



# Condor Gold plc

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13 March 2020

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

### Condor Gold plc announces its audited results for the year ended 31 December 2019

Condor Gold (AIM: CNR; TSX: COG) is pleased to announce its results for the year ended 31 December 2019 ("Annual Report and Accounts"). A copy of the Annual Report and Accounts, along with a Notice of AGM, will be posted to Shareholders in due course and a further announcement made at that stage which will include details of the time and date for the AGM. A copy of the Annual Report and Accounts is available on the Company's website, at [www.condorgold.com](http://www.condorgold.com) and on Sedar at [www.Sedar.com](http://www.Sedar.com). Extracts are set out below.

#### Highlights for the year ended 31 December 2019:

- In January 2019, Condor announced a Mineral Resource update on La India Project totalling 9.85 million tonnes ("Mt") at 3.6 grams per tonne ("g/t") gold for 1,140,000 oz gold in the Indicated category and 8.48Mt at 4.3g/t gold for 1,179,000 oz gold in the Inferred category;
- This includes an open pit Mineral Resource of 8.58 Mt at a grade of 3.3 g/t gold, for 902,000 oz gold in the Indicated category and 3.01 Mt at a grade of 3.0 g/t gold, for 290,000 oz gold in the Inferred category, together with an underground Mineral Resources of 1.27 Mt at a grade of 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47 Mt at a grade of 5.1 g/t gold, for 889,000 oz gold in the Inferred category;
- Of note is the new open pit Mineral Resource on Mestiza of 92 thousand tonnes ("Kt") at a grade of 12.1 g/t for 36,000 oz contained gold in the Indicated category and 341 Kt at a grade of 7.7 g/t gold for 85,000 oz contained gold in the Inferred category. The four satellite open pits outside the main, permitted La India open pit have combined open pit resources of 206Kt at 9.9 g/t gold for 66,000 oz gold in the Indicated category and 2.127 Mt at 3.23 g/t gold for 221,000 oz gold in the Inferred category;
- In February 2019, the Company raised £1.75 million by way of a private placement of new Ordinary Shares;
- In March 2019, the Company announced it was permitting the Mestiza and America satellite feeder pits, which have the potential to increase production to 120,000 oz gold per annum for a seven year life of mine. The Mestiza and America open pits have, in aggregate, 206 Kt at a grade of 9.9 g/t (66,000 oz contained gold) in the Indicated category and 1,018 Kt at 4.6 g/t (152,000 oz contained gold) in the Inferred category;
- In July 2019, a 132km<sup>2</sup>, 25-year exploration and exploitation concession, the "Cerro Los Cerritos concession" was awarded. It is adjacent to current La India concession package and potentially hosts the strike extension of the gold mineralisation at La India. It expands La India Project concession area to 588 km<sup>2</sup>;

- Additional private placement closed in July of 20,192,520 new shares at a price of 20p per share to raise £4,038,504 including a Directors and CFO subscription for 6,350,000 shares and 9,842,520 shares subscribed by Nicaragua Milling Company Ltd.
  - Additional positive metallurgical test results on La India and satellite deposits announced in November;
  - In November 2019, Condor submitted Environmental and Social Impact Assessments (“ESIAs”) to the Ministry of Environment and Natural Resources (“MARENA”) for the Environmental Permits for the development and extraction of contained gold from the America and Mestiza open pits;
  - In December 2019, Condor sold the non-core Potrerillos exploration and exploitation concession to Nicoz Resources S.A., a wholly-owned subsidiary of Mako Mining Corp. (TSX-V: MKO) for a gross cash consideration of US\$ 600,000.
- **Post Period Highlights**
  - In January 2020, appointed SP Angel Corporate Finance LLP as sole Broker to the Company;
  - Extension granted until 27 July 2021 to complete the conditions of the key Environmental Permit to develop and extract ore from La India open pit;
  - In March 2020, the Company announced a high-grade open pit mining scenario as part of on-going mining dilution studies.

