



Condor Gold PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2021

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Background

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations is prepared as at May 14, 2021 and should be read in conjunction with the unaudited Condensed Consolidated Financial Statements of Condor Gold plc (the "**Company**" or "**Condor**") as at 31 March 2021, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and International Accounting Standards as issued by the IASB.

Unless otherwise noted, all currency figures in the MD&A are presented in U.K. pounds sterling.

Condor is a publicly listed company, the ordinary shares (the "**Ordinary Shares**" or "**Shares**") of which have been listed since May 31, 2006 on the London Stock Exchange on the AIM market ("**AIM**"), under the symbol 'CNR'. Since January 15, 2018, the Ordinary Shares of the Company have also been listed on the Toronto Stock Exchange ("**TSX**") under the symbol "COG".

This MD&A contains forward-looking information, such as statements regarding the Company's future plans and objectives that are subject to various risks and uncertainties, and those set forth in "*Statement Regarding Forward-Looking Information*" and "*Risks and Uncertainties*" in this document. The Company cannot assure investors that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. The results for the periods presented are not necessarily indicative of the results that may be expected for any future periods. Investors are cautioned not to place undue reliance on this forward-looking information.

Technical Information

The technical information about the Company's mineral properties contained in this MD&A, other than information summarised or extracted from the Technical Report (as defined below), has been prepared under the supervision of Gerald D.Crawford P.E., Chief Technical Officer of the Company and Andrew Cheatle P.Geol., a non-executive director of the Company, each a "qualified person" within the meaning of NI 43-101. Messrs. Crawford and Cheatle have reviewed the contents of this MD&A and have consented to the inclusion in this MD&A of all technical statements, other than information summarised or extracted from the Technical Report, in the form and context in which they appear and confirm that such information fairly represents the underlying data and study results.

Company Overview and Discussion of Operations

Company Overview

The Company is registered and incorporated in the United Kingdom and is actively engaged in gold exploration and development in Nicaragua, with a focus on the Company's 100%-held La India Project (the "**La India Project**" or "**La India**"), for which it has filed the Technical Report which includes a Pre-Feasibility Study ("**PFS**"). The Technical Report was prepared in accordance with the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

The La India Project is comprised of twelve contiguous and adjacent concessions that total 588 square kilometres held by wholly owned subsidiaries of the Company and located in northeastern Nicaragua. A concession in Nicaragua is awarded by the Ministerio De Energia y Minas (Ministry of Energy and Mines – "**MEM**"). A concession is valid for 25 years and confers upon the holder exclusive rights of exploration and exploitation.

Condor published a PFS on its wholly owned La India Project in Nicaragua in December 2014, as summarised in 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 Dr 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 such term is defined in NI 43-101.

The La India Project is located in the Department of Leon, approximately 70 kilometres (“km”) to the north of Managua, the capital city of Nicaragua. The La India Project’s Mineral Resource as disclosed in the Technical Report comprised an Indicated Mineral Resource of 9.6 million metric tonnes (“Mt”) at 3.5 grams per tonne (“g/t”) gold, for 1.08 million ounces (“Moz”) gold (inclusive of Probable Mineral Reserves, as disclosed below) and an Inferred Mineral Resource of 8.5 Mt at 4.5 g/t gold, for 1.23 Moz gold. The PFS also defines a Probable Mineral Reserve of 6.9 Mt at 3.0 g/t gold for 675 thousand ounces (“Koz”) gold and 5.3 g/t silver for 1.185 Moz silver, mined by open pit methods on the La India Vein, the principle vein of the La India Project. A gold price of \$1,500/oz and a cut-off grade of 0.5g/t and 2.0g/t gold were assumed for open pit and underground Mineral Resources respectively. A cut-off grade of 1.5g/t gold was furthermore applied within a part of the Inferred Mineral Resource.

On January 28, 2019 the Company announced an updated Mineral Resource Estimate at La India (“MRE”). The MRE as at 25 January 2019 is 9.85 Mt at 3.6 g/t gold for 1.14 Moz gold in the Indicated category (inclusive of stated Mineral Reserves) and 8.48 Mt at 4.3 g/t gold for 1.179 Moz gold in the Inferred category. Further details regarding the MRE are contained within the Company’s announcement of January 28, 2019, available on Sedar (www.sedar.com) and on the Company’s website (www.condorgold.com). Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources will be converted to Mineral Reserves. The MRE did not show a material change in the number of ounces of gold reported in the Indicated Category or Inferred Category.

The following Mineral Resource estimations set out Condor’s Mineral Resource Statement as at 25 January 2019 for the La India Project.

Mineral Resource Statement prepared in accordance with CIM and Canadian NI 43-101 as at 25 January 2019 for the La India Project (SRK Consulting (UK) Ltd.).

SRK MINERAL RESOURCE STATEMENT as of 25 January 2019 (4), (5), (6)								
Category	Area Name	Vein Name	Cut-Off	Gold			Silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz)
Indicated	Grand total	All veins	0.5g/t (OP) (1)	8,583	3.3	902	5.6	1,535
			2.0 g/t (UG) (2)	1,267	5.8	238	8.5	345
			Subtotal Indicated	9,850	3.6	1,140	5.9	1,880
Inferred	Grand total	All veins	0.5g/t (OP) (1)	3,014	3.0	290	6.0	341
			2.0 g/t (UG) (2)	3,714	5.1	609	9.6	860
			1.5 g/t (3)	1,751	5.0	280		
			Subtotal Inferred	8,479	4.3	1,179	8.2	1,201

(1) The methods applied to conducting the geological modelling and estimation have not changed from those described in the Technical Report. The La India, America, Central Breccia, Mestiza 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 USD1,500 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK projects. Metallurgical recovery assumptions are between 91-96% for gold, based on testwork conducted to date. Marginal costs of USD19.36/t for processing, USD5.69/t G&A and USD2.35/t for mining, slope angles defined by the Company Geotechnical study which range from angle 40 - 48°, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t over a minimum width of 1.0m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91 percent for resources, costs of USD19.36/t for processing, USD4.5/t G&A and USD50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t, and have not been updated as part of the current study due to no further detailed exploration.

(4) Mineral Resources are not Mineral Reserves and 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 concession is wholly owned by and exploration is operated by Condor Gold plc.

(5) 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) (the "CIM Standards").

(6) SRK completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, a "qualified person" as defined by NI 43-101.

(7) Back calculated Inferred silver grade based on a total tonnage of 4569 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Auga Caliente, Guapinol, San