical Berm Width (m)
Extreme-Strong Oxidation	35	10	5.0	27.4	N/A	N/A
Moderate Oxidation	75	10	7.5	44.5	80	20
Footwall	75	10	6.5	47.4	100	20
Hangingwall	75	10	5.0	52.5	100	20
South East	75	10	7.5	44.5	100	20
⁽¹⁾ BFA = bench face angle ⁽²⁾ IRA = inter-ramp angle						

Mining method

As planned in the 2014 PFS and subsequent studies, open pit mining will be the production method for the purposes of the FS study. The 2022 FS assumes that all earth moving activities and mining operations will be conducted on a contract mining basis using a conventional truck and excavator method. The costs associated with mining are based on contractor quotes for loading and hauling with a separate quote for drilling and blasting.

The grade control practices were described in more detail in the 2022 FS and are in common use within other nearby operations. As a low sulfidation system hosting ore in vein structures, the mining techniques near ore zones will involve careful mining to remove waste material from the mineralized material, and selective mining of the ore, followed by another waste mining phase. In areas that are well away from ore zones, less selective and less expensive procedures can be employed.

Mine design

Ultimate pit plans were updated to reflect the revised resource model by Condor staff with oversight by SRK mining staff. The new design accommodated the new geotechnical parameters as well as commitments to avoid relocating the La India village. The pit design followed industry practice of using a Lerchs Grossman algorithm within the Vulcan software package using current cost inputs, and a regularized block model developed to approximate the mining selectivity of the equipment.

CONDOR GOLD PLC

**REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022**

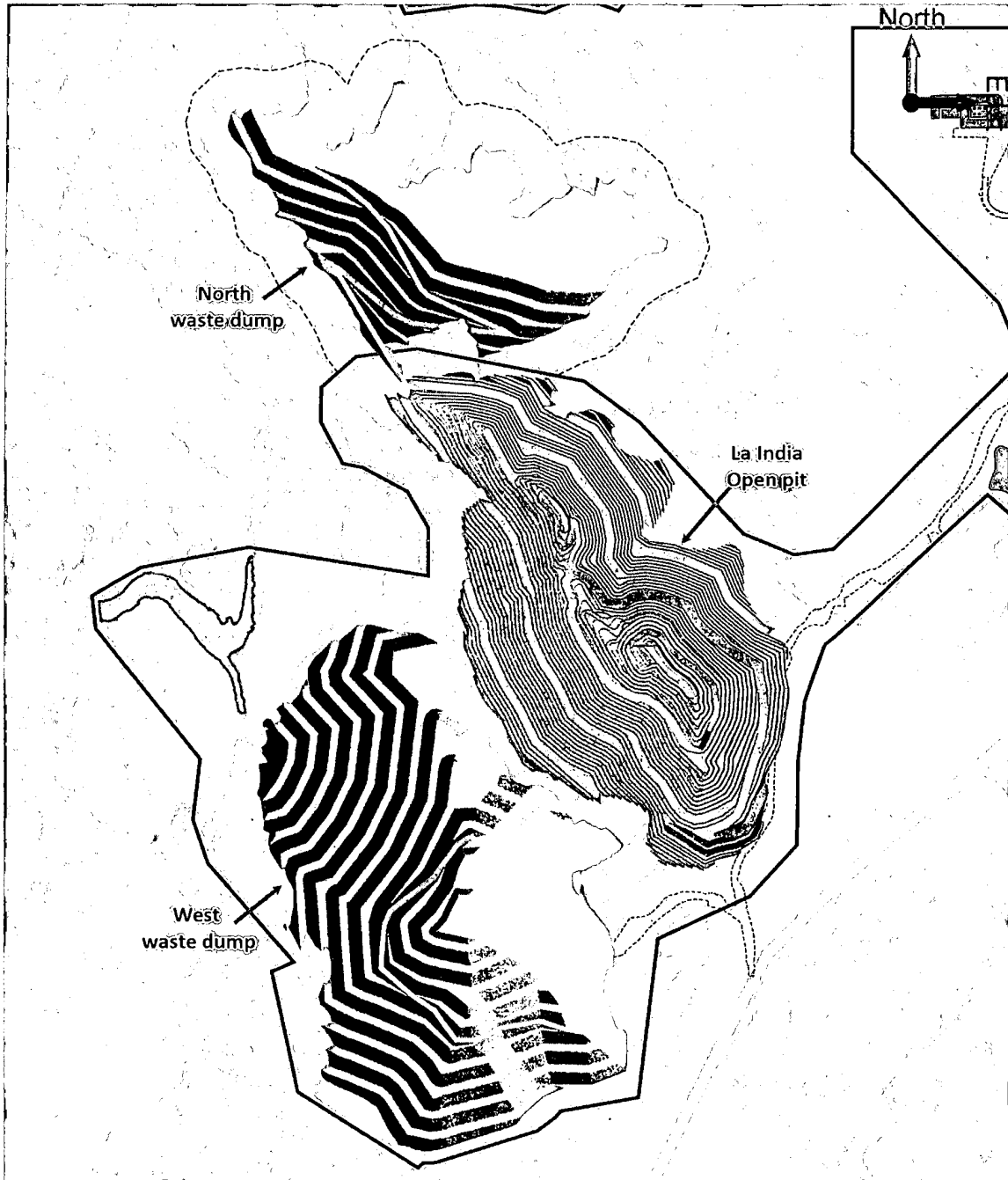


Figure 3: Ultimate Pit Design with Waste Dumps

Following development of the optimal limits, Condor staff applied mining equipment constraints for road widths and ramp inclinations suitable for the small equipment employed by Nicaraguan contractors. The resulting pit plan indicated production of 7.3 million tonnes of rock grading 2.56 g/t for 602 thousand ounces delivered to the mill over six years of active mining. A total of 96.7 million tonnes of waste will be mined for a stripping ratio of 13.2 waste tonnes per ore tonne. This excludes the Inferred Mineral Resource within the FS pit shell of 900kt at 2.4g/t gold for 70 oz. gold.

A series of eight phases were developed and exported into a scheduling package for development of the production schedule. These plans were designed to start on the lowest strip, highest grade areas initially. Additionally, initial years of mining advance were staged to preserve the natural drainage along the La Simona channel, and postpone installation and relocation of the subsurface dewatering wells.

CONDOR GOLD PLC
REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Production schedule

The production schedule was optimized per SRK mining staff recommendations. The phase plans were sequentially depleted on a bench-by-bench basis to provide a delivery schedule to both cover the mill and to develop stockpiles as a precaution against extreme rain events. The resulting mine and mill production schedule for the Indicated only material is provided below as Table 2.

Table 2: Production Schedule

Units	Total	-1	1	2	3	4	5	6	7	8	9
Ex-Pit Summary											
Expit Rock Minec (kt)	104,025	5,105	21,179	23,888	25,298	16,879	9,672	2,004	0	0	0
Stripping Ratio (t/t)	13.2	19.6	36.8	14.6	11.3	14	7	2.5			
Expit Waste (kt)	96,707	4,858	20,618	22,352	23,239	15,753	8,460	1,426	0	0	0
Expit Ore (kt)	7,318	247	561	1535	2059	1126	1212	577	0	0	0
HG (kt)	1,906	68	188	332	428	402	275	213	0	0	0
MG (kt)	2,447	115	166	455	689	331	440	250	0	0	0
LG (kt)	2,435	54	173	623	758	322	406	98	0	0	0
MARGINAL (kt)	531	10	34	125	183	73	91	15	0	0	0
Mill Feed											
(kt)	7,318	0	756	886	886	886	888	886	886	886	358
(g/t Au)	2.56	0	2.68	3.8	3.33	3.48	3.03	2.94	1.04	0.97	0.65
tr. oz 000s	602	0	65	108	95	99	87	84	30	28	7

The mill was scheduled to continue to operate for about three years following mine completion operating from low grade stockpiles accumulated during normal mine operations.

Metallurgy & plant design

SRK designed an FS-level metallurgical program to build upon the PFS and tests previously conducted in 2019. The metallurgical program focused on three master composites and eleven variability composites that were formulated from selected drill core intervals.

The metallurgical program included: mineralogical studies designed to assess gold deportment in the ore, comminution studies and cyanide leach optimization test-work. Carbon adsorption isotherms were developed for modelling the carbon-in-pulp (CIP) process that will be used for recovering gold from the leach solutions. The metallurgical program also included cyanide destruction of the leach residue prior to disposal in the tailings storage facility.

During 2022 an extensive confirmatory test program was conducted on the variability composites and on additional composites selected to test responses of the lower grade ores (below 1.5 g/t Au). This work was conducted by Bureau Veritas Laboratories (BV) in Richmond, British Columbia.

The 2022 metallurgical program validated and extended Condor's conclusions from the 2014 PFS, specifically:

- 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 for the 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 approximately 93%.

Process description

The 2022 FS recommendations for the mill were modified to take advantage of the Semi-Autogenous Grinding mill (SAG mill) purchased from First Majestic Silver in 2021. The decision was made to slightly modify the plant from a Carbon in Leach (CIL) plant to a Carbon in Pulp (CIP) plant, which offers operational flexibility in addition to being the most common method used by other gold companies in Nicaragua.

CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022

Hanlon developed the Process Design Criteria, Flow Sheet, Process Equipment, and Electrical Infrastructure to a Feasibility Level Design for the Gold Processing Facility. The Processing Plant will be capable of treating 886ktpa of La India ore per annum using the following unit operations:

- Primary crushing and bypass ore stockpile.
- Ore surge bin and reclaim.
- Grinding and classification, including pebble crushing for SAG mill oversize.
- Leach feed thickening.
- Leaching and adsorption (Carbon-In-Pulp).
- Elution and gold recovery.
- Tailings disposal.
- Reagent mixing, storage, and distribution.
- Electrical power and control systems.
- Water and air services.

Plant design

The design of the plant and infrastructure was conducted by Hanlon Engineering of Tucson, Arizona, a division of GR Engineering Services of Australia. The work included the plant, support infrastructure, access roads from the pit exit to the mill. The level of design for the plant was sufficient to provide cost estimates for capital and operating costs.

The Hanlon deliverables included over 100 drawings covering Civil, Electrical, Process flow diagrams and general arrangements, along with the reports detailing the capital cost sections of the FS and the operating costs for the plant area.



Figure 4: View of Planned 2800 TPD Plant

Waste geochemistry

The FS Geochemical study on waste rock and tailings material has built on the analyses that were carried out for the PFS. The 2022 FS was supported by an additional program of sampling which was subjected to a suite of industry standard tests to assess the acid rock drainage and metal leaching (ARDML) behaviour of the waste materials. A total of 40 additional waste rock static tests were conducted, resulting in a total of 69 samples analysed, with a further suite of tests conducted on the available tailings material from the metallurgical test-work programme. The Company also conducted on-site barrel leach tests on selected waste rock material, which were subject to rainfall or artificially irrigated to simulate longer term leach conditions.

The estimates of potential mine water quality are relatively sensitive to the parameters applied and therefore recommendations are proposed to refine those estimates as part of the mine development, coupled with monitoring activities during operation.

CONDOR GOLD PLC
REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Tailings

The La India Tailings Storage Facility (TSF) designed by Tierra Group allows for 7.8 Mt of tailings capacity with an assumed density of 1.157 t/m³. The TSF impoundment will be lined with a continuous geomembrane liner in the impoundment and upstream dam slopes overlying compacted and moisture conditioned low-permeability native soil. The design of the TSF was developed by Tierra Group international (TGI), while the corresponding costs for construction were provided by Hanlon.

A geotechnical investigation including drilling 16 ground investigation boreholes and 29 test pits was undertaken in 2020-2021. Soil characterization, permeability, consolidation, and shear strength were determined through geotechnical testing performed on samples from the investigation. Dams were designed to meet international dam safety guidelines including the Canadian Dam Association (CDA) and the Global Industry Standard for Tailings Management (GISTM), including slope stability analyses and earthquake loading from the Maximum Credible Earthquake (MCE). A water balance for the TSF was also developed by TGI and integrated into the site wide water balance.

Hydrology

The FS incorporated local climate data combined with regional records to generate long-term (40 years) meteorological timeseries, including precipitation and potential evaporation. Intensity Duration Frequency (IDF) curves were estimated for return periods of 2 to 100 years, for a range of different storm durations (5 minutes to 24 hours). This information was used to define a range of storm events to be used in the design of water infrastructure, including dams (including the La Simona water attenuation dam), culverts and the drainage network.

The resulting model has been used to develop the surface water management plan and provide water infrastructure design criteria. The planned surface water management structures (culverts, attenuation dams, sedimentation ponds) have been incorporated into the model where the results demonstrate that the proposed infrastructure is sufficient to manage floodwater across the site.

The site wide water balance and surface water management system was designed by SRK with cost estimation provided by Hanlon.

Dewatering

A numerical groundwater model was developed to provide insight into the magnitude and seasonality of dewatering requirements. The model was used to ensure that in-pit pumping capacity will be sufficient to deal with both surface water and groundwater inflows. The operational simulations were run for 10-years, using a dry, wet and average recharge, generated from historical climate records, to determine the likely range of pit inflows for different climatic conditions.

Dewatering will be achieved through a combination of pumping from historical underground workings and in-pit sump pumping.

Water balance

The site-wide water balance combines the results of the climate study, hydraulic modelling, groundwater modelling and water management plans. It has been used to optimise the storm water management system (including the pit pump-around system), analyse system response under a range of climatic scenarios, predict pit flooding events, and inform the process plant make-up water strategy. The model predicts that pit flooding, which will cause the lower benches to become inoperable, is likely to occur 7-20 days per year, which will be managed through operational practices. However, in the case of extreme events this period of access could be extended to up to three months. In such cases operations will need to adapt to extract ore from alternative areas of the pit or utilise stockpiled material.

CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022

Infrastructure

Infrastructure design beyond the TSF and water management program was conducted by a combination of Condor staff (offices and accommodation), and Hanlon staff (power, water, site drainage, sewage, and plant support buildings). Quotes for modular structures were obtained by Condor staff from local vendors, along with quotes for provision of bulk construction services. The approach was focused on development of a minimalist camp and support system, in addition to using existing Condor facilities. Compilation of the capital cost estimates corresponding to the designs was the remit of Hanlon.