## Chairman’s Statement

Dear Shareholder,

I am pleased to present Condor Gold Plc’s (“Condor”, the “Company” or the “Group”, [www.condorgold.com](http://www.condorgold.com)) annual report for the 12-month financial year to 31 December 2019. The Company’s twin strategy remains the construction and operation of a base case processing plant with capacity of up to 2,800 tonnes per day (“tpd”) capable of producing approximately 100,000 oz of gold per annum, increasing this production capacity, and proving a major Gold District at the 588km<sup>2</sup> La India Project, in Nicaragua.

The Company’s main focus during 2019 has been on fulfilling the conditions of an Environmental Permit granted in August 2018 by the Ministry of the Environment and Natural Resources (“MARENA”) for the development, construction and operation of an open pit mine, a 2,800 tpd or 1.0 Mt per annum CIL processing plant and associated infrastructure at the La India Project, Nicaragua. The permitted La India open pit is estimated to produce between 80,000 oz to 100,000 oz gold per annum or a total of 600,000 oz gold over a 6 to 7-year period.

In January 2019 Condor announced an updated Mineral Resource on the La India Project totalling 9.85 Mt at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48 Mt at 4.3 g/t gold for 1,179,000 oz gold in the Inferred category. The Mineral Resource update includes 8,222 m of drilling since the Mineral Resource update in September 2014. The new Mineral Resource Estimate 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 total open pit Mineral Resource is 8.58 Mt at a grade of 3.3 g/t gold, for 902,000 oz gold in the Indicated category and 3.01 Mt at a grade of 3.0 g/t gold, for 290,000 oz gold in the Inferred category. Total underground Mineral Resources are 1.27 Mt at a grade of 5.8 g/t gold, for 238,000

oz gold in the Indicated category and 5.47 Mt at a grade of 5.1 g/t gold, for 889,000 oz gold in the Inferred category.

Of note also is the new open pit Mineral Resource on Mestiza of 92 Kt at a grade of 12.1 g/t for 36,000 oz contained gold in the Indicated category and 341 Kt at a grade of 7.7 g/t gold for 85,000 oz contained gold in the Inferred category. The four satellite open pits outside the main, permitted La India open pit have combined open pit resources of 206 Kt at 9.9 g/t gold for 66,000 oz gold in the Indicated category and 2.127 Mt at 3.23 g/t gold for 221,000 oz gold in the Inferred category.

Considerable progress has been made completing the conditions of the Environmental Permit for the development of La India open pit. The mine schedule, waste dump schedule, water and sewage management studies for the processing plant offices and accommodation have been completed. Tierra Group Inc of Denver, USA are fully engineering the Tailing Storage Facility and completing designs for the surface water management system required for the operation of the mine. Condor has doubled the land acquisition team; four in-house lawyers and several members of the social team are working on acquiring the land required for the mine site infrastructure. Offers have been made to all landowners, over 50% have accepted. Designs for the fuel service station for back-up power to support the processing plant are almost finalised. National grid electricity pylons are located 700 meters from the processing plant. The national electricity company has confirmed that 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. An updated forestry inventory has been completed. The compensation plan under the local law is to replace every tree removed with 10 new trees - this study has also been completed. In the last 12 months, Condor initiated a tree nursery which currently has approximately 6,200 trees.

In April 2019, the Company announced it had conducted additional metallurgical tests. B2 Gold's personnel took two 23 kg samples from within the La India open pit and conducted metallurgical tests at the El Limon and La Libertad mine laboratories. The high-grade samples, producing an average head grade of 12.1 g/t gold, were taken from the principal La India Vein and produced exceptional gold recoveries of 95.4%. It is invaluable to conduct metallurgical test work at two nearby producing gold mines whose laboratories are set up to replicate the metallurgical recoveries at the mines. This assists Condor in deciding on a final mine design and metallurgical process as the La India Project progresses to the construction phase.

In November 2019, Condor announced that it had received the final results of further metallurgical tests on La India, Mestiza and America deposits from SGS Laboratories, Lakefield, Ontario. Condor has been actively pursuing the addition of the open-pit portions of the America and Mestiza deposits (the "Satellite Pits") to the existing planned and permitted production from the La India open pit. During August 2019, Condor assembled six new master composites from La India, America and Mestiza deposits for grindability and leaching tests. Additionally, four variability composites from La India were selected to refine the understanding of the power consumption and abrasion characteristics of the La India ores. In summary, the results were:

- The new SGS results corroborate the initial findings on the abrasion, ball mill and SAG mill work indices as presented in the 2014 prefeasibility study ("PFS") that was conducted by Inspectorate (subsequently acquired by Bureau Veritas). The SGS results, while slightly different than the 2014 PFS values, are within the same statistical range.
- Gold extraction from the La India samples confirm the results of the PFS study, demonstrating that the estimated average gold recovery of 91% from the PFS remain valid for the La India deposit.

- Gold extraction from the America and Mestiza samples are similarly comparable to the original metallurgical results, and clearly show that the satellite pits will be amenable to treatment through the proposed CIL or CIP flowsheet.
- The Abrasion / SAG mill / Bond ball mill work indices suggest that the open pit ores from America and Mestiza, while still hard, are not as hard or as abrasive as the La India ores.

The additional metallurgical tests include grinding and abrasion studies for the America and Mestiza satellite pits that were not included in the metallurgical tests which formed part of the PFS on La India open pit. The studies are essential as we finalise the size of the processing plant ahead of a construction decision. Both satellite pit ores are less abrasive than the La India ore, which could be reflected in lower costs for wear materials when processing these ores. The most recent iteration of metallurgical studies represents the latest of Condor's efforts to expand the district-wide potential of our concession package, while further de-risking the Project. The consistent amenability of the district ores to the planned CIP processing plant lends further evidence that the Project can achieve higher throughput for a longer period of time than has been considered in our previous studies.

On 21 November 2019, Condor submitted Environmental and Social Impact Assessments ("ESIAs") to MARENA for the Environmental Permits for the development and extraction of contained gold from the America and Mestiza open pits. The ESIAs are very detailed, containing 18 technical, environmental and social studies and are each approximately 600 pages. Permitting the high-grade Mestiza and America satellite feeder pits has the potential to increase annual production from open pit material by 50% (compared to the PFS) to 120,000 oz gold p.a. for a seven year life of mine. The feeder pits have in aggregate 206 thousand tonnes ("Kt") at a grade of 9.9 g/t (66,000 oz contained metal) in the Indicated category and 1,018Kt at 4.6 g/t (152,000 oz contained gold in the Inferred category). The addition of the feeder pits will mean over 1 million oz gold mineral resource will be permitted for production. The feeder pits complement the main, fully permitted La India open pit with Mineral Reserves of 6.9 million tonnes ("M tonnes" or "Mt") at 3.0 g/t for 675,000 oz gold, which demonstrates annual production of 79,300 oz gold and lower quartile all-in-sustaining cash costs ("AISC") of US\$690 per oz gold. The higher grade feeder pits have the potential to materially enhance the Project NPV, IRRs, reduce the payback period and reduce the already low AISC as detailed in the PFS.

The intention is to permit the underground Mineral Resource after open pit mining begins. Total underground Mineral Resources are 1.27 Mt at 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47 Mt at 5.1 g/t gold, for 889,000 oz gold in the Inferred category.

Exploration activities during 2019 took second place to the key objective of completing the technical studies which are a condition of the Environmental Permit for La India open pit. Nonetheless, during 2019 our geologists continued their efforts to prove a 5.0 Moz gold district. It is worth noting that the re-log of 207 drill holes at La India and America was completed to help understand the shape of ore shoots and identify new ones. New wireframes have been constructed, and new drill targets generated. These are both down dip of known high grade 'shoots' and an exciting new target has been identified in the hanging wall of the America vein set.

Secondly, Cacao (about 6.0 km east of La India) is a top priority for drilling. It has the best potential to add ounces to the global resource. Mapping and drilling demonstrate it has a long strike length (> 3.0 km) and that the entire epithermal system is preserved. Drill intercepts reported in 2017 include 7.85 m at 3.75 g/t gold, 7.85 m at 2.95 g/t gold and 17.1 m at 1.74 g/t gold. The vein becomes more like La India vein at depth and is as thick, or thicker.

Thirdly, the Andrea East target (about 8.0 km north of La India) is now drill-ready and shows excellent grades at surface. It is a high priority for drilling. Trenches along it demonstrate significant width and grades. Best intercepts are observed at LICT15 (4.0 m at 1.79 g/t gold), LICT20 (5.6 m at 1.65 g/t gold) and LICT21 (3.0 m at 3.6 g/t gold). Grab samples give up to 9.7 g/t gold. Vein textures are very similar to La India and very encouraging.