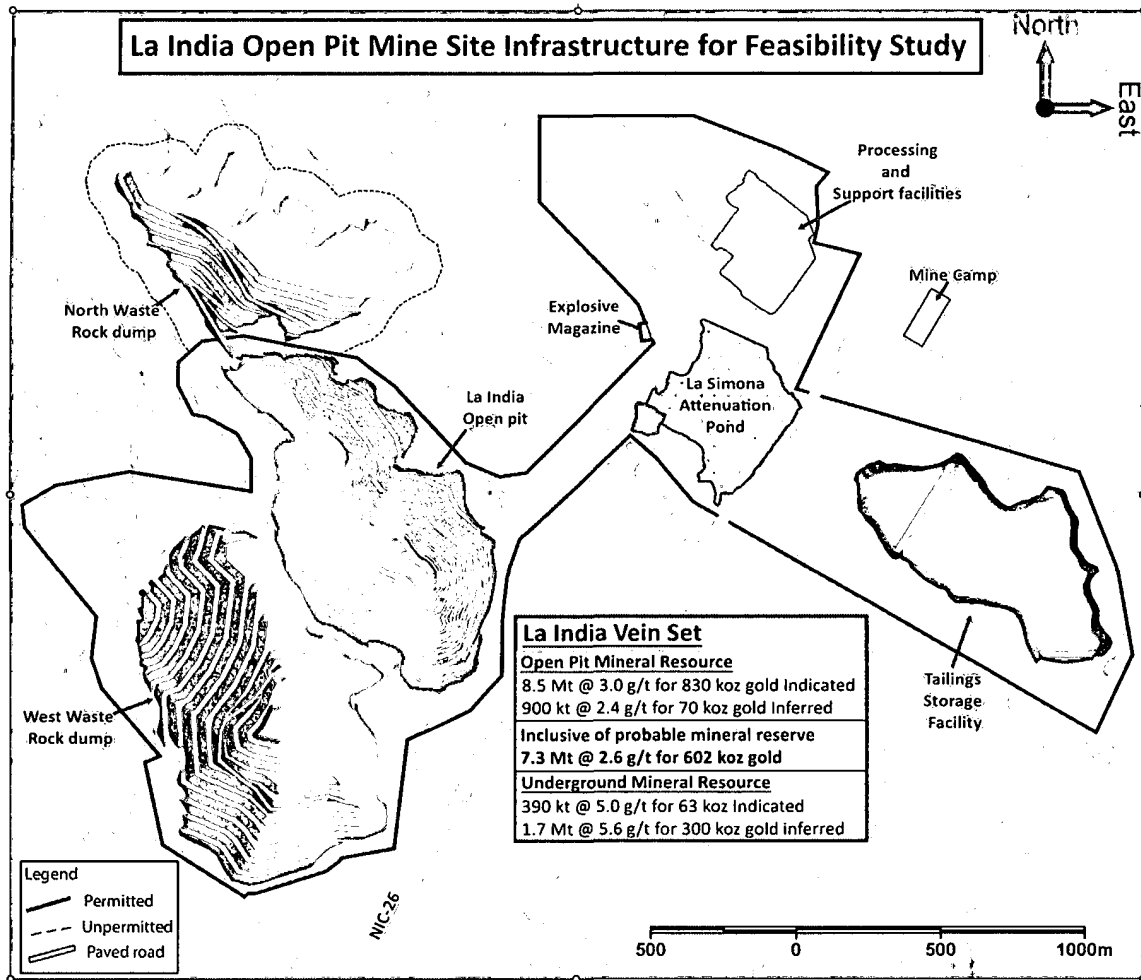


Figure 5: Site General Arrangement and Infrastructure

Environmental & Social Responsibility (ESR)

The FS study included a review of the existing Condor ESR activities conducted by SRK staff. The review included assessment of activities related to the obligations and commitments described in the Environmental and Social Impact Assessment (ESIA) approved in 2018. The ESIA process included the completion of several baseline and impact studies, some of which commenced in 2013. The Ministry of Environment and Natural Resources (MARENA) issued the Environmental Permit in 2018, which remains valid until 2028 after which it can be renewed.

Condor has also developed a list of the remaining required permits, along with identification of the relevant authorities. The impacts on the community of Santa Cruz de La India, located adjacent to the open pit, will be managed and monitored throughout the mine life.

A closure plan has been prepared in support of the feasibility study, inclusive of closure costing.

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REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Operating and capital costs

Detailed discussions of the operating and capital costs are presented in the press release dated 12 September 2022, along with the technical report on the FS filed on SEDAR.

The FS reported direct operating costs of \$973/oz, All-in Sustaining Costs of \$1,039/oz and All-in costs of \$1,232/oz.

Table 3: Operating Cost Summary

Operating Costs		
Category units	(US\$M)	\$/T-ore
Mining	236.7	32.34
Water Management	12.2	1.67
Processing Plant	179.4	24.51
Tailings	2.4	0.33
G&A	49.1	6.71
EMP	-	-
Sub-total	479.8	65.56
Royalty	53.3	7.28
Total Operating Costs	533.1	72.84

Based on Ore tonnes (thousands)

7,318

Upfront Capital was estimated at \$105.5M, with sustaining capital of \$47.4M.

Table 4: Summary of Capital Costs

Capital Expenditure		
Pre-stripping	(US\$M)	11.30
Pre-Production Operating Costs	(US\$M)	11.15
Processing Mobile Equipment	(US\$M)	0.91
Process Facilities Direct	(US\$M)	36.34
Infrastructure Direct	(US\$M)	6.31
TSF Direct	(US\$M)	8.03
Pit Dewatering and Storm Management	(US\$M)	1.57
Indirect Field Cost	(US\$M)	5.27
Project Indirect	(US\$M)	9.12
Other Indirect Cost	(US\$M)	1.18
Owner's Cost	(US\$M)	2.47
Other Initial Capital	(US\$M)	2.46
Contingency	(US\$M)	9.34
Initial Upfront Capital	(US\$M)	105.45
Sustaining Capital	(US\$M)	47.39
Total Capital Expenditure	(US\$M)	152.84

CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.) **FOR THE YEAR ENDED 31 DECEMBER 2022**

Economic evaluation

Condor announced the completion of the 2022 FS on 12 September 2022 along with the subsequent posting of the CN1 43-101 Technical report on the FS. The 2022 FS demonstrates a robust and economically viable base case for the La India open pit:

- Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold
- Production averages 81,545 oz gold per annum for the first 6 years of an 8.4 year mine life
- An Internal Rate of Return ("IRR") of 23% and a post tax, post upfront capital cost NPV of US\$86.9 million using a discount rate of 5% and price of US\$1,600 oz gold (Mineral Reserve Case).
- An Internal Rate of Return ("IRR") of 43% and a post tax, post upfront capital cost NPV of US\$205.2 million using a discount rate of 5% and price of US\$2,000 oz gold.
- Low initial capital requirement of US\$105.5 million (including contingency and EPCM contract) Low average Life of Mine All-in Sustaining cash costs US\$1,039 per oz gold.

Exploration

New drilling results (post mineral resource update) - infill drilling on La Mestiza open pit - Mineral resource

Final assay results were received for the 8,000 m infill drilling programme on the fully permitted La Mestiza open pit resource that was undertaken in 2021. The Mestiza area is located only 3 km from the site of the proposed La India processing plant and is the most advanced of the potential satellite deposits on the La India Gold Project with the land acquired and an open pit mining permit already in place. La Mestiza hosts:

1. an open pit mineral resource of 92 kt at 12.1 g/t gold for 36,000 oz gold in the indicated category and 341 kt at 7.7 g/t gold for 85,000 oz gold in the inferred category, and
2. an underground mineral resource of 118 kt at 5.5 g/t gold in the indicated category and 984 kt at 5.3 g/t gold for 169,000 oz gold in the inferred category.

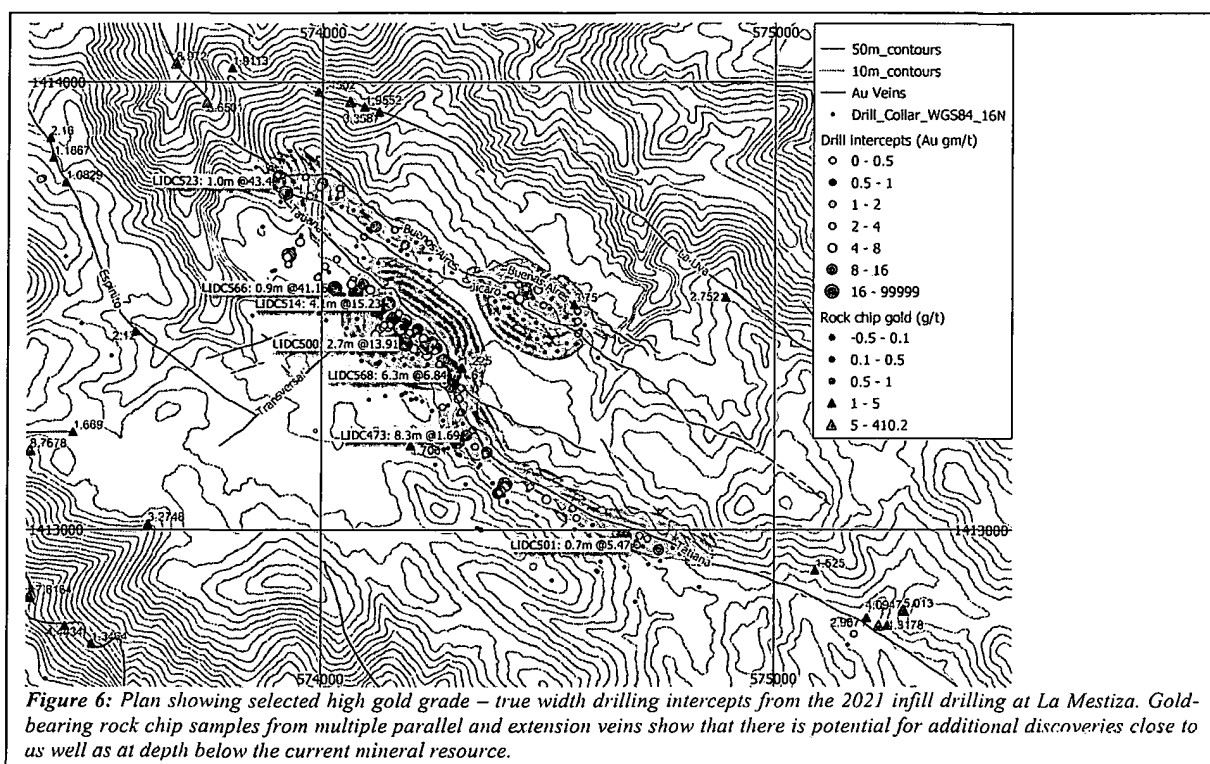
The infill drilling targeted the part of the mineral resource that is considered to have potential to support open pit mining, focussing on the 85,000 oz gold that is currently categorised as Inferred. The drilling has 'tightened-up' the drill spacing from a mix of 50 m to 100 m spacing to a regular 25 m along strike and 50 m down-dip. This will improve the confidence of the geological model and upgrade a significant proportion of the inferred open pit mineral resource to the indicated mineral resource category for use in future pre-feasibility or feasibility level studies.

The results that have been received are consistent with expectations. Assay results returned in 2023 include intercept of 6.90 m (6.3 m true width) at 6.84 g/t gold from 31.45 m drill depth in drill hole LIDC568; only 50 m below surface outcrop (which occurs on a rise), and also several metres outside of the edge of the current pit shell on the principal Tatiana vein. This supports and expands on adjacent drill intercepts of 4.5m (4.1 m true width) at 15.23g/t gold from 47.8m drill depth in drill hole LIDC514 and 3.90 m (3.6 m true width) at 29.1 g/t gold from 105.70 m in drill hole LIDC471 which were returned earlier in the drilling programme.

Dave Crawford
Chief Technical Officer

CONDOR GOLD PLC

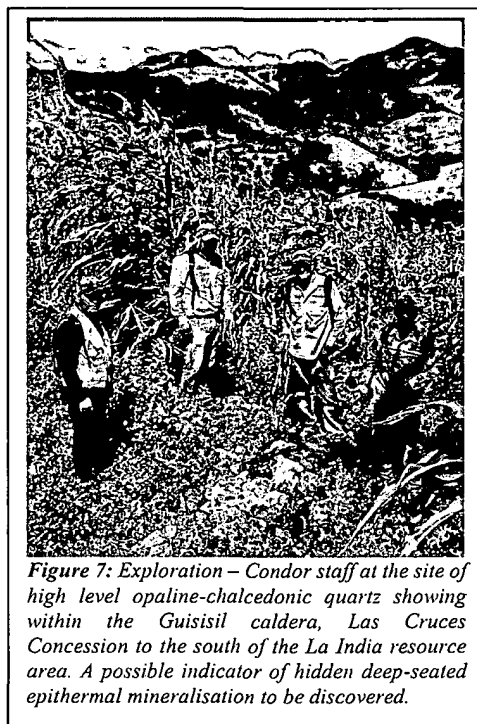
REVIEW OF OPERATIONS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022



Exploration upside - La India project prospectivity assessment

The Company completed a review of exploration completed and the potential for new discoveries within the 588 km² La India project concession package, which identified 22 exploration targets. The targets range from conceptual target areas where little work has been done but the geological setting is recognised as favourable for the discovery of new mineral deposition, to existing mineral resources that have demonstrated potential to be expanded with further drilling. It is expected that some of these targets will develop into mineral resources, and also that more targets will be revealed with further exploration.

The historic La India gold mine operated between 1938 and 1956, exploiting several veins spread within an area of less than 50 km². Modern exploration since the late 1980's is well documented and has been captured on a digital database, with the majority of the work carried out by Condor since 2007. Exploration is most advanced in the historic mining area where a mineral endowment of 2.3 Moz gold has been estimated, with 9.8 kt at 3.6 g/t for 1.1 Moz gold is in the indicated category and 8.5 kt at 4.3 g/t for 1.2 Moz gold is in the inferred category has been estimated. A preliminary economic assessment has indicated that over 1.4 Moz gold could be amenable to mining (SRK 2021). Despite this there are still opportunities for additional discoveries and resource definition within and near to the historic mining area where approximately 3 km of gold mineralized veins have been identified by trenching but not yet drill tested.



CONDOR GOLD PLC

REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

The exploration to date includes 4,565 rock chip samples, 1,776 trenches for 28,972m of channel samples and 96,679 m of drilling. Exploration is progressively less advanced further away from the historic mining area. Beyond the historic mining area almost 50 km of gold-bearing veins have been mapped and rock chip sampled, of which only 5 km have been further tested by trench channel sampling. There has been limited follow-up drilling in these areas with significant trench intercepts such as 5.9 m at 20.16 g/t gold (Dos Hermanos vein set) and 1.0 m at 16.3 g/t gold (Los Limones prospect) yet to be drilled. Exploration in this area is supported by airborne geophysics and a soil geochemistry survey extending over 315 km² area. Even further away from the historic mining area, on more recently acquired concessions at the northern, southern and western ends of the concession package exploration activity has been limited to reconnaissance mapping with some isolated indications of epithermal gold and possible porphyry or iron oxide copper-gold (IOCG)-style mineralisation documented.

Future exploration should continue to advance the existing pipeline of exploration targets and develop conceptual targets; both epithermal gold-silver, and porphyry or iron oxide copper-gold (IOCG)-style mineralisation:

- Two hundred and seventy-five square kilometres are available in the north, south and west for grass roots exploration such as stream sediment and soil sampling and prospecting.
- The grade and width of 52 km of gold bearing veins identified by rock chip sampling has yet to be measured by trench channel sampling.
- A number of drill targets have been identified, both to test for gold mineralization continuity beneath high-grade trench intercepts and to test beneath indications of hidden deep-seated mineralisation recognised in soil geochemistry and geological mapping. .

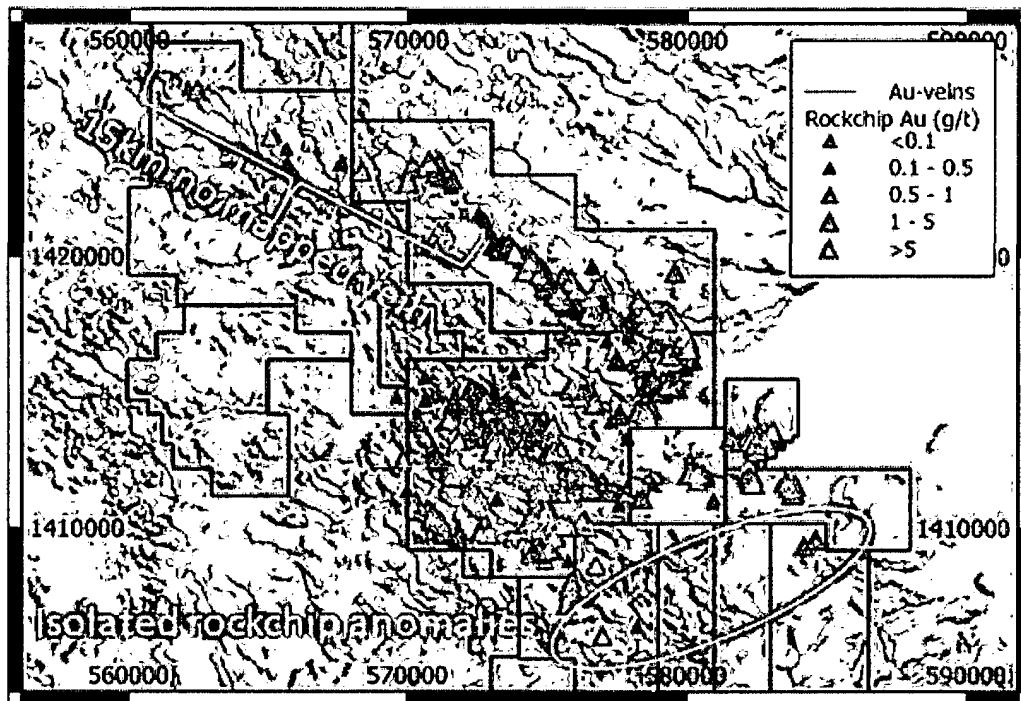


Figure 8: Approximately 15 km strike extension of the Andrea Gold Corridor is defined by isolated rock chip anomalies (top). Several high-grade rock chip samples in the southeast of the concession area remain un-explored (bottom).

CONDOR GOLD PLC

**REVIEW OF OPERATIONS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022**

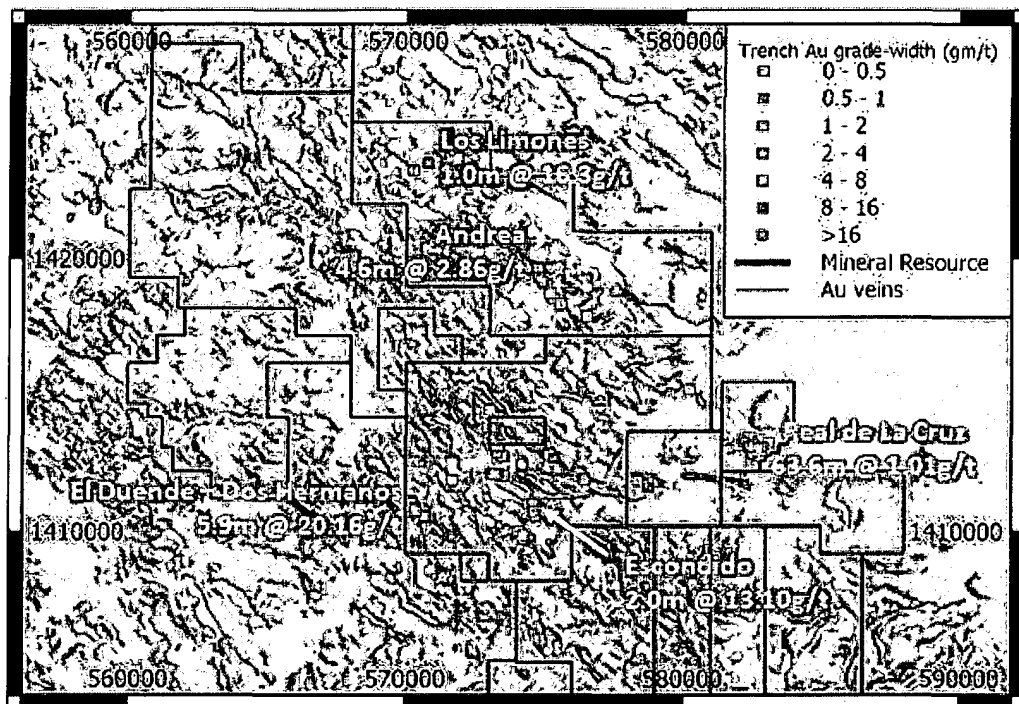


Figure 9: Significant trench intercepts outside of the current mineral resource area of which only Andrea and Real de La Cruz prospects have been subject to initial exploratory drilling. The Escondido vein is a c.500 m long vein linking the La India and America open pit deposits and the El-Duende-Dos Hermanos and Los Limones prospects are un-drilled early stage exploration targets.

Luc English
Resident Geologist

CONDOR GOLD
REVIEW OF OPERATIONS (CONTD.)
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Social Matters

In 2022, the social team was focused on maintaining the license for the Mina la India project through direct relations with artisanal miners and the families of the 10 communities neighbouring the project, with whom it carried out 624 activities. These activities were coordinated through eight local programs created by the Company and that involve almost 80% of the local population: seniors, local businessmen, cooperative artisanal miners, independent artisanal miners, APROSAIC (local association of development initiatives), the projects “Water is life”, “Youth in Action” and “Happy Childhood”. Work also continued to strengthen the social license of the Tatiana and América projects where the company has very good relations with the communities of indirect impact.

A second communication and “awareness campaign was carried out for the next stage of the community training program on meeting the proposed goal of 18 trainees with 42 candidates, which includes allowances for cases of school dropout.

During this year, the six self-sustaining projects promoted by the company continued:

- Huerto Medicinal (focused on the sale, reproduction of plants and production and sale of natural medicine),
- Piñatas and Varieties of Santa Cruz de la India (which produced and sold 319 piñatas), Banco Comunal (which provided 11 loans to its members),
- Savings Program (where 24 businessmen participated),
- Cleaning and recycling (collected 1,015 pounds of plastic in 2022),
- Community rooms (which has nine rooms and five families participating); and
- Health Post project in five communities in alliance with the Ministry of Health of Santa Rosa del Peñón and El Jicaral. As part of this program medical care was provided to 368 people.

The social team worked to strengthen the corporate image both locally and nationally through the publication of nine press releases, television interviews and participation in the mining fair where the company promoted a positive image and also offered two conferences by experts on topics of interest: environmental management and social management.

As part of Condor's HSEC policy and in line with international good practice, the company also implemented quarterly community assemblies in the three villages within La India's direct area of influence in order to present the activities carried out as part of the project and the exploration activities. In these assemblies, Condor staff disclosed the system of complaints and claims and published their activities on social networks.

This year the formulation of the drinking water project for the communities of Santa Cruz de la India and Agua Fría continued in partnership with the state institutions National Water Authority, FISE, ENACAL and mayors of three municipalities.

Condor Gold maintained contact with 45 leaders in 10 communities, which helps it strengthen its relationships with stakeholders and communities.

In 2022, as in 2021, representatives of the Ministry of Energy and Mines (MEM) congratulated the company for its outstanding social management and stated that the company with the best social management in the country is Condor Gold.

Levinia Sequeira
Social Manager

CONDOR GOLD PLC
REVIEW OF OPERATIONS (CONTD.)
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Environmental

Condor maintained its support of the environmental permit compliance conditions during 2022 with our on-going programs.

Reforestation efforts included contribution of plants to local INAFOR offices as part of our commitment established in the ESIA to the delivery of 200,000 plants for the reforestation plan. Condor also maintained several hectares of reforestation in eight areas under legal agreements. The Condor-run Oro Verde nursery held an inventory over 7000 plants, divided between fruit and ornamentals, along with providing Condor staff with stock for reforestation maintenance.

Groundwater and environmental monitoring programs continued during 2022. This effort includes generation of environmental baseline information; sampling and analysis of water quality was carried out with a certified laboratory in 13 strategic monitoring sites distributed in the La India concession. Groundwater levels were monitored in 44 piezometers located in the concession areas.

Condor continues baseline monitoring surface water with daily readings of water levels and determination of flows in the two main catchments at La Simona and at the San Lucas tunnel, including a daily photographic record of the 6 weirs within the La India and America concession areas (6,500 photos).

Associated with the surface water monitoring program, the company maintains an analogue and digital weather monitoring system, which showed average annual rainfall of 1,917 mm, indicating that the year 2022 exceeded the normal rainfall by 40%.

The Acid Rock Drainage sampling continued through 2022. The analysis of these samples is scheduled for the second quarter of 2023.

La India staff noted a number of low-intensity forest fires within the concession areas of La India that resulted in burning of brush and dry trees. There was no major damage to the physical property of the company.

Condor also provided support of the mayor's office of Santa Rosa del Peñón, with the development and delivery of the Environmental Management Plan of the municipal landfill project and its administrative management.

Jamil Robleto Molina
Environment Manager

CONDOR GOLD PLC
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Land Acquisition

During 2022, the land acquisition team focused on the legalization and transfer of possessory rights to real rights, as an improved legal status, which means that the properties started a registration process in the name of La India Gold S.A. / Condor S.A. in accordance with national laws.

The La India mining project has acquired a total area of 724.82 Ha., of which 364.17 Ha. have been successfully legalized through agrarian reform titles and registered in the Property Registry of Leon; 100% of the properties acquired as possessory rights are now in the process of being transferred as real rights in favor of La India Gold S.A. / Condor S.A. As of 31 December 2022, Condor owns or controls 99.6% of the required land for the La India Mine.

The strategic participation and administrative management of the team and General Management in coordination with government authorities such as the Nicaraguan Institute of Territorial Studies (INETER), the Attorney General's Office (PGR) and the General Directorate of Mines (DGM) was very important.

The properties in the "Espinito Mendoza" concession - Tatiana Project, has acquired 170 hectares; a percentage of 94.4%. In the case of the Mestiza property, totaling 273 ha. the final registration of the first 70.52 ha. in the name of Condor S.A. was successfully concluded during the year. It is planned to finalize the legalization of the rest of the property, around 203.04 ha, in 2023.

Dianer Escobar
Legal Manager

CONDOR GOLD PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Group's financial performance for the year was in line with Directors' expectations. The Group's total losses before taxation amounted to £2,532,560 (2021: £2,330,003). The Group's administrative expenses for the year were £2,537,459 (2021: £2,330,003). No dividends were paid during the year (2021: £nil). The Group has reviewed the future budget and cashflows.

The Group at the end of the financial period has 100% ownership of eleven concessions in La India Mining District and a further two in additional project areas in Nicaragua. During the current year, the Group capitalised a further £3,754,742 on exploration and evaluation activities of the projects. During the year, the Group purchased land required to develop the mine in Nicaragua to the value of £273,352. These amounts have been included within the amounts capitalised in exploration and evaluation activities and tangible assets respectively during the year. The Company is currently investing in the La India Project, which is discussed in greater detail in the 'CEO's Report', 'Review of Operations' and 'Projects Overview' and Notes 9 and 10 of the financial statements.

During the year, there was a sub-division of shares. The Ordinary share were divided into Ordinary shares at £0.001 per share and Deferred shares at £0.199 per share. At the year end, there were 180,531,491 Ordinary shares and 158,629,530 Deferred shares.

KEY PERFORMANCE INDICATORS

The key indicator of performance for the Group is its success in identifying, acquiring, developing investments of gold and silver mineral concessions so as to create shareholder value.

Control of bank and cash balances is a priority for the Group and these are budgeted and monitored closely to ensure that it maintains adequate liquid resources to meet financial commitments as they arise.

At this stage in its development, quantitative key performance indicators are not an effective way to measure the Group's performance.

However, a qualitative summary of performance in the period in the CEO's Report, the Operations Report and the Project Overview is an effective way of measuring the key performance of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Set out below are the principal risks and uncertainties facing the Group:

Exploration and development risks

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver in global metal prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in additional Mineral Resources and / or Reserves or go on to be an operating mine. At every stage of the exploration and development process the projects are rigorously reviewed, both internally and by qualified third-party consultants to determine if the results justify the next stage of exploration and development expenditure, ensuring that funds are only applied to high priority targets.

The principal assets of the Group, comprising the mineral exploration licences and Environmental Permit at La India, the land purchased to date and the new SAG Mill package are subject to certain commitments. If these commitments are not fulfilled the licences and permit could be revoked. To mitigate these risks, the Group closely monitors on an ongoing basis its commitments and the expiry terms of all licenses in order to ensure good title is maintained. They are also subject to legislation defined by the government in Nicaragua; if this legislation is changed it could adversely affect the value of the Group's assets.

Mineral Resource and Mineral Reserve estimates

The Group's reported mineral resources and reserves are only estimates. No assurance can be given that the estimated mineral resources will be recovered or that they will be recovered at the rates estimated. Mineral Resource and Mineral Reserve estimates have been prepared using the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) and Canadian NI 43-101 but nonetheless remain uncertain because the samples used may not be fully representative of the full mineral resource. Further, these mineral resource and reserve estimates may require revision (either up or down) in future periods based on additional drilling or actual production experience.

Any current or future mineral resources or reserves are or will be estimates and there can be no assurance that the minerals will be recovered or that they can be brought into profitable production. Furthermore, a decline in the market price for natural resources, particularly gold, could render reserves containing relatively lower grades of these resources and reserves uneconomic to recover.

CONDOR GOLD PLC
STRATEGIC REPORT (CONTD.)
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Country risk

The Group's licences and operations are located in the Republic of Nicaragua. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, appropriation of property without fair compensation, cancellation or modification of contract rights, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the area in which these operations are conducted.

Nicaragua is the current focus of the Group's activity and actively supports foreign investment. It has a well-developed exploration and mining code with proactive support for foreign companies. The country has also historically been the recipient of major funds from the World Bank and these have been largely allocated to infrastructure projects, some of which indirectly benefit the La India project. The Group continues to monitor the economic and political climate in the country. Due to the ongoing political uncertainties in Nicaragua, the US State Department has imposed sanctions on many Government officials. On 24 October 2022, the US State Department imposed sanctions on the Department of Mines in Nicaragua, which operates under the Ministry of Energy and Mines, under US Executive Order 13851. We have received legal advice the sanctions are unlikely to have any direct impact on the Company's operations in Nicaragua, but there can be no certainty that further sanctions will not be imposed by the US or by other jurisdictions which may have a material adverse impact on the value of the Company's assets.

Volatility of commodity prices

Historically, commodity prices (including in particular the price of gold) have fluctuated and are affected by numerous factors beyond the Group's control. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices in the long-term may adversely affect the returns of the Group's projects.

A significant reduction in the global demand for gold, leading to a fall in gold prices, could lead to a significant fall in the cash flow of the Group in future periods and/or delay in exploration and production, which may have a material adverse impact on the operating results and financial position of the Group. The Group evaluates trends in the gold market in assessing the future viability of the La India Project.

Sales Process

Whilst the Company has launched a process to seek buyers for the Company's assets, as announced on 22 November 2022, there can be no guarantee that such an offer will be forthcoming or that it will be on terms that the Directors consider acceptable or could recommend to Shareholders. If this process were to result in no acceptable offers for the Company's assets, this could lead to the Company having to reconsider its future strategy and, as such, may impact the value of the Company.

Financing

The successful exploration and permitting of natural resources on any project requires significant capital investment. The Group currently sources finance through the issue of additional equity capital. The Group's ability to raise further funds will depend on the success and progress of its strategy to sell its assets, the gold price and the perception of political risk in Nicaragua. The Group may not be successful in procuring the requisite funds on terms which are acceptable and, if such funding is unavailable, the Group may be required to reconsider its strategy. To date the Group has been successful in raising capital and prepares expenditure budgets to ensure that its activities are consistent with its financial resources.

Dependence on key personnel

The Group is dependent upon its executive management team. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on the ability to recruit and retain high quality and experienced staff. The loss of service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions. Through offering competitive remuneration packages, to date the Group has been successful in recruiting and retaining high quality staff.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against, or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

In common with other companies operating in natural resources exploration, the Group's activities are sometimes speculative and involve a high degree of risk.

The Group's exploration work involves participation in soil surveys, trenching and drilling. Interpretations of the results of these programmes are dependent on judgements and assessments of qualified geoscientists. These interpretations are applied in designing further exploration work programmes as well as mining, processing and other studies which rely upon the judgement and assessment of qualified engineers and other specialists and which may contain errors or inaccuracies and to which the Group can commit significant fiscal resources.

CONDOR GOLD PLC
STRATEGIC REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Work programmes often involve drilling, geoscientific and other engineering work that occasionally present unique challenges that could result in unexpected operational problems. Furthermore, activities generally take place in remote locations that can be subject to unexpected climate events, possible acts of terrorism, criminal threats, piracy and potential environmental risks.

The Group operates in countries where political, economic, legal, regulatory and social uncertainties are potential risk factors. The risk committee carefully monitors the project areas in Nicaragua, and actively work to mitigate any foreseen risks to the project. Furthermore, the Group seeks to minimise risk through purchasing of a variety of insurance policies.

GOING CONCERN

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date, the Group had £2,444,093 of cash. In common with many exploration and development companies, the Company raises finance for its exploration and technical studies and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua and, *inter alia*, compliance with the conditions of the Environmental Permit awarded in regard to the La India open pit in 2018. The Directors are confident that the Company will be able to raise these funds, however there is no binding agreement in place to date. In addition, the timing and quantum of any asset sale is currently uncertain. These conditions may cast doubt on the Group and Company's ability to continue as a going concern. It is not the Company's intention to cease trading after the potential sale of the Nicaraguan assets.

The Directors have prepared a cash flow forecast for the going concern period demonstrating the austerity measures which can be implemented to reduce the Group and Company's cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits. Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements.