Lastly, Condor sampled an average grade of over 13.5 g/t gold from 41 artisanal mining sites on the America and Mestiza vein sets which is a further reminder that the La India Project is a high-grade gold deposit. There are so many veins in the district that the Company is effectively 'drowning' in targets and a major issue is how to prioritise exploration. As the land package, mapping and sampling coverage grow, it allows us to understand the big picture. We can then focus on those targets with the best chance of adding ounces to the permitted mine schedule.

In July 2019, the Government of Nicaragua granted Condor Gold the 132.1 km<sup>2</sup> Cerro Los Cerritos concession, a major exploration and exploitation concession adjacent to the La India Project. This confirms that the government of the country is pro-mining, open for business and supportive of Condor. It follows the grant of the 142.6 km<sup>2</sup> Las Cruces concession in December 2018. The Cerro Los Cerritos concession expands the La India Project area by 29%. Cerro Los Cerritos was available for grant by the government under a 25-year exploration and exploitation concession. We remain convinced that the La India Project is a major gold district with the potential to host over 5 million ounces of gold. 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". Both mineralised basement feeder zones can be projected north-northwest into Cerro Los Cerritos. Numerous geophysics, soil geochemistry and surface rock chips indicate the possibility for further mineralisation along strike.

As a British company, Condor believes in, and promotes, constructive dialogue for a peaceful resolution of the current political uncertainty in Nicaragua. Condor continues to have very constructive meetings with key Ministries that granted the Environmental Permit for La India open pit and are overseeing the application for the Environmental Permit for the development and extraction of ore from the Mestiza and America open pits. During 2019, the Company has focused on supporting its 80 direct and indirect employees, and their families, who confirmed their desire to continue to work and maintain stability within their communities. Condor 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 given to the local community. The upfront capital cost of approximately US\$110 million would have a significant positive impact on the economy. The Government and local communities would benefit significantly from future royalties and taxes.

In November 2019, Mr Ian Stalker joined Condor as a non-executive Director. As the Company moves towards a construction decision for new gold mine at Mina La India, Ian's significant construction and operating experience in a number of producing gold mines world-wide will be an invaluable guide to Condor Gold. Ian Stalker is a senior international mining executive with over 45 years of experience in resource development. He has directed over twelve major gold, base metal, uranium and industrial minerals projects at various phases, from initial exploration drilling to production.

In December 2019, Condor sold the non-core Potrerillos exploration and exploitation concession to Nicoz Resources S.A., a wholly-owned subsidiary of Mako Mining Corp. (TSX-V: MKO) for a gross cash consideration of US\$ 600,000.

Turning to the financial results for the year 2019, the Group's loss for the year was £1,542,781 (2018: £2,299,329). The Company raised £5.8 million during the financial period. The net cash balance of the Group at 31 December 2019 was £2,903,556 (2018: £220,975).

The key objective for 2020 is to start the site preparation before year end. This will involve completing the purchase of all surface rights within the mine site infrastructure (approximately 50% has been purchased to date) and completing the technical studies required by MARENA ahead of a construction decision. Offers have been made for all the surface rights. Production from the permitted La India open pit is expected to be approximately 600,000 oz gold. In November 2019, the Company submitted the ESIA's applying for the Environmental Permit to develop and extract ore from the high grade America and Mestiza open pits. This has the potential to increase production to 120,000 oz gold per annum (compared to the PFS) for a seven year life of mine. The Mestiza and America open pits have, in aggregate, 206 Kt at a grade of 9.9 g/t (66,000 oz contained gold) in the Indicated category and 1,018 Kt at 4.6 g/t (152,000 oz contained gold) in the Inferred category. Simultaneously, the Company has conducted technical mining studies to see if it is possible to generate production much earlier by mining a "mini pit" within the permitted La India open pit and trucking the mineralised ore to a nearby processing plant to be processed. However, at the time of writing it is uncertain whether a toll milling agreement can be reached. There are significant benefits of transitioning Condor from an exploration and development company to a gold producer in the near future. The most obvious for shareholders is the generation of revenues and cashflow and the experience Condor will gain from managing contract miners together with bulk metallurgical tests and an advanced understanding of the geology. Maintaining a social licence to operate is highly important and Condor will continue with its extensive social programmes in the local community. The historic mine at Mina La India closed in 1956, resulting in a high level of poverty in the village of La Cruz de la India. Adding a higher average open pit grade of 4.7 g/t gold from the satellite feeder pits to the mill feed from the permitted La India open pit of 3.0 g/t gold will enhance the Project NPV, IRRs, reduce the payback period and reduce the already low All In Sustaining Cash Cost of US\$690 per oz gold as detailed in the PFS.