Section 172(1) Statement – Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006. The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

As disclosed within the Going Concern section, the Group and Company are currently reliant upon raising funds in discrete tranches for its continued operations. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are transparent about its cash position and funding requirements.

The application of the s172 requirements are demonstrated through the key decisions and actions made during 2022 as described within the CEO's Report and Review of Operations. The Board takes seriously its corporate social responsibilities to the communities and environment in which it operates – refer to pages 29 and 30 for further details.

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to financial risks that include credit risk, liquidity risk, and market risks including fluctuations in the price of gold. The Group does not have any debt and is not therefore required to use derivative financial instruments to manage interest rate costs nor is hedge accounting applied.

1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The Group and the Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The credit risk on trade and other receivables is limited to the Group's receivable of £775,693. The exposure of the Group and the Company to credit risk arises from default of its counterparty, with maximum exposure equal to the carrying amount of cash and cash equivalents in the Group's Statement of Financial Position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

The Group does not hold any collateral as security.

CONDOR GOLD PLC

STRATEGIC REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL RISK MANAGEMENT – continued

2. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to maintain sufficient cash and cash equivalents on demand to meet its obligations as and when they fall due. The Group actively manages its working capital to ensure that sufficient funds exist to enable it to operate in accordance with the strategy.

3. Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, the price of gold and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return on risk.

(i) Pricing risk

The Directors consider there to be price risk to the business. Price risk to the business relates to the international price of gold and to the price of gold-related equities.

(ii) Interest rate cash flow risk

The Group does not have interest bearing liabilities. Interest bearing assets are only cash balances that earn interest at a floating rate.

(iii) Foreign exchange risk

The Group principally operates in US Dollars and in Nicaraguan Cordobas for its operations in Central America. The Directors believe that the contracts for transfers of funds to Central America are so small, as funds are remitted monthly in advance, that there would be no benefit gained from hedging these contracts in the market. As such, currency is bought at the spot rates prevailing on the days transfers are to take place. This situation is monitored on a regular basis, and at present the Group does not have any formal policy for hedging against exchange exposure. The Group may, when necessary, enter into foreign currency forward contracts to hedge against exposure from currency fluctuations, however, the Group has not entered into any currency forward contracts to date.

4. Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to Shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the accounting objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. Attention should be drawn to the Company's RNS dated 22 November 2022 providing a strategy update and notifying the market that the directors have appointed advisors to sell the assets. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the Consolidated Statement of Changes in Equity.

ON BEHALF OF THE BOARD:



Mark Child
Chief Executive Officer

Date: 27 March 2023

CONDOR GOLD PLC

STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking information under applicable Canadian securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of forward-looking terminology, including (without limitation) words such as “seek”, “anticipate”, “plan”, “continue”, “objectives”, “strategies”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. As at the date of this document, the Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in its document should not be unduly relied upon.

In particular, this document contains forward-looking statements pertaining to the following:

- Mineral Resource and Mineral Reserve estimates;
- targeting additional mineral resources and expansion of deposits;
- the impact of the redesigned La India open pit on the technical viability, economic attractiveness and anticipated gold production of the La India Project;
- the Company’s expectations, strategies and plans for the La India Project, including the Company’s planned exploration and development activities;
- the results of future exploration and drilling and estimated completion dates for certain milestones;
- successfully adding or upgrading mineral resources and successfully developing new deposits;
- the timing, receipt and maintenance of approvals, licences and permits from the Nicaraguan government and from any other applicable government, regulator or administrative body, including, but not limited to, the Environmental Permit;
- production and processing estimates;
- future financial or operating performance and condition of the Company and its business, operations and properties; and
- any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

The actual results could differ materially from those anticipated in these forward-looking statements or information as a result of the risk factors set forth below and elsewhere in this document:

- mineral exploration, development and operating risks;
- estimation of mineralisation, mineral resources and mineral reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;
- permitting and licencing risks;
- operational risks;
- negative cash flow;
- liquidity and financing risks;
- funding risk;
- material contract risks;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- exercise of statutory rights and remedies;
- risks of operating in Nicaragua;
- sanctions risks;
- government policy changes;
- ownership 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; and
- reliance on key personnel.

CONDOR GOLD PLC

STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)

STATEMENT REGARDING FORWARD-LOOKING INFORMATION (CONTD.)

- dilution risk;
- payment of dividends; and
- other risks and uncertainties described under the heading “*Risk Factors*” in the Company’s Circular dated 5 December 2022, available under the Company’s profile at www.sedar.com.

Statements relating to “mineral reserves” or “mineral resources” are deemed to be forward-looking statements or information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Although the forward-looking statements contained in this document are based upon assumptions which the Company believes to be reasonable as at the date of this document, the Company cannot assure holders of ordinary shares of the Company that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, the Company has made 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. The Company has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide holders of ordinary shares of the Company with a more complete perspective on the Company’s future operations and such information may not be appropriate for other purposes. The Company’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. These forward-looking statements are made as of the date of this document and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

TECHNICAL INFORMATION

Certain disclosure contained in this document relating to the La India Project of a scientific or technical nature has been summarized or extracted from the technical report entitled “*Condor Gold Technical Report on the La India Gold Project, Nicaragua*”, dated October 2022 (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), Fernando Rodrigues, Principal Consultant (Mining), Eric Olin, Principal Consultant (Metallurgy) Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, each of whom is an independent Qualified Person as such term is defined in NI 43-101.

On 25 February 2022 the Company announced an updated Mineral Resource Estimate (“MRE”) at La India. The MRE as at 25 February 2022 is 9.67 million tonnes (“M tonnes” or “Mt”) at 3.5 g/t gold for 1,088,000 oz gold in the Indicated category and 8.6M tonnes at 4.3g/t gold for 1,190,000 oz gold in the Inferred category. The MRE did not show a material change in the number of ounces of gold reported in the Indicated Category or Inferred Category. The methods applied to conducting the geological modelling and estimation for the MRE have not changed from those described in the Technical Report. Given that there has been no material change to the MRE, the Mineral Resource Estimate as disclosed in the Technical Report was not materially impacted by this update. More information relating to the updated MRE is supported by the press release titled “Mineral Resource Update on La India Project, Nicaragua, including initial declaration of new open pit mineral resource at Mestiza” dated 17 August 2022 which is available on SEDAR under the Company’s issuer profile. The MRE was prepared by SRK Consulting (UK) Limited (“SRK”) and uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014). The MRE update was reviewed and approved by Andrew Cheatle, P. GEP, a qualified person within the meaning of NI 43-101.

David Crawford, Chief Technical Officer of the Company, and Andrew Cheatle, a non-executive Director of the Company, each of whom is a Qualified Person as defined by NI 43-101, have approved the written disclosure in this document.

Qualified Person: Andrew Cheatle has supervised the preparation of the geological information in this report. He has circa 30 years of relevant experience in mineral exploration and development and provides consulting services in that field to various companies in the gold exploration and/or development sectors.

Andrew Cheatle is satisfied that the results are verified, based on an inspection of the results from activities carried out in 2022 as set out in this document, including of drill core, a review of the sampling procedures, the credentials of the professionals completing the work and the visual nature of the geology within a district where he is familiar with the style and type of mineralization.

Quality Assurance and Control: Samples generated from soil sampling and drilling activities are shipped directly in security-sealed bags to Bureau Veritas preparation facility in Managua (ISO 9001). Samples shipped also include intermittent standards and blanks. Pulp samples are subsequently shipped to Bureau Veritas Acme Laboratories in Vancouver, Canada for analysis. For the drilling assays used for Mineral Resource estimations, five percent of pulp samples are prepared and analysed by ALS Minerals in Vancouver, Canada (ISO 17025:2017 and ISO 9001:2015) and Bureau Veritas Laboratories (ISO 17025:2005 and ISO 9001:2015). Metallurgical tests were done on quartered core samples for La India, America and Central Breccia. No systematic mineralogy analysis has been carried out.

CONDOR GOLD PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2022.

DIRECTORS

The Directors shown below have held office during the year and up to the date of approval of these financial statements:

Mark Child
 Jim Mellon
 Kate Harcourt
 Andrew Cheatle
 Ian Stalker
 Denham Eke – appointed 22 December 2022

DIVIDENDS

The Directors do not recommend payment of a dividend (2021: £nil).

SUBSTANTIAL SHAREHOLDERS

On 24 March 2023 the Company was aware of the following interests in 3% or more of the Company's issued share capital:

Shareholders	Number of ordinary shares	Holding %
Mr Jim Mellon	36,435,814	20.18
Nicaragua Milling Company	7,150,000	3.96
Oracle Investments Ltd	6,869,112	3.8

DIRECTORS' INTERESTS

The Directors in office during the year under review and their interests in ordinary shares and unlisted options of the Company as at 31 December 2022 were:

Directors	Holding	31 December 2022		31 December 2021	
		Number of shares	Number of options	Number of shares	Number of options
M Child	Direct	4,268,333	5,300,000	3,993,020	5,450,000
	Indirect	-	-	236,980	-
J Mellon	Direct	2,889,883	1,450,000	2,889,883	1,450,000
	Indirect	33,545,931	-	25,018,628	-
I Stalker	Direct	242,858	1,000,000	242,858	800,000
	Indirect	67,370	-	67,370	-
A Cheatle	Direct	163,099	1,425,000	145,241	1,125,000
	Indirect	-	-	-	-
K Harcourt	Direct	-	1,200,000	-	1,250,000
	Indirect	-	-	-	-

CONDOR GOLD PLC

REPORT OF THE DIRECTORS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

The interests of the Directors in options to subscribe for ordinary shares of the Company were:

	Exercise price (p)	Latest exercise date	As at 1 January 2022	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2022
DIRECTORS							
M L Child							
	62	6 July 2022	800,000	-	-	(800,000)	-
	42	23 Sept 2023	800,000	-	-	-	800,000
	22	13 July 2024	1,000,000	-	-	-	1,000,000
	42	31 May 2025	1,000,000	-	-	-	1,000,000
	48	31 May 2026	1,250,000	-	-	-	1,250,000
	28.5	13 Sept 2027	-	1,250,000	-	-	1,250,000
J Mellon							
	62	6 July 2022	150,000	-	-	(150,000)	-
	42	23 Sept 2023	150,000	-	-	-	150,000
	22	13 July 2024	300,000	-	-	-	300,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	400,000	-	-	-	400,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
I Stalker							
	22	20 Nov 2024	100,000	-	-	-	100,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	400,000	-	-	-	400,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
K Harcourt							
	62	6 July 2022	150,000	-	-	(150,000)	-
	42	23 Sept 2023	150,000	-	-	-	150,000
	22	13 July 2024	150,000	-	-	-	150,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	300,000	-	-	-	300,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
A Cheatle							
	65	24 January 2023	150,000	-	-	-	150,000
	42	23 Sept 2023	75,000	-	-	-	75,000
	22	13 July 2024	300,000	-	-	-	300,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	300,000	-	-	-	300,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000

Directors held 20,238,339 warrants directly or indirectly as at 31 December 2022 (2021: 3,709,053), to subscribe for ordinary shares of the company. 1,054,167 warrants held by the directors expired during the year (2021: nil) and 17,583,452 warrants were issued to or acquired by Directors (directly or indirectly) during the year (2021: 1,478,928).

CONDOR GOLD PLC

REPORT OF THE DIRECTORS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2022

The interests of the Directors in warrants to subscribe for ordinary shares of the Company were:

	Exercise price (p)	Latest exercise date	As at 1 January 2022	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2022
DIRECTORS							
M L Child	25	15 July 2022	16,666	-	-	(16,666)	-
	42	28 May 2023	13,698	-	-	-	13,698
	50	2 November 2023	7,500	-	-	-	7,500
	35	17 June 2025	-	15,000	-	-	15,000
	15	25 May 2024	-	16,666,666	-	-	16,666,666
J Mellon	25	15 July 2022	2,083,333	-	-	(2,083,333)	-
	40	28 May 2023	1,123,575	-	-	-	1,123,575
	50	2 November 2023	1,428,572	-	-	-	1,428,572
	35	17 June 2025	-	892,857	-	-	892,857
I Stalker	40	28 May 2023	33,685	-	-	-	33,685
	50	2 November 2023	35,714	-	-	-	35,714
A Cheatle	25	15 July 2022	8,333	-	-	(8,333)	-
	40	28 May 2023	5,000	-	-	-	5,000
	50	2 November 2023	7,143	-	-	-	7,143
	35	17 June 2025	-	8,929	-	-	8,929

CORPORATE GOVERNANCE

To the extent applicable, the Group has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). Details of how the Group complies with the Code, and the reasons for any non-compliance, are set out in the Corporate Governance Report, together with the principles contained within the Code.

Corporate policies

Condor takes its health, safety, environmental and community responsibilities seriously, and has developed policies and systems to ensure that it explores in a safe, low impact and consultative manner, maximising the sustainability of its present and future operations for the benefit of all stakeholders.

Health and safety

Condor takes the health and safety of its employees and contractors seriously and strives to exceed statutory obligations and achieve best practice. To this end, a new safety management system has been implemented for its exploration operations.

Environment

Condor operates in strict adherence to local and Governmental standards with regard to environmental impact on the local community. This procedure includes pre-exploration checks and post-exploration remediation programs. Currently, no unfulfilled commitments exist to remediate land upon which the Company has conducted exploration work.

Community

Condor is committed to working consultatively and co-operatively within the communities in which it operates, which include local artisanal miners, subsistence farmers and pastoralists, and firmly believes that future mining operations should be to the benefit of all. To this end, Condor personnel participate in cultural awareness programmes and have forged close ties with landholders and maintain a constructive dialogue with MARENA and local community representatives. Condor is also a sponsor of many community development and aid programs currently in place including the provision of clean water, tree planting, the supply of school books and training of members of local communities in both technical and non-technical skills to assist their personal development.

CONDOR GOLD PLC

REPORT OF THE DIRECTORS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk
- Capital risk

In common with all other businesses, the Group is exposed to risks that arise from its area of operation. These, along with management's policies surrounding risk management, are set out in the Strategic Report.

Board of Directors

The Board of Directors at the year-end included one non-executive chairman, one executive director (the CEO) and four non-executive directors. The Directors are of the opinion that the recommendations of the Code have been implemented to an appropriate level. The Board, through the CEO maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

The Board meets regularly throughout the year, for both Board committee meetings and full operational Board meetings. During the year to 31 December 2022 the Board held a total of 17 meetings. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance.

Day-to-day management is devolved to the General Manager who is charged with consulting with the Board on all significant financial and operational matters. Consequently, decisions are made promptly and following consultation among Directors concerned where necessary and appropriate.

All necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

The participation of both private and institutional investors at the Annual General Meeting is welcomed by the Board.

Committees

Each of the following committees has its own terms of reference.

i. Audit Committee

The Audit Committee comprises J Mellon, A Cheatle and K Harcourt, each a non-executive Director/ Chairman. The committee meets at least once a year.

All Directors received a copy of the respective Audit Committee reports prior to these meetings and had an opportunity to comment. The meetings were attended by the auditor. The Chief Financial Officer and a representative of the external auditor are normally invited to attend meetings. Other Directors or staff may be invited to attend, as considered beneficial by the committee.

The Audit Committee's primary responsibilities are to review the effectiveness of the Company's systems of internal control, to review with the external auditor the nature and scope of their audit and the results of the audit, and to evaluate and select external auditors.

ii. Remuneration Committee

The Remuneration Committee meets at least once each year. Its members are J Mellon and A Cheatle, each a non-executive Director/ Chairman, both of whom were in attendance at the meetings since their appointment date.

CONDOR GOLD PLC

REPORT OF THE DIRECTORS (CONTD.) **FOR THE YEAR ENDED 31 DECEMBER 2022**

The Group's policy is to remunerate senior executives fairly in such a manner as to facilitate the recruitment, retention and motivation of staff. The Remuneration Committee agrees with the Board a framework for the remuneration of the Chairman, Chief Executive Officer, the non-executive Directors and the senior management of the Group. The principal objective of the committee is to ensure that members of the executive management of the Group are provided incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company. Non-executive fees are considered and agreed by the Board as a whole.

iii. Risk Committee

The Risk Committee plans to meet at least once each year. Its members are A Cheatle and K Harcourt.

The Risk Committee's primary responsibilities are to identify and review the risks the group faces and to review the safeguards in place to mitigate those risks.

Service Contracts

The Company has service contracts with each of its Directors.

The service contracts also provide that the Directors and parties related to the Directors are entitled to participate in the share option arrangements operated by the Company.

Details of the contracts currently in place for Directors and related parties are as follows:

	Annual salary £'000	Consultancy payments £'000	Date of Contract	Unexpired term	Notice period
M L Child ⁽¹⁾	200	-	6 September 2022	-	12 months
J Mellon	-	25	6 April 2011	-	2 months
A Cheatle	6	19	18 January 2018	-	1 month
K Harcourt	25	6	2 March 2015	-	2 months
I Stalker	-	45	21 Nov. 2019	-	1 month
D Eke	25	-	21 December 2022	-	1 month

(1) M L Child additionally receives [£5,055] of other benefits

Subject to the notice requirements described above, there is no provision in the service agreements for compensation to be payable on early termination of the contract in relation to a change of control of the Company. Other than in the case of Mark Child, where there is a change of control of the Company, there is a 24 month notice provision.

Annual general meeting

Details of the ordinary and special business to be conducted and the resolutions to be proposed at the 2023 Annual General Meeting to be held on 10 May 2023 will be sent to all shareholders and will be made available on the Company's website in due course.

Directors Insurance

During the year the Company paid £45,000 (2021: £33,000) in respect of Directors professional indemnity insurance.

SUBSEQUENT EVENTS

The sales process for La India is entering the end of its first phase with various parties having concluded site visits and others ongoing. Three formal expressions of interest including two non-binding offers (subject to further due diligence) have been received by the Company and further offers are expected as nine companies are under a Non-Disclosure Agreement.

CONDOR GOLD PLC

REPORT OF THE DIRECTORS (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Financial Reporting Standards (IFRSs').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements comply with UK-adopted IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Condor Gold Plc web sites in the UK and Canada, which includes compliance with AIM Rule 26, is the responsibility of the Directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware, and each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the Annual General Meeting to be held on 10 May 2023 in accordance with Section 489 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

ON BEHALF OF THE BOARD:



Mark Child
Chief Executive Officer
Date: 27 March 2023

CONDOR GOLD PLC

CORPORATE GOVERNANCE REPORT **FOR THE YEAR ENDED 31 DECEMBER 2022**

The Board of Condor Gold plc ("the Company") has adopted the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com.

The Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Board applies each of the principles, including where applicable any deviation from those principles:

Principle One

Business Model and Strategy

As announced on 22 November 2022, the Company has appointed Hannam and Partners to seek a buyer for the assets of the Company. The Board reviewed the Company's options, including going through a financing and construction phase as a single asset, single jurisdiction, company with no existing gold production, and concluded that it is in the best interests of the Company and all stakeholders to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India, a significant investment in the local area and a regeneration of the local communities.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, www.condorgold.com, and via Mark Child, the CEO who is available to answer investor relations enquiries.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key relationships. For example, the CEO conducts regular visits to Nicaragua and encourages a full and open dialogue process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and in particular, has an active social engagement, support and development programme in place within the local communities which is managed by a dedicated team. The Company also has regular and direct interaction with various levels of government and provides these stakeholders with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit Committee, together with the Risk Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out the principal risks and identifies their ownership and the controls that are in place to mitigate them. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. N.B. A more complete schedule of risk factors is set out in the Strategic Report of the Company.

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company

CONDOR GOLD PLC
CORPORATE GOVERNANCE REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principle Four - continued

Risk Management - continued

Activity	Risk	Impact	Control(s)
Environmental/ Social	Meeting permit conditions, leading to project schedule delays	Inability to develop	Effective relations & communications with stakeholders, community and government
Exploration	Lack of exploration success	Lack of expansion of mineral resource estimates	Retention of geological expertise
Political	Political uncertainty and additional US and EU sanction	Delays in further permits and approvals and inability to raise finance or sell the assets of the Company	Meetings with all stakeholders to ensure benefits of mine are understood and the design controls in place
Financial	Liquidity, market and credit risk Inappropriate controls and accounting policies	Inability to continue as going concern Incorrect reporting of assets	Robust capital management policies and procedures Appropriate authority and investment levels as set by Treasury and Investment Policies Audit Committee

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the CEO. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Chief Financial Officer of the Company and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well-Functioning Board of Directors

As at the date hereof the Board comprised, the Non-Executive Chairman Jim Mellon, CEO Mark Child and four non-executive Directors, Mr Denham Eke, Ms Kate Harcourt, Mr Andrew Cheadle, and Mr Ian Stalker. Biographical details of the current Directors are set out on the Company's website under the heading "About / Directors and Management". Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years.

The Board meets at least six times per annum. It has established an Audit Committee, a Risk Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The CEO works on a full-time basis for the Company, while the non-executive Directors are considered to be part time. The Board considers that this is appropriate given the Company's current stage of operations and strategy. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. The non-executive Directors are considered to be independent. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board shall review further appointments as scale and complexity grows.

The role of Chairman of the Board shall be separated from the executive function. On 12 October 2022, Jim Mellon, a non-executive director, assumed the Chairmanship of the Board, separating the executive function from the role of chairman and ensuring compliance with the recommendation of the Code.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone.

CONDOR GOLD PLC
CORPORATE GOVERNANCE REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of six Directors and, in addition, the Company has employed the outsourced services of Ms. Kate Doody to act as the Company Secretary. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets. The professional experience of each of the Directors is set out on the Company's website. Furthermore, the Company has a non-board CFO, Mr Andrew Pearce, who provides oversight of the finance function and assists the Chairman on regulatory matters in the UK and Canada.

The Company also can call on the services of Mr. David Crawford, as a technical advisors to the Group, in assisting with the technical development of the Company's projects.

The Board recognises that it currently has limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committee and individual Directors is undertaken on an ad hoc basis in the form of appraisal by the CEO, who consults with the other Directors as appropriate regarding effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals of the Directors shall identify the key targets and requirements that are relevant to each Director and as necessary, their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board. The Board receives monthly reports regarding the principal areas of activity of the Company and has unrestricted access to management and employees of the Company. The Board also has the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Furthermore, the CEO maintains close dialogue with other Directors, both through the forum of Board meetings and through ad hoc communication on an individual level. The duties and responsibilities of the Board are set out in the Mandate of the Board as adopted on 2 November 2017 and available on the website of the Company under the heading "Investors / AIM Rule 26 / Responsibilities of the Board of Directors".

CONDOR GOLD PLC
CORPORATE GOVERNANCE REPORT (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principle Nine - continued

Audit Committee

As of the date of this document, the members of the Audit Committee of the Company are Mr Jim Mellon (Chairman), Ms Kate Harcourt and Mr Andrew Cheatle. Each of the members of the Audit Committee are independent. Each of the members of the Audit Committee are familiar with accounting principles, financial statements and financial reporting requirements and possess education or experience that is relevant to the performance of their duties as members of the Audit Committee of the Company. A description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member may be found above under the heading "Directors and Management" on the Company's website.

The Audit Committee's primary responsibilities are to review the effectiveness of the company's systems of internal control; to review with the external auditors the nature and scope of their audit and the results of the audit; and to evaluate and select external auditors. The Audit Committee also reviews regular reports from management and the external auditors on accounting and internal control matters. When appropriate the Audit Committee monitors the progress of action taken in relation to such matters. The Charter of The Audit Committee is available on the Company's website under the heading "Investors / AIM Rule 26 / Audit Committee."

Remuneration Committee

The Remuneration Committee meets at least once each year. Its members are Mr Jim Mellon (Chairman) and Mr Andrew Cheatle.

The company's policy is to remunerate senior executives fairly in such a manner as to facilitate the recruitment, retention and motivation of staff. The Remuneration Committee agrees with the Board, a framework for the remuneration of the Chairman, the CEO and the senior management of the company.

The principal objective of the committee is to ensure that members of the executive management of the company are provided incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company. Non-executive fees are considered and agreed by the Board as a whole.

Risk Committee

Other than the Audit and Remuneration Committees, the Company has a Risk Committee, comprising Mr Andrew Cheatle (Chairman) and Ms Kate Harcourt. The Risk Committee's primary responsibilities are to review the risks that the Company faces and to review the safeguards in place to mitigate those risks. The Risk Committee aims to meet at least once in each year. During the year, the risk register was compiled and updated.

At least annually, the Board shall, with the assistance of the Risk Committee, review reports provided by management of principal risks associated with Condor's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website, www.condorgold.com and via Mark Child, CEO, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CONDOR GOLD PLC
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Condor Gold Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the group financial statements the group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2022 and of its consolidated financial performance and its cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1c in the financial statements, which states that the group's and company's ability to continue as a going concern is dependent, depending on the timing and quantum of the project sale, on the ability to secure additional funding, if required, through financing arrangements or the issue of equity. As stated in note 1c, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements, including challenge of management on the basis of preparation, together with ascertaining the most recent cash position of the group and company, and identifying subsequent events impacting the going concern position.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was £600,000 (2021: £500,000) based upon 1.5% of gross assets. The performance materiality for the group was £420,000 (2021: £350,000). The materiality applied to the parent company financial statements was £80,000 (2021: £33,000) based upon 5% of the loss before tax. The performance materiality for the parent company was £56,000 (2021: £23,100). Significant components in the scope of our group audit were audited to a level of materiality between £39,000 and £252,000, (2021: £31,000 and £157,000).

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £30,000 (2021: £25,000) for the group and £4,000 (2021: £1,650) for the parent company.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CONDOR GOLD PLC
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)

Our approach to audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the Directors and considered future events that are inherently uncertain, such as those linked to the carrying value of intangible assets and the recoverability of investments in subsidiaries, including intra group receivables. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Of the reporting components of the group, a full scope audit was performed on the complete financial information of 4 components.

3 of the 4 significant components are located in Nicaragua and were audited by a component auditor under our instruction. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion of the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Carrying value and assessment of impairment of intangible exploration and evaluation assets (refer note 1 'critical accounting estimates and judgements', note 10 'intangible assets, and note 9 'property, plant and equipment'). The Group has reported intangible exploration and evaluation assets of £34,777,000 and property, plant and equipment of £8,160,000 in its Consolidated Statement of Financial Position as at 31 December 2022. The carrying value and recoverability of the intangible assets are tested annually for impairment and property, plant and equipment assessed for indicators of impairment. The estimated recoverable amount of intangible and tangible fixed assets is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. Following the change in strategy at year-end whereby the group announced its intention to sell the La India project, the assessment of impairment at year-end requires an evaluation of whether the carrying value exceeds the expected sales proceeds, less direct costs.	Our work in this area included: - obtaining and critically reviewing the impairment assessment prepared by management in relation to the La India Gold Project; - reviewing the Feasibility Study prepared by SRK Consulting (October 2022) and challenging the key inputs and assumptions for reasonableness and performing sensitivity analysis; - assessing the independence and competence of SRK Consulting as a management expert to satisfy ourselves that reliance can be placed on the latest report prepared, including the economic analysis; - confirming the group holds good title to licences and key permits by obtaining the licences and confirming good title. We have obtained direct written confirmation from local legal counsel over the La India and Condor concessions in this regard; - considering the progress made during the year in advancing the Project including additional drilling and test-work results, engineering studies, and compliance with the terms of the environmental license - inquiring into progress made regarding the Project disposal, taking into consideration formal expressions of interest and receipt to date of non-binding offers.
Recoverability of Investment and Intragroup balances There is a risk that the company's investment in subsidiaries and the intragroup balances are not recoverable and that an impairment charge is required.	Our procedures included: - consideration of the audit work performed on the recoverability of the intangible assets and property, plant and equipment in the subsidiaries. The recoverability of the net investment in the subsidiaries is directly dependent on the ability of the subsidiaries to realise the carrying value of those assets; - assessment of whether there are indicators of expected lifetime credit losses, in accordance with IFRS 9, taking into consideration the quasi equity nature of the intragroup receivable; and - consideration of the forecasts provided for the going concern assessment.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CONDOR GOLD PLC
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from International Financial Reporting Standards (IFRS), Companies Act 2006, exploration and environmental regulations in Nicaragua and local tax and employment laws.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CONDOR GOLD PLC
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - enquiries of management
 - review of minutes, including environmental reports
 - review of legal and regulatory correspondence
 - review of legal and professional expenses during the year for indications of possible non-compliance
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of intangibles and property, plant and equipment. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We instructed the component auditor to undertake testing to identify instances of non-compliance with laws and regulations, including fraud, particularly with regard to compliance with the terms within the exploration licenses and concessions held, together with the conditions contained within the environmental license.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

27 March 2023

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107
(ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS)
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Condor Gold Plc and its subsidiaries (the “group”) for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (“IAASB”).

In our opinion:

- the group financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2022 and 31 December 2021 and its financial performance and its cash flows for the years then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as issued by the IAASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) and applicable law.

Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the group financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1c in the financial statements, which states that the group’s and company’s ability to continue as a going concern is dependent, depending on the timing and quantum of the project sale, on the ability to secure additional funding, if required, through financing arrangements or the issue of equity. As stated in note 1c, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group’s and company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included a review of budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements, including challenge of management on the basis of preparation, together with ascertaining the most recent cash position of the group and company, and identifying subsequent events impacting the going concern position.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the ‘Material uncertainty related to going concern’ section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107
(ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS)
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

Key Audit Matter	How the scope of our audit responded to the key audit matter
Carrying value and assessment of impairment of intangible exploration and evaluation assets (refer note 1 'critical accounting estimates and judgements', note 10 'intangible assets, and note 9 'property, plant and equipment'). The Group has reported intangible exploration and evaluation assets of £34,777,000 and property, plant and equipment of £8,160,000 in its Consolidated Statement of Financial Position as at 31 December 2022. The carrying value and recoverability of the intangible assets are tested annually for impairment and property, plant and equipment assessed for indicators of impairment. The estimated recoverable amount of intangible and tangible fixed assets is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. Following the change in strategy at year-end whereby the group announced its intention to sell the La India project, the assessment of impairment at year-end requires an evaluation of whether the carrying value exceeds the expected sales proceeds, less direct costs.	Our work in this area included: • Obtaining and critically reviewing the impairment assessment prepared by management in relation to the La India Gold Project; • Reviewing the Feasibility Study prepared by SRK Consulting (October 2022) and challenging the key inputs and assumptions for reasonableness and performing sensitivity analysis; • Assessing the independence and competence of SRK Consulting as a management expert to satisfy ourselves that reliance can be placed on the latest report prepared, including the economic analysis; • Confirming the group holds good title to licences and key permits by obtaining the licences and confirming good title. We have obtained direct written confirmation from local legal counsel over the La India and Condor concessions in this regard; • Considering the progress made during the year in advancing the Project including additional drilling and test-work results, engineering studies, and compliance with the terms of the environmental license • Inquiring into progress made regarding the Project disposal, taking into consideration formal expressions of interest and receipt to date of non-binding offers.
Recoverability of Investment and Intragroup balances There is a risk that the company's investment in subsidiaries and the intragroup balances are not recoverable and that an impairment charge is required.	Our work in this area included: • Consideration of the audit work performed on the recoverability of the intangible assets and property, plant and equipment in the subsidiaries. The recoverability of the net investment in the subsidiaries is directly dependent on the ability of the subsidiaries to realise the carrying value of those assets; • Assessment of whether there are indicators of expected lifetime credit losses, in accordance with IFRS 9, taking into consideration the quasi equity nature of the intragroup receivable; and • Consideration of the forecasts provided for the going concern assessment.

Other information

The other information comprises the information included in the annual report and the management discussion and analysis, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107
(ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS)
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTD.)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditors' report is David Thompson.

David Thompson (Engagement Partner)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

27 March 2023

CONDOR GOLD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Administrative expenses		(2,537,459)	(2,330,003)
Operating loss	5	(2,537,459)	(2,330,003)
Finance income	4	4,899	-
Loss before income tax		(2,532,560)	(2,330,003)
Income tax expense	6	-	-
Loss for the year		(2,532,560)	(2,330,003)
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Currency translation differences		3,232,610	(119,937)
Other comprehensive income/(loss) for the year		3,232,610	(119,937)
Total comprehensive income/(loss) for the year		700,050	(2,449,940)
Loss attributable to:			
Non-controlling interest		-	-
Owners of the parent		(2,532,560)	(2,330,003)
		(2,532,560)	(2,330,003)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		-	-
Owners of the parent		700,050	(2,449,940)
		700,050	(2,449,940)
Earnings per share expressed in pence per share:			
Basic and diluted (in pence)	8	(1.60)	(1.70)

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31.12.22 £	31.12.21 £
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	-	7,473,433
Intangible assets	10	-	28,100,980
		-	35,574,413
CURRENT ASSETS			
Assets classified as held for sale	11	42,937,116	-
Trade and other receivables	13	916,963	775,693
Cash and cash equivalents		2,444,093	2,072,046
		46,298,172	2,847,739
TOTAL ASSETS		46,298,172	38,422,152
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	406,207	248,176
TOTAL LIABILITIES		406,207	248,176
NET CURRENT ASSETS		45,891,965	2,599,563
NET ASSETS		45,891,965	38,173,976
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	16	31,747,809	29,326,143
Share premium		46,681,635	42,528,627
Exchange difference reserve		750,572	(2,482,038)
Retained earnings		(33,288,051)	(31,198,756)
		45,891,965	38,173,976
Non-controlling interest		-	-
TOTAL EQUITY		45,891,965	38,173,976

The financial statements were approved and authorised for issue by the Board of directors on 27 March 2023 and were signed on its behalf by:



M L Child – Chief Executive Officer
Company No: 05587987

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022**

	Share Capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non-Controlling Interest	Total Equity
	£	£	£	£	£	£	£
At 1 January 2021	23,732,526	37,175,626	(2,362,101)	(29,381,952)	29,164,099	-	29,164,099
Comprehensive income:							
Loss for the year	-	-	-	(2,330,003)	(2,330,003)	-	(2,330,003)
Other comprehensive income:							
Currency translation differences	-	-	(119,937)	-	(119,937)	-	(119,937)
Total comprehensive income	-	-	(119,937)	(2,330,003)	(2,449,940)	-	(2,449,940)
New shares issued	5,593,617	5,366,126	-	-	10,959,743	-	10,959,743
Issue costs	-	(13,125)	-	-	(13,125)	-	(13,125)
Share based payment	-	-	-	513,199	513,199	-	513,199
Total transactions with owners, recognised directly in equity	5,593,617	5,353,001	-	513,199	11,459,817	-	11,459,817
At 31 December 2021	29,326,143	42,528,627	(2,482,038)	(31,198,756)	38,173,976	-	38,178,976
Comprehensive income:							
Loss for the year	-	-	-	(2,532,560)	(2,532,560)	-	(2,532,560)
Other comprehensive income:							
Currency translation differences	-	-	3,232,610	-	3,232,610	-	3,232,610
Total comprehensive income	-	-	3,232,610	(2,532,560)	700,050	-	700,050
New shares issued	2,421,666	4,168,008	-	-	6,589,674	-	6,589,674
Issue costs	-	(15,000)	-	-	(15,000)	-	(15,000)
Share based payment	-	-	-	443,265	443,265	-	443,265
Total transactions with owners, recognised directly in equity	2,421,666	4,153,008	-	443,265	7,017,939	-	7,017,939
At 31 December 2022	31,747,809	46,681,635	750,572	(33,288,051)	45,891,965	-	45,891,965

Share premium reserve represents the amounts subscribed for share capital in excess of the nominal value of the shares issued, net of cost of issue.

The exchange difference reserve is a separate component of Shareholders' equity in which the exchange differences, arising from translation of the results and financial positions of foreign operations that are included in the Group's Consolidated Financial Statements, are reported.

Retained earnings represent the cumulative net gains and losses recognised in the consolidated income statement.

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31.12.22 £	31.12.21 £
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	-	4,309,955
Investments	12	751,977	751,977
Other receivables	13	43,500,630	39,511,480
		<u>44,252,607</u>	<u>44,573,412</u>
CURRENT ASSETS			
Assets classified as held for sale	11	4,474,402	-
Trade and other receivables	13	333,101	33,329
Cash and cash equivalents		2,407,187	1,956,467
		<u>7,214,690</u>	<u>1,989,796</u>
TOTAL ASSETS		<u>51,467,297</u>	<u>46,563,208</u>
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	249,357	169,456
TOTAL LIABILITIES		<u>249,357</u>	<u>169,456</u>
NET CURRENT ASSETS		<u>6,965,333</u>	<u>1,820,340</u>
NET ASSETS		<u>51,217,940</u>	<u>46,393,752</u>
SHAREHOLDERS' EQUITY			
Called up share capital	16	31,747,809	29,326,143
Share premium		46,681,635	42,528,627
Retained earnings		<u>(27,211,504)</u>	<u>(25,461,018)</u>
TOTAL EQUITY		<u>51,217,940</u>	<u>46,393,752</u>

The loss for the financial year dealt with in the financial statement of the parent company was £2,193,751 (2021: £1,970,977).

The financial statements were approved and authorised for issue by the Board of directors on 27 March 2023 and were signed on its behalf by:



M L Child – Chief Executive Officer
Company No: 05587987

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2021	23,732,526	37,175,626	(24,003,240)	36,904,912
Comprehensive income:				
Loss for the period	-	-	(1,970,977)	(1,970,977)
Total comprehensive income	-	-	(1,970,977)	(1,970,977)
New shares issued	5,593,617	5,366,126	-	10,959,743
Issue costs	-	(13,125)	-	(13,125)
Share based payment	-	-	513,199	513,199
Total transactions with owners recognised directly in equity	5,593,617	5,353,001	513,199	11,459,817
At 31 December 2021	29,326,143	42,528,627	(25,461,018)	46,393,752
Comprehensive income:				
Loss for the period	-	-	(2,193,751)	(2,193,751)
Total comprehensive income	-	-	(2,193,751)	(2,193,751)
New shares issued	2,421,666	4,168,008	-	6,589,674
Issue costs	-	(15,000)	-	(15,000)
Share based payment	-	-	443,265	443,265
Total transactions with owners recognised directly in equity	2,421,666	4,153,008	443,265	7,017,939
At 31 December 2022	31,747,809	46,681,635	(27,211,504)	51,217,940

Share premium reserve represents the amounts subscribed for share capital in excess of the nominal value of the shares issued, net of cost of issue.

Retained earnings represent the cumulative net gains and losses recognised in the Company's income statement.

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Year Ended 31.12.22 £	Year-Ended 31.12.21 £
Cash flows from operating activities		
Loss before tax	(2,532,560)	(2,330,003)
Share based payment	443,265	513,199
Depreciation	68,315	88,264
Exchange differences	3,187	78,873
Finance income	(4,899)	-
	<u>(2,022,692)</u>	<u>(1,649,667)</u>
(Increase) / Decrease in trade and other receivables	(141,270)	(661,284)
Increase / (Decrease) in trade and other payables	158,031	(18,236)
	<u>(2,005,931)</u>	<u>(2,329,187)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(446,853)	(2,370,879)
Purchase of intangible fixed assets	(3,754,742)	(6,188,725)
Interest received	4,899	-
	<u>(4,196,696)</u>	<u>(8,559,604)</u>
Cash flows from financing activities		
Net proceeds from share issue	6,574,674	8,801,446
	<u>6,574,674</u>	<u>8,801,446</u>
Net cash from financing activities		
	<u>6,574,674</u>	<u>8,801,446</u>
Increase / (Decrease) in cash and cash equivalents	372,047	(2,087,345)
Cash and cash equivalents at beginning of year	2,072,046	4,159,391
Cash and cash equivalents at end of year	<u>2,444,093</u>	<u>2,072,046</u>

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Cash flows from operating activities		
Loss before tax	(2,193,751)	(1,970,977)
Share based payment	443,265	513,199
Finance income	(4,899)	-
	<u>(1,755,385)</u>	<u>(1,457,778)</u>
 (Increase) / Decrease in trade and other receivables	 (299,772)	 (2,673)
Increase / (Decrease) in trade and other payables	<u>79,901</u>	<u>(14,330)</u>
 Net cash used in operating activities	 <u>(1,975,256)</u>	 <u>(1,474,781)</u>
 Cash flows from investing activities		
Purchase of tangible fixed assets	(164,447)	(2,164,783)
Interest received	4,899	-
Loans to subsidiaries	<u>(3,989,150)</u>	<u>(7,250,989)</u>
 Net cash used in investing activities	 <u>(4,148,698)</u>	 <u>(9,415,772)</u>
 Cash flows from financing activities		
Proceeds from share issue	6,574,674	8,801,446
 Net cash from financing activities	 <u>6,574,674</u>	 <u>8,801,446</u>
 Increase / (Decrease) in cash and cash equivalents	 <u>450,720</u>	 <u>(2,089,107)</u>
 Cash and cash equivalents at beginning of year	 1,956,467	 4,045,574
 Cash and cash equivalents at end of year	 <u>2,407,187</u>	 <u>1,956,467</u>

The notes in pages 58 to 81 form an integral part of these financial statements

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

General information

These consolidated financial statements are for Condor Gold Plc and its subsidiary undertakings. The Company is a public company registered in England and Wales on 10 October 2005 and is listed on the AIM Market of the London Stock Exchange and the Toronto Stock Exchange in Canada. The Company is domiciled in the United Kingdom. The address of its registered office is 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX. The nature of the Group's operation is described in the Directors' report. For the subsidiaries, the registered offices of La India Gold S.A., Condor S.A. and La India Inversiones S.A. is: La Cruz de La India, Centro de Salud 50 vrs al Sur, Municipio de Santa Rosa del Peñon, Departamento de Leon.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional currency"). The consolidated financial statements are presented in British Pounds (sterling - £) which is the Group's presentational and functional currency.

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS and IFRIC interpretations) ("IFRS") in force at the reporting date, and their interpretations issued by the International Accounting Standards Board ("IASB"), and with IFRS and their interpretations issued by the IASB. The parent company financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments that are measured at fair value.

The financial statements have been rounded to the nearest pound.

Standards, amendments and interpretations to published standards not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023)

Basis of consolidation

The Group financial statements consolidate the accounts of its subsidiaries; Condor S.A., La India Gold S.A. and La India Inversiones S.A. under the acquisition method. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

All the Group's companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of another.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4 The Group's financial assets at amortised cost include any trade receivables (not subject to provisional pricing) or other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. IFRS 9.3.2.6(a) IFRS 9.3.2.6(c) IFRS

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

9.3.2.4(b) Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. IFRS 9.5.5.1 ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For any trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

For any trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. IFRS 9.4.2.1(a) Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

(c) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, determined using tax rates that are expected to apply when the related deferred tax asset or liability is realised or settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Intangible assets – exploration costs, licences and minerals resources

Exploration expenditure comprises all costs which are directly attributable to the exploration of a project area.

Licence costs are those acquiring mineral rights and the entry premiums paid to gain access to areas of interest.

Mineral resources costs are those paid to third parties to acquire interests in existing projects.

When it has been established that a mineral deposit has development potential, all costs (direct and applicable overheads) incurred in connection with the exploration and development of the mineral deposits are capitalised until either production commences or the project is not considered economically viable.

In the event of production commencing, exploration costs, licences and mineral resources are amortised through administrative expenses, over the expected life of the mineral reserves on a unit production basis. Other pre-trading expenses are written off as incurred. For the purposes of impairment testing, intangible assets are allocated to specific projects with each licence reviewed annually. Where a project is abandoned or is considered to be of no further interest, the related costs are written off.

Intangible assets are not subject to amortisation and are tested annually for impairment. The recoverability of all exploration costs, licenses and mineral resources is dependent on the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production, or proceeds from the disposition thereof.

Property, Plant and Equipment

All property, plant and equipment is stated at historic cost less accumulated depreciation. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is charged on a straight-line basis so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Improvements to rental property	25%
Plant & machinery	25%
Fixture & fittings	25%
Motor vehicles	25%
Computer equipment & software	33%

Land and buildings are not depreciated.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

On consolidation of a foreign operation, assets and liabilities are translated at the closing rate at the date of the Statement of Financial Position, income and expenses for each Statement of Comprehensive Income presented are translated at average exchange rates. All resulting exchange differences shall be recognised in other comprehensive income and accumulated in equity.

Share based payments

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of employee services received in exchange for the grant of share options are recognised as an expense. The total expense to be apportioned over the vesting period is determined by reference to the fair value of the options granted:

- > including any market performance conditions;
- > excluding the impact of any service and non-market performance vesting conditions; and
- > including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the Group revises its estimate of the number of options that are expected to vest.

The Group recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The fair value of goods or services received in exchange for shares is recognised as an expense and included within administrative expenses.

Critical accounting estimates and judgements

The preparation of financial information in conformity with generally accepted accounting standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period.

In the process of applying the Group's accounting policies, which are described in note 1, management has made the following assumptions that have the most significant effect on the amounts recognised in the financial information:

a) Recoverability of intangible assets, investment in, and long term loan to subsidiaries

The Group tests annually for impairment or more frequently if there are indications that the intangible assets and/or investments and/or intercompany loan might be impaired.

Determining whether the intangible assets and/or investments and/or intercompany loan are impaired requires an estimation of the value in use of the cash generating units to which the intangible assets belong. Where impairment indicators are present, the Group is required to evaluate the future cash flows expected to arise from the cash-generating unit and the suitable discount rate in order to calculate the present value, as explained further in note 10.

The carrying value of the Group's exploration and evaluation intangible assets at 31 December 2022 is £NIL (2021: £28,100,980). The Company's investment in, and loan to subsidiaries at 31 December 2022 is £43,500,630 (2021: £39,511,480).

The current anticipated price of any assets held for sale is expected to be in excess, after costs, of the carrying values above.

b) Share based payments

The Group has made awards of options on its unissued share capital to certain directors and employees as part of their remuneration package.

The valuation of these options involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions are described in more detail in note 16.

The expense charged to the Statement of Comprehensive Income during the year in relation to share based payments was £443,265 (2021: £513,199).

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

c) Going concern

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date the group had £2,444,093 of cash. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required during 2022 for working capital purposes and to construct the processing facility at La India Project. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date. In addition, the timing and quantum of any asset sale is currently uncertain. These conditions may cast doubt on the Group and Company's ability to continue as a going concern. It is not the Company's intention to cease trading after the potential sale of the Nicaraguan assets.

The Directors have prepared a cash flow forecast which assumes that the Group and Company is not able to raise additional funds within the going concern period and if that was the case, the forecasts demonstrate that austerity measures can be implemented to reduce the Group and Company's cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits. These forecasts assume that Directors and Key management personnel salaries are deferred and/or reduced as part of the austerity measures – notwithstanding the above, further funding would nonetheless be required in order to continue into operational existence for at least 12 months from the date of approval of this report. Based on their assessment of the financial position, the Directors however have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements.

2. REVENUE AND SEGMENTAL REPORTING

The Group's operating segments have been determined based on geographical areas.

The Group's operations are located in UK and Nicaragua. The Group undertakes only one business activity as described in the Director's Report.

Revenue and results

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses, as set out in Note 1.

The segment results are the measures that are reported to the Groups' chairman, being the Chief Operating Decision Maker, in order to assess the segments' performance during the period.

The Group has not generated revenue during the year.

The Group's results by reportable segment for the year ended 31 December 2022 are as follows:

	UK £	Nicaragua £	Group £
RESULTS			
Operating loss	(2,416,932)	(120,527)	(2,537,459)
Interest income	4,899	-	4,899
Included in operating loss			
Depreciation	-	(68,315)	(68,315)

The Group's results by reportable segment for the year ended 31 December 2021 are as follows:

	UK £	Nicaragua £	Group £
RESULTS			
Operating loss	(2,184,480)	(145,523)	(2,330,003)
Interest income	-	-	-
Included in operating loss			
Depreciation	-	(88,264)	(88,264)

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. REVENUE AND SEGMENTAL REPORTING - continued

Assets - 2022

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses, as set out in note 1.