M L Child  
Chairman & CEO

Date: 12 March 2020

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Year Ended 31.12.19 £	Year Ended 31.12.18 £
Administrative expenses	(1,529,348)	(2,067,413)
Loss on disposal of subsidiary	-	(234,210)
Operating loss	<u>(1,529,348)</u>	<u>(2,301,623)</u>
Finance income	4,567	2,294
Loss before income tax	<u>(1,524,781)</u>	<u>(2,299,329)</u>
Income tax expense	-	-
<b>Loss for the year</b>	<b><u>(1,524,781)</u></b>	<b><u>(2,299,329)</u></b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences	(1,706,724)	144,006
<b>Other comprehensive (loss) / income for the year</b>	<b><u>(1,706,724)</u></b>	<b><u>144,006</u></b>
<b>Total comprehensive loss for the year</b>	<b><u>(3,231,505)</u></b>	<b><u>(2,155,323)</u></b>
<b>Loss attributable to:</b>		
Non-controlling interest	-	-
Owners of the parent	<u>(1,524,781)</u>	<u>(2,299,329)</u>
	<b><u>(1,524,781)</u></b>	<b><u>(2,229,329)</u></b>
<b>Total comprehensive loss attributable to:</b>		
Non-controlling interest	-	-
Owners of the parent	<u>(3,231,505)</u>	<u>(2,155,323)</u>
	<b><u>(3,231,505)</u></b>	<b><u>(2,155,323)</u></b>
<b>Earnings per share expressed in pence per share:</b>		
Basic and diluted (in pence)	<u>(1.86)</u>	<u>(3.49)</u>

**CONDOR GOLD PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	31.12.19	31.12.18
	£	£
<b>ASSETS:</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	585,950	211,064
Intangible assets	20,909,637	20,644,243
	<u>21,495,587</u>	<u>20,855,307</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	143,279	219,077
Cash and cash equivalents	2,903,556	220,975
	<u>3,046,835</u>	<u>440,052</u>
<b>TOTAL ASSETS</b>	<b><u>24,542,422</u></b>	<b><u>21,295,359</u></b>
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	757,102	251,316
	<u>757,102</u>	<u>251,316</u>
<b>TOTAL LIABILITIES</b>	<b><u>757,102</u></b>	<b><u>251,316</u></b>
<b>NET CURRENT ASSETS</b>	<u>2,289,733</u>	<u>188,736</u>
<b>NET ASSETS</b>	<b><u>23,785,320</u></b>	<b><u>21,044,043</u></b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Called up share capital	18,932,704	13,435,868
Share premium	33,953,693	33,662,309
Exchange difference reserve	(746,933)	959,791
Retained earnings	(28,354,144)	(27,013,925)
	<u>23,785,320</u>	<u>21,044,043</u>
Non-controlling interest	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<b><u>23,785,320</u></b>	<b><u>21,044,043</u></b>

The financial statements were approved and authorised for issue by the Board of directors on 12 March 2020 and were signed on its behalf by:

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2019**

	Share Capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non- Controlling Interest	Total Equity
	£	£	£	£	£	£	£
At 1 January 2018	12,273,077	32,426,049	581,575	(25,174,153)	20,106,548	(85,056)	20,021,492
Comprehensive income:							
Loss for the year	-	-	-	(2,299,329)	(2,299,329)	-	(2,299,329)
Other comprehensive income:							
Currency translation differences	-	-	144,006	-	144,006	-	144,006
Total comprehensive income	-	-	144,006	(2,299,329)	(2,155,323)	-	(2,155,323)
New shares issued	1,162,791	1,337,210	-	-	2,500,001	-	2,500,001
Issue costs	-	(100,950)	-	-	(100,950)	-	(100,950)
Share based payment	-	-	-	544,613	544,613	-	544,613
Recycle through profit or loss on disposal of subsidiary	-	-	234,210	-	234,210	-	234,210
Transactions with non-controlling interest	-	-	-	(85,056)	(85,056)	85,056	-
Total transactions with owners, recognised directly in equity	1,162,791	1,236,260	234,210	459,557	3,092,818	85,056	3,177,874
At 31 December 2018	13,435,868	33,662,309	959,791	(27,013,925)	21,044,043	-	21,044,043
Comprehensive income:							
Loss for the year	-	-	-	(1,524,781)	(1,524,781)	-	(1,524,781)
Other comprehensive income:							
Currency translation differences	-	-	(1,706,724)	-	(1,706,724)	-	(1,706,724)
Total comprehensive income	-	-	(1,706,724)	(1,524,781)	(3,231,505)	-	(3,231,505)
New shares issued	5,496,836	323,934	-	-	5,820,770	-	5,820,770
Issue costs	-	(32,550)	-	-	(32,550)	-	(32,550)
Share based payment	-	-	-	184,562	184,562	-	184,562
Total transactions with owners, recognised directly in equity	5,496,836	291,384	-	184,562	5,972,782	-	5,972,782
At 31 December 2019	18,932,704	33,953,693	(746,933)	(28,354,144)	23,785,320	-	23,785,320

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.

**CONDOR GOLD PLC**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	31.12.19	31.12.18
	£	£
<b>ASSETS:</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15	515
Investments	751,977	751,977
Other receivables	<u>27,017,925</u>	<u>24,394,310</u>
	<u>27,769,917</u>	<u>25,146,802</u>
<b>CURRENT ASSETS</b>		
Other receivables	22,850	22,324
Cash and cash equivalents	<u>2,336,235</u>	<u>191,166</u>
	<u>2,359,085</u>	<u>213,490</u>
<b>TOTAL ASSETS</b>	<b><u>30,129,002</u></b>	<b><u>25,360,292</u></b>
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>180,074</u>	<u>182,561</u>
<b>TOTAL LIABILITIES</b>	<b><u>180,074</u></b>	<b><u>182,561</u></b>
<b>NET CURRENT ASSETS</b>	<u>2,179,011</u>	<u>30,929</u>
<b>NET ASSETS</b>	<b><u>29,948,928</u></b>	<b><u>25,177,731</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	18,932,704	13,435,868
Share premium	33,953,693	33,662,309
Retained earnings	<u>(22,937,469)</u>	<u>(21,920,446)</u>
<b>TOTAL EQUITY</b>	<b><u>29,948,928</u></b>	<b><u>25,177,731</u></b>

The loss for the financial year dealt with in the financial statement of the parent company was £1,201,585 (2018: £1,531,642).

The financial statements were approved and authorised for issue by the Board of directors on 12 March 2020 and were signed on its behalf by:

M L Child - Chairman  
**Company No: 05587987**



**CONDOR GOLD PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2019**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2018	12,273,077	32,426,049	(20,933,417)	23,765,709
Comprehensive income: Loss for the period	-	-	(1,531,642)	(1,531,642)
Total comprehensive income	-	-	(1,531,642)	(1,531,642)
New shares issued	1,162,791	1,337,210	-	2,500,001
Issue costs	-	(100,950)	-	(100,950)
Share based payment	-	-	544,613	544,613
Total transactions with owners recognised directly in equity	1,162,791	1,236,260	544,613	2,943,664
At 31 December 2018	13,435,868	33,662,309	(21,920,446)	25,177,731
Comprehensive income: Loss for the period	-	-	(1,201,585)	(1,201,585)
Total comprehensive income	-	-	(1,201,585)	(1,201,585)
New shares issued	5,496,836	323,934	-	5,820,770
Issue costs	-	(32,550)	-	(32,550)
Share based payment	-	-	184,562	184,562
Total transactions with owners recognised directly in equity	5,496,836	291,384	184,562	5,972,782
At 31 December 2019	18,932,704	33,953,693	(22,937,469)	29,948,928

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.