	UK £	Nicaragua £	Consolidation £
ASSETS			
Total assets	<u>7,964,263</u>	<u>38,333,909</u>	<u>46,298,172</u>
LIABILITIES			
Total liabilities	<u>249,357</u>	<u>156,850</u>	<u>406,207</u>

The group had intercompany debt owed to the UK at 31 December 2022 split segmentally as follows:

Due from Nicaragua £43,500,630

Assets - 2021

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses, as set out in note 1.

	UK £	Nicaragua £	Consolidation £
ASSETS			
Total assets	<u>7,049,324</u>	<u>31,372,828</u>	<u>38,422,152</u>
LIABILITIES			
Total liabilities	<u>169,456</u>	<u>78,720</u>	<u>248,176</u>

The group had intercompany debt owed to the UK at 31 December 2021 split segmentally as follows:

Due from Nicaragua £39,511,480

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. STAFF COSTS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Wages and salaries	665,471	773,640	68,789	106,897
Social security costs	168,471	222,424	2,048	6,140
Share options charge	443,265	513,199	443,265	513,199
	<u>1,277,207</u>	<u>1,509,263</u>	<u>514,102</u>	<u>626,236</u>

There were no pension costs incurred. Staff costs included within additions to exploration costs during the year were £705,237 (2021: £790,380).

The average monthly number of Group and Company employees during the year were as follows:

	Group		Company	
	2022	2021	2022	2021
Directors	1	2	1	2
Employees	<u>58</u>	<u>83</u>	<u>1</u>	<u>1</u>
	<u>59</u>	<u>85</u>	<u>2</u>	<u>3</u>

Directors' remuneration, which form part of key management personnel is described below. Key personnel not described below comprise the Chief Financial Officer. The total employee benefits of the Chief Financial Officer were £102,730 (2021: £81,813).

In August 2022, the Company made the decision to reduce the CFO function to a part time consultant to save costs.

	Salary Payments		Related Party Payments *		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
M L Child	-	-	200,000	175,000	200,000	175,000
K Harcourt	25,000	25,000	6,000	-	31,000	25,000
J Mellon	-	-	25,000	25,000	25,000	25,000
A Cheatle	6,250	25,000	18,750	-	25,000	25,000
I Stalker	-	-	44,675	48,825	44,675	48,825
D Eke	-	-	-	-	-	-
Total Remuneration of Directors	<u>31,250</u>	<u>50,000</u>	<u>294,425</u>	<u>248,825</u>	<u>325,675</u>	<u>298,825</u>
Total Remuneration of key management	<u>110,730</u>	<u>81,813</u>	<u>-</u>	<u>-</u>	<u>110,730</u>	<u>81,813</u>
Total Remuneration of Directors and key management	<u>141,980</u>	<u>131,813</u>	<u>294,425</u>	<u>248,825</u>	<u>436,405</u>	<u>380,638</u>

* Refer to Note 17 for listing of related parties

During the 12 months ended 31 December 2022, Mr Child additionally received £5,505 of other benefits (2021: £4,284).

The Company has adopted a discretionary bonus scheme by which bonuses are paid to directors, employees and consultants and used by the recipients to subscribe for new Ordinary Shares at market value. A total of up to 15 percent of the total share capital in issue from time to time will be made available for this purpose without the Board having first obtained the consent of the Shareholders. The amount of any bonus payable under this scheme will be subject to approval by the remuneration committee. As at the year-end no bonuses were paid.

In the event of a sale, there is a bonus scheme whereby the CEO is due a bonus based upon the share price at sale, so long as such share price is no lower than 40 pence.

CONDOR GOLD PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. STAFF COSTS - continued

The interests of the directors in options to subscribe for ordinary shares of the Company were:

	Exercise price (p)	Latest exercise date	As at 1 January 2022	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2022
DIRECTORS							
M L Child	62	6 July 2022	800,000	-	-	(800,000)	-
	42	23 Sept 2023	800,000	-	-	-	800,000
	22	13 July 2024	1,000,000	-	-	-	1,000,000
	42	31 May 2025	1,000,000	-	-	-	1,000,000
	48	31 May 2026	1,250,000	-	-	-	1,250,000
	28.5	13 Sept 2027	-	1,250,000	-	-	1,250,000
J Mellon	62	6 July 2022	150,000	-	-	(150,000)	-
	42	23 Sept 2023	150,000	-	-	-	150,000
	22	13 July 2024	300,000	-	-	-	300,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	400,000	-	-	-	400,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
I Stalker	22	20 Nov 2024	100,000	-	-	-	100,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	400,000	-	-	-	400,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
K Harcourt	62	6 July 2022	150,000	-	-	(150,000)	-
	42	23 Sept 2023	150,000	-	-	-	150,000
	22	13 July 2024	150,000	-	-	-	150,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	300,000	-	-	-	300,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000
A Cheatile	65	24 January 2023	150,000	-	-	-	150,000
	42	23 Sept 2023	75,000	-	-	-	75,000
	22	13 July 2024	300,000	-	-	-	300,000
	42	31 May 2025	300,000	-	-	-	300,000
	48	31 May 2026	300,000	-	-	-	300,000
	28.5	13 Sept 2027	-	300,000	-	-	300,000

The options all have a life of five years from the date they were issued. The exercise price varies dependent on the date of issue. Vesting conditions for options granted are as follows: half of the options granted in a year vest over a one year period from the date of issue. The remaining options granted vest over a two year period. There are no additional vesting conditions attached to the options issued, however, if the individual's engagement with the Company is terminated, the options lapse within 30 days.

The market price of the shares at 31 December 2022 was 15.40 pence (2021: 31.00 pence).

The market price during the year ranged from 15.35 pence to 36.00 pence (2021: 28.00 pence to 55.00 pence).

Directors held 20,238,339 warrants as at 31 December 2022 (2021: 3,709,053), to subscribe for ordinary shares of the Company. 1,054,167 warrants held by the directors expired during the year (2021: NIL). Further details are included in Note 16.

4. FINANCE INCOME

	31.12.22 £	31.12.21 £
Deposit account interest	4,899	-

5. LOSS BEFORE TAX

The loss before tax is stated after charging:

	31.12.22 £	31.12.21 £
Depreciation – owned assets	68,315	88,264
Fees payable to the company's auditor for the audit of parent company and consolidated financial statements	37,424	33,733
Foreign exchange differences	17,624	18,111

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. TAXATION

Analysis of the tax charge	31.12.22 £	31.12.21 £
Current tax:		
Tax	-	-
Total tax charge in income statement	-	-
Reconciliation of the tax charge		
	31.12.22 £	31.12.21 £
Group Loss before tax	(2,532,560)	(2,330,003)
Loss before tax multiplied by domestic tax rates applicable to losses in the respective countries	(709,117)	(652,401)
Effects of:		
Non-taxation income/(non-deductible expenses)	-	-
Losses on which no deferred tax is recognised	709,117	652,401
Total tax charge in income statement	-	-

The weighted average applicable tax rate was 28% (2021: 28%).

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to certain losses carried forward at the year end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised. The unrecognised deferred tax asset for the Group was approximately £7,551,193 (2021: £5,221,000). The unrecognised deferred tax asset relating to Nicaraguan tax losses, which expire after 3 years, and included above amounted to approximately £1,174,720 (2021: £792,000).

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £2,193,751 (2021: £1,970,977).

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

A reconciliation is set out below:

Basic earnings per share	31.12.22 £	31.12.21 £
Loss for the year	(2,532,560)	(2,330,003)
Weighted average number of shares	158,631,933	136,713,691
Loss per share (in pence)	(1.60)	(1.70)

Diluted earnings per share

In accordance with IAS 33 and as the Group has reported a loss for the year, the share options and warrants as detailed in note 17 are anti-dilutive. Accordingly, diluted earnings per share is the same as basic earnings per share.

CONDOR GOLD PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. PROPERTY, PLANT AND EQUIPMENT

	Land £	Buildings at cost	Improvements to rental property £	Plant & machinery £	Fixtures & Fittings £	Motor vehicles £
Group Cost:						
At 1 January 2021	2,911,260	5,252	199,037	160,145	29,724	212,822
Additions	126,033	2,712	854	4,354,201	19,651	-
Disposals	-	-	-	-	-	-
Exchange difference	(20,659)	(37)	(1,412)	(1,136)	(192)	(1,509)
At 31 December 2021	3,016,634	7,927	198,479	4,513,210	49,183	211,313
Additions	273,532	-	-	168,409	3,009	-
Disposals	-	-	-	-	-	-
Exchange difference	294,109	773	19,351	19,817	4,530	20,602
Reclassification to assets held for sale	(3,584,095)	(8,700)	(217,830)	(4,701,436)	(56,722)	(231,915)
At 31 December 2022	-	-	-	-	-	-
Accumulated depreciation and impairment:						
At 1 January 2021	-	-	(183,477)	(132,412)	(24,685)	(111,265)
Charge for period	-	-	(14,690)	(23,733)	(5,813)	(35,069)
Disposals	-	-	-	-	-	-
Exchange difference	-	-	1,304	943	158	792
At 31 December 2021	-	-	(196,863)	(155,202)	(30,340)	(145,542)
Charge for period	-	-	(1,636)	(19,295)	(7,778)	(29,716)
Disposals	-	-	-	-	-	-
Exchange difference	-	-	(19,193)	(15,132)	(2,656)	(14,190)
Reclassification to assets held for sale	-	-	217,691	189,629	40,774	189,448
At 31 December 2022	-	-	(217,691)	(189,629)	(40,774)	(189,448)
Net Book Value:						
At 31 December 2021	3,016,634	7,927	1,616	4,358,008	18,843	65,771
At 31 December 2022	-	-	-	-	-	-

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT – continued

Group	Computer equipment & software £	Totals
Cost:		
At 1 January 2021	80,238	3,598,748
Additions	12,601	4,516,052
Disposals	-	-
Exchange difference	(440)	(25,385)
At 31 December 2021	92,399	8,089,145
Additions	2,466	447,235
Disposals	(382)	(382)
Exchange difference	7,231	366,413
Reclassification to assets held for sale	(101,714)	(8,902,412)
At 31 December 2022	-	-
Accumulated depreciation and impairment:		
At 1 January 2021	(79,242)	(531,081)
Charge for period	(8,959)	(88,264)
Disposals	-	-
Exchange difference	436	3,633
At 31 December 2021	(87,765)	(615,712)
Charge for period	(9,890)	(68,315)
Disposals	-	-
Exchange difference	(6,817)	(57,987)
Reclassification to assets held for sale	104,472	742,014
At 31 December 2022	-	-
Net Book Value:		
At 31 December 2021	4,634	7,473,433
At 31 December 2022	-	-

The current year depreciation charge for the subsidiaries of £68,315 (2021: £88,264) is included within the addition to exploration costs in the year.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT – continued

Company	Plant & machinery £	Fixtures & fittings £	Computer Equipment £	Totals £
Cost:				
At 1 January 2021	-	2,722	18,228	20,950
Additions	4,309,955	-	-	4,309,955
At 31 December 2021	4,309,955	2,722	18,228	4,330,905
Additions	164,447	-	-	164,447
Reclassification to assets held for sale	(4,474,402)	-	-	(4,474,402)
At 31 December 2022	-	2,722	18,228	20,950
Depreciation:				
At 1 January 2021	-	(2,722)	(18,228)	(20,950)
Charge for the year	-	-	-	-
At 31 December 2021	-	(2,722)	(18,228)	(20,950)
Charge for the year	-	-	-	-
Reclassification to assets held for sale	-	-	-	-
At 31 December 2022	-	(2,722)	(18,228)	(20,950)
Net Book Value:				
At 31 December 2021	4,309,955	-	-	4,309,955
Net Book Value:				
At 31 December 2022	-	-	-	-

CONDOR GOLD PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. INTANGIBLE ASSETS

	Exploration costs £	Mineral resources £	Licences £	Total £
Group				
Cost or valuation:				
At 1 January 2021	22,424,472	749,573	-	23,174,045
Additions	6,188,725	-	-	6,188,725
Disposals	-	-	-	-
Exchange difference	(177,059)	-	-	(177,059)
At 31 December 2021	28,436,138	749,573	-	29,185,711
Additions	3,754,745	-	-	3,754,745
Exchange difference	2,920,993	-	-	2,920,993
Reclassification to assets held for sale	(35,111,876)	(749,573)	-	(35,861,449)
At 31 December 2022	-	-	-	-
Accumulated amortisation and impairment:				
At 1 January 2021	(1,084,731)	-	-	(1,084,731)
Impairment for year	-	-	-	-
Disposal	-	-	-	-
At 31 December 2021	(1,084,731)	-	-	(1,084,731)
Impairment for year	-	-	-	-
Reclassification to assets held for sale	1,084,731	-	-	1,084,731
At 31 December 2022	-	-	-	-
Net Book Value:				
At 31 December 2021	27,351,407	749,573	-	28,100,980
At 31 December 2022	-	-	-	-

The Group uses the above classifications to assess the exploration and evaluation assets. The total amount relates to the same asset which is all currently classified as exploration and evaluation assets and does not relate to development assets.

In arriving at its assessment as to whether an impairment review is required in relation to its Nicaragua assets, which amounted to £NIL (2021: £28,100,980) at the balance sheet date, the following factors were considered:

- The exploration assets are in good standing;
- Substantive expenditure is planned on further exploration for and evaluation of mineral resources in Nicaragua project areas;
- Results from exploration for evaluation of mineral resources to date lead the directors to believe that the projects can be developed into significant commercial reserves;
- Sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale.
- The Company published a Technical Report entitled “*Technical Report for the La India Gold Project, Nicaragua, 2022*”, dated October 25, 2022 with an effective date of September 12, 2022 (the “Technical Report”), prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The Technical Report included a Feasibility Study (“FS”), the financial results and conclusions of which clearly indicated the economic viability of the La India Project, should capital be raised in order to proceed with the development of the project. The Directors undertook an assessment of impairment through evaluating the results of the PFS, which is still applicable and relevant throughout 2022 and judged that no impairment was required with regards to the La India Project;
- The directors have also considered sensitivity analysis on the key assumptions used in the FS, which are production volumes, discount rates, material prices, and operating costs. The headroom is most sensitive to changes in material prices and discount rates; and
- The Technical Report can be found at www.condorgold.com and includes further details of the assumptions used, the method of estimation used and the possible range of outcomes.

In light of the above, the Board does not consider the remaining exploration licences and related intangible assets in Nicaragua to require impairment and has continued to capitalise exploration expenditure in relation to those projects.

In light of the RNS dated 22 November 2022, the Nicaraguan assets have been reclassified as assets held for sale.

CONDOR GOLD PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. ASSET CLASSIFIED AS HELD FOR SALE

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Property, plant and equipment	8,160,398	-	4,474,402	-
Exploration costs	34,776,718	-	-	-
Total	42,937,116	-	4,474,402	-

Assets classified as held for sale relate to the Nicaraguan assets that intend to be sold.

12. INVESTMENTS

Company	Equity in subsidiary undertakings	Capital contribution	Total
	£	£	£
Cost:			
1 January 2021	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
31 December 2021	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
At 31 December 2022	3,629,843	991,261	4,621,104
Provision for impairment:			
Charge at 1 January 2021	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2021	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2022	(2,877,866)	(991,261)	(3,869,127)
Net Book Value:			
At 31 December 2021	751,977	-	751,977
At 31 December 2022	751,977	-	751,977

In assessing whether an impairment is required for the carrying value of an asset, reference has been made to the underlying intangible assets discussed in Note 10.

The Company's investments at the balance sheet date in the share capital of companies include the following:

Name	Country of incorporation	Interest %	Class of shares	Nature of the business	Share capital and reserves	(Profit)/Loss for the year
					£	£
Condor S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(1,836,546)	1,190
La India Gold S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(2,375,383)	38,335
La India Inversiones S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(481,217)	81,002

The registered office of the subsidiary undertakings is disclosed in Note 1.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Current:				
Trade and Other receivables	378,182	75,820	333,101	33,329
Prepayments	538,781	699,873	-	-
	<u>916,963</u>	<u>775,693</u>	<u>333,101</u>	<u>33,329</u>
Non-current:				
Amounts owed by Group undertakings	-	-	43,500,630	39,511,480
	<u>-</u>	<u>-</u>	<u>43,500,630</u>	<u>39,511,480</u>
	<u>916,963</u>	<u>775,693</u>	<u>43,833,731</u>	<u>39,544,809</u>

In assessing whether an impairment is required for the carrying value of the amounts owed by Group undertakings to the Company, reference has been made to the underlying intangible assets discussed in Note 10. The reconciliation of amounts owed by Group undertakings is included in Note 17.

14. FINANCIAL INSTRUMENTS

The Group uses financial instruments such as trade receivables and payables and other items that arise directly from its operations. The main purpose of these financial instruments is to help finance the Group's operations.

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Group's financial instruments, which are recognised in the balance sheet, comprise cash and cash equivalents, receivables and payables. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

The Group does not generally enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts) and it is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

There were no financial instruments not recognised in the balance sheet of the Company and the Group.

14.1 Financial instruments by category

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Financial assets measured at amortised cost				
Loans and receivables:				
Trade and Other receivables	916,963	775,693	333,101	33,329
Receivable from subsidiaries	-	-	43,500,630	39,511,480
Cash and cash equivalents	<u>2,444,093</u>	<u>2,072,046</u>	<u>2,407,187</u>	<u>1,956,467</u>
Total	<u>3,361,056</u>	<u>2,847,739</u>	<u>46,240,918</u>	<u>41,501,276</u>

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14. FINANCIAL INSTRUMENTS – continued

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Financial liabilities measured at amortised cost				
Loans and payables:				
Trade and other payables	223,307	136,988	199,327	113,773
Total	223,307	136,988	199,327	113,773

The Directors consider the carrying value of the financial assets and liabilities to approximate their fair values.

14.2 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest-rate risk. These risks are limited by the Group's financial management policies and practices described below:

(a) Foreign currency exchange risks

The Group does not hedge its foreign currencies. The directors believe that the contracts for transfers of funds to Central America are so small, there would be no benefit gained from hedging these contracts on the market. The situation is monitored on a regular basis. Transactions with vendors are mainly denominated in a number of currencies, predominantly US Dollar, Canadian Dollar and Nicaraguan Cordoba. Therefore, the directors consider that the currency exposure arising from these transactions is not significant to the Group.

At present the Group does not have any formal policy for hedging against exchange exposure. The Group may, when necessary, enter into foreign currency forward contracts to hedge against exposure from currency fluctuations, however, the Group has not entered into any currency forward contracts to date.

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2022	2021	2022	2021
GBP/USD	0.8519	0.7418	0.8306	0.7420
GBP/NIO	0.0219	0.0210	0.0229	0.0209

A decrease of 1% in the relative strength of sterling (GBP) to US dollars (USD) would not result in a material increase in realised foreign exchange losses.

The Nicaraguan Cordoba (NIO) is set on a crawling peg to the US Dollar, with a fixed 3% devaluation per annum. Therefore, the Directors do not currently consider any change in the relative strength of the Cordoba to be a risk to the Company. Should NIO break away from its crawling peg to the USD, the Directors will review this risk.

(b) Credit risk

As the Group had no turnover during the year; there is no significant concentration of credit risk. The Group does not have written credit risk management policies or guidelines. The Group's cash is held in reputable banks. The carrying amount of these financial assets represent the maximum credit exposure. No collateral was held as security and other credit enhancements during the period. No financial assets are impaired or past due at the end of the reporting period.

(c) Liquidity risks

To ensure liquidity, the Group maintains sufficient cash and cash equivalents to meet its obligations as and when they fall due. All amounts included in liabilities are expected to fall due within one year.

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14. FINANCIAL INSTRUMENTS – continued

(d) Cash flow and fair value interest rate risks

The Group has no interest-bearing liabilities. Interest rates on bank deposits are based on the relevant national interbank offered rates. The Group has no fixed interest rate assets.

The main financial risks for the Group are set out within the Strategic Report on pages 6-9.

At 31 December 2022 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows:

	31.12.22		31.12.21	
	£	Weighted average interest rate	£	Weighted average interest rate
Financial assets:				
GBP – cash and cash equivalents	2,407,187	0.20%	1,956,467	0.20%
USD – cash and cash equivalents	-	0.00%	-	0.00%
NIO – cash and cash equivalents	<u>36,906</u>	0.00%	<u>115,579</u>	0.00%
Total	<u>2,444,093</u>		<u>2,072,046</u>	

A decrease in interest rates offered by the bank will not result in a material decrease in interest receivable.

(e) Capital Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated Statement of Financial Position, plus net debt.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Current:				
Social security and other taxes	26,861	24,919	3,264	1,999
Trade and other payables	196,445	112,069	196,062	111,774
Accrued expenses	182,901	111,188	50,031	55,683
Total	<u>406,207</u>	<u>248,176</u>	<u>249,357</u>	<u>169,456</u>

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16. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	Number of shares (thousands)	Ordinary shares £	Deferred shares £	Share premium £	Total £
At 31 December 2020	118,663	23,732,526	-	37,175,626	60,908,152
Proceeds from shares issued	27,968	5,593,617	-	5,366,126	10,959,743
Issue costs	-	-	-	(13,125)	(13,125)
At 31 December 2021	146,631	29,326,143	-	42,528,627	71,854,770
Proceeds from shares issued	192,531	2,421,666	-	4,168,008	6,574,674
Issue costs	-	-	-	(15,000)	(15,000)
Transfer		(31,567,276)	31,567,276		
At 31 December 2022	339,162*	180,533	31,567,276	46,681,635	78,429,444

** Shares split with following nominal values:*

Ordinary - £0.001 each

Deferred - £0.199 each

The issued share capital of the company comprises 180,531,491 Ordinary shares with a nominal value of £0.001 each, and 158,629,530 Deferred shares with a nominal value of £0.199 each. This follows a sub-division of shares that occurred in the year. All issued Ordinary shares are fully paid.

The deferred shares carry no right to participate in the profits of the Company. On winding up or return of capital, the Company's assets available for distribution shall be applied in paying to the holders of deferred shares the nominal capital paid up or credited as paid up on such deferred shares only after paying of holders of ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with sum of £10,000,000 on each ordinary share. The deferred shares do not carry any further right of participation in the assets of the Company and deferred shareholders have no right to receive notice of any general meeting to attend, speak or vote at any general meeting.

On 17 June 2022 11,607,149 ordinary shares of £0.20 each were issued at a price of 28 pence further to a private placement.

On 23 December 2022 21,902,961 ordinary shares of £0.001 each were issued at a price of 15 pence further to an open offer, private placement and conversion of loan notes.

The following shares were issued pursuant to exercise of warrants and options in the 12 months ending 31 December 2022, raising £88,916.50 for the Company:

Date of Issue	Number of shares issued through subscription	Warrant / option exercise price
17 January 2022	300,000	22p
22 July 2022	91,666	25p
Total	391,666	

17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

a) Share Options

The Company has established a share option scheme for Directors, employees and consultants to the Group.

The options all have a maximum life of five years from the date they were issued. The exercise price is dependent on the date of issue.

Vesting conditions for options granted are as follows: half of the options granted in a year vest over a one year period from the date of issue. The remaining options granted vest over a two year period. There are no additional vesting conditions attached to the options issued, however if the individual's engagement with the Company is terminated, the options lapse within 30 days.

CONDOR GOLD PLC

NOTES TO THE FINANCIAL STATEMENTS
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17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS– continued

Details of the share options outstanding during 2021 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2021 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2021	Date from which options are first exercisable	Lapse date
26/06/2016	0.80	1,195,000	-	-	(1,195,000)	-	26/06/2017	25/06/2021
06/07/2017	0.62	1,411,000	-	-	(65,000)	1,346,000	06/07/2018	05/07/2022
14/12/2017	0.5	50,000	-	-	-	50,000	14/12/2018	13/12/2022
25/01/2018	0.65	200,000	-	-	(130,000)	70,000	25/01/2019	24/01/2023
01/06/2018	0.50	20,000	-	-	-	20,000	01/06/2019	31/05/2023
15/07/2018	0.50	30,000	-	-	-	30,000	15/07/2019	14/07/2023
24/09/2018	0.42	1,719,000	-	-	-	1,719,000	24/09/2019	23/09/2023
14/07/2019	0.22	3,325,000	-	-	(257,000)	3,068,000	14/07/2020	13/07/2024
21/11/2019	0.22	100,000	-	-	-	100,000	21/11/2020	20/11/2024
01/06/2020	0.42	3,700,000	-	-	(159,500)	3,540,000	01/06/2020	31/05/2026
01/06/2021	0.48	-	4,200,000	-	-	4,200,000	01/06/2021	31/05/2026
24/06/2021	0.48	-	75,000	-	-	75,000	24/06/2021	23/06/2022
27/07/2021	0.48	-	30,000	-	-	30,000	27/07/2021	26/07/2022
01/09/2021	0.48	-	750,000	-	-	750,000	01/09/2021	31/08/2026
12/12/2021	0.35	-	150,000	-	-	150,000	12/12/2021	11/12/2026
		11,750,000	5,205,000	-	(1,806,500)	15,148,500		

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**NOTES TO THE FINANCIAL STATEMENTS
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17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS— continued

Details of the share options outstanding during 2022 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2022 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2022	Date from which options are first exercisable	Lapse date
06/07/2017	0.62	1,346,000	-	-	(1,346,000)	-	06/07/2018	05/07/2022
14/12/2017	0.5	50,000	-	-	(50,000)	-	14/12/2018	13/12/2022
25/01/2018	0.65	70,000	-	-	-	70,000	25/01/2019	24/01/2023
01/06/2018	0.50	20,000	-	-	-	20,000	01/06/2019	31/05/2023
15/07/2018	0.50	30,000	-	-	(30,000)	-	15/07/2019	14/07/2023
24/09/2018	0.42	1,719,000	-	-	(271,000)	1,448,000	24/09/2019	23/09/2023
14/07/2019	0.22	3,068,000	-	-	(455,500)	2,612,500	14/07/2020	13/07/2024
21/11/2019	0.22	100,000	-	-	-	100,000	21/11/2020	20/11/2024
01/06/2020	0.42	3,540,500	-	-	(405,500)	3,135,000	01/06/2020	31/05/2025
01/06/2021	0.48	4,200,000	-	-	(191,500)	4,008,500	01/06/2021	31/05/2026
24/06/2021	0.48	75,000	-	-	(75,000)	-	24/06/2021	23/06/2022
27/07/2021	0.48	30,000	-	-	(30,000)	-	27/07/2021	26/07/2022
01/09/2021	0.48	750,000	-	-	(750,000)	-	01/09/2021	31/08/2026
12/12/2021	0.35	150,000	-	-	-	150,000	12/12/2021	11/12/2026
13/09/2022	0.285	-	4,100,000	-	(27,000)	4,073,000	13/09/2022	13/09/2027
		15,148,500	4,100,000	-	(3,631,500)	15,617,000		

The weighted average exercise price for the Group's options are as follows:

Options issued during the year:	£0.285
Options forfeited/lapsed during the year:	£0.46
Options outstanding at 31 December 2022:	£0.39
Options exercisable at 31 December 2022:	£0.38

During the year 3,631,500 share options either expired or were forfeited (2021: 1,806,500). 15,617,000 options were exercisable at the end of the year (2021: 8,278,250).

The weighted average exercise price per share option is 39p (2021: 42p) and the average contractual life is 5 years (2021: 5 years).

The weighted average fair value of options granted during the year is £0.285 (2021: £0.47).

CONDOR GOLD PLC

**NOTES TO THE FINANCIAL STATEMENTS
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17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS – continued

The total expense recognised in the Statement of Comprehensive Income during the year was £443,265 (2021: £513,199) and has been fully recognised within administrative expenses. This fair value has been calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	2022	2021
Number of options issued	4,100,000	5,205,000
Share price	28.5p	48p
Exercise price	28.5p	48p
Expected volatility	29.5%	29.5%
Expected life (yrs.)	5	5
Continuous growth rate	0.5%	0.5%
Dividend yield	0%	0%

A movement through reserves of £443,265 (2021: £513,199) was made during the year reflecting the share options charge on issued options.

Expected volatility was determined with reference to the historical volatility of the Company's share price. Calculation of volatility was based upon the 2 year vesting period of the options.

The weighted average remaining contractual life of the share options outstanding at the end of the period is 4 years (2021: 4 years).

b) Warrants

On 14 June 2022 the Company announced a placing of 11,607,149 units at a price of 28p per unit to raise in aggregate gross proceeds of £3,250,000 before expenses. Each unit was comprised of one ordinary share of 20p each in the Company and one half of one ordinary share purchase warrant of the Company. Each warrant, which is unlisted and fully transferable, entitles the holder thereof to purchase one ordinary share at a price of 35p for a period of 36 months from the date on which the shares were issued pursuant to the placing.

On 28 November 2022 the Company announced an issue of convertible loan notes and warrants to Galloway Limited, a company controlled by J Mellon. 2.5 warrants were issued for each share that the principal amount of the Loan Notes may be converted into, resulting in the issue of warrants over 16,666,666 ordinary shares. The warrants have an exercise price of £0.15 and an 18 month term.

Should all outstanding warrants be exercised in full, the Company would receive £10,737,468.90 (2021: £6,974,657.50).

18. RELATED PARTY TRANSACTIONS

During the year the Company received consultancy advice from the following related parties:

Company	Related party	31.12.22 £	31.12.21 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,000	-
	M L Child	200,000	175,000	-
AMC Geological Advisory Group Promaco	A Cheatle	18,750	-	-
	I Stalker	44,675	48,825	-
	K Harcourt	6,000	-	-

During the year the Company loaned funds to its subsidiaries details of which are set out below:

	31.12.22 £	31.12.21 £
Condor S.A.		
Brought forward loan balance	9,752,096	8,008,457
Additional loans during the period	619,818	1,636,639
Management charges	107,575	107,000
Closing balance	10,479,489	9,752,096

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**NOTES TO THE FINANCIAL STATEMENTS
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18. RELATED PARTY TRANSACTIONS – continued

	31.12.22	31.12.21
La India Gold S.A.	£	£
Brought forward loan balance	25,927,102	20,942,844
Additional loans during the period	2,854,854	4,877,258
Management charges	107,575	107,000
Closing balance	<u>28,889,531</u>	<u>25,927,102</u>

	31.12.22	31.12.21
La India Inversiones S.A.	£	£
Brought forward loan balance	3,832,642	3,309,843
Additional loans during the period	298,968	522,799
Closing balance	<u>4,131,610</u>	<u>3,832,642</u>

Loans made to subsidiaries are non-interest bearing and have no specific terms of repayment and have been classified as current in the subsidiaries' financial statements.

19. OPERATING LEASES AND OPERATING COMMITMENTS

The Group leases premises under cancellable and non-cancellable operating lease arrangements. The cancellable leases can be terminated by payment of up to one month's rental as a cancellation fee. The total value of lease payments recognised in profit or loss is £NIL (2021: £50,964).

Future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.22	31.12.21
Group	£	£
No later than 1 year	32,462	35,731
Later than 1 year and no later than 5	-	32,462
Later than 5 years	-	-
	<u>32,462</u>	<u>68,193</u>

20. CONTINGENT LIABILITIES

In August 2011, the Group entered into a purchase agreement with La Mestiza to purchase the rights of the Espinito Mendoza concession, which now forms part of the La India Gold project. The contract included a 2.25% net smelter royalty on gold production from the concession. The royalty will become payable when gold production commences from the concession.

There is a 3% net-smelter royalty on gold production from the concessions acquired from Royal Gold. The royalty will become payable when gold production commences from the concession

Under local laws in Nicaragua there is a requirement for the Group to pay the government a 3% royalty on all gold sales from the La India Gold project. The royalty will become payable when gold production commences from the La India Gold project.

The Directors are unable to accurately determine the timing of production or quantify the potential liability at 31 December 2022.

21. CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

22. POST BALANCE SHEET EVENTS

The sales process for La India is entering the end of its first phase with various parties having concluded site visits and others ongoing. Three formal expressions of interest including two non-binding offers (subject to further due diligence) have been received by the Company and further offers are expected as nine companies are under a Non-Disclosure Agreement.