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Year Ended 31.12.19 £	Year-Ended 31.12.18 £
<b>Cash flows from operating activities</b>		
Loss before tax	(1,524,781)	(2,299,329)
Share based payment	184,562	544,613
Recycle through profit or loss on disposal of subsidiary	-	234,210
Depreciation	85,272	77,739
Exchange differences	(90,626)	(8,318)
Finance income	(4,567)	(2,294)
	<u>(1,350,140)</u>	<u>(1,453,379)</u>
Decrease in trade and other receivables	75,798	101,900
Increase / (Decrease) in trade and other payables	505,786	(193,715)
	<u>(768,556)</u>	<u>(1,545,194)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(476,255)	(15,422)
Purchase of intangible fixed assets	(1,865,395)	(1,566,015)
Interest received	4,567	2,294
	<u>(2,337,083)</u>	<u>(1,579,143)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from share issue	<u>5,788,220</u>	<u>2,399,051</u>
	<u>5,788,220</u>	<u>2,399,051</u>
Increase / (Decrease) in cash and cash equivalents	<u>2,682,581</u>	<u>(725,286)</u>
Cash and cash equivalents at beginning of year	<u>220,975</u>	<u>946,261</u>
Cash and cash equivalents at end of year	<u>2,903,556</u>	<u>220,975</u>



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

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

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Company the Environmental Permit (“**EP**”) for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at its wholly-owned La India gold project (“La India Project”). The EP is considered to be the master permit for mining operations in Nicaragua. Condor Gold published a Pre-Feasibility Study (“**PFS**”) on the La India Project in December 2014, as summarised in the Technical Report (as defined below). The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years. La India Project contains a Mineral Resource of 9,850Kt at 3.6 g/t gold for 1,140Koz gold in the Indicated category and 8,479Kt at 4.3g/t gold for 1,179Koz gold in the Inferred category. The Indicated Mineral Resource is inclusive of the Mineral Reserve.

### **Disclaimer**

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

### **Qualified Persons**

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

The technical and scientific information in this press release has been reviewed, verified and approved by Andrew Cheatle, P.Geo., a Non-Executive Director of the Company, who is a “qualified person” as defined by NI 43-101.

## Technical Information

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

## Forward Looking Statements

*All statements in this press release, other than statements of historical fact, are ‘forward-looking information’ with respect to the Company within the meaning of applicable securities laws, including statements with respect to: the Mineral Resources, the Mineral Reserves and future production rates, plans and expenditures at the La India Project. Forward-looking information is often, but not always, identified by the use of words such as: “seek”, “anticipate”, “plan”, “continue”, “strategies”, “estimate”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, “potential”, “could”, “might”, “will” and similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.*

*Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: mineral exploration, development and operating risks; estimation of mineralisation, resources and reserves; environmental, health and safety regulations of the resource industry; competitive conditions; operational risks; liquidity and financing risks; funding risk; exploration costs; uninsurable risks; conflicts of interest; risks of operating in Nicaragua; government policy changes; ownership risks; permitting and licencing risks; artisanal miners and community relations; difficulty in enforcement of judgments; market conditions; stress in the global economy; current global financial condition; exchange rate and currency risks; commodity prices; reliance on key personnel; dilution risk; payment of dividends; as well as those factors discussed under the heading “Risk Factors” in the Company’s annual information form for the fiscal year ended December 31, 2018 dated March 22, 2019, available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or*

*intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*

## **Technical Glossary**

### **Mineral Resource**

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

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

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

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

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of Modifying Factors. The phrase 'reasonable prospects for eventual economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. The Qualified Person should consider and clearly state the basis for determining that the material has reasonable prospects for eventual economic extraction. Assumptions should include estimates of cutoff grade and geological continuity at the selected cut-off, metallurgical recovery, smelter payments, commodity price or product value, mining and processing method and mining, processing and general and administrative costs. The Qualified Person should state if the assessment is based on any direct evidence and testing. Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However, for many gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

### **Inferred Mineral Resource**

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

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

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

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

### **Indicated Mineral Resource**

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

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

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

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

### **Mineral Reserve**

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

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the

reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

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

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

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

#### **Probable Mineral Reserve**

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

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

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

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

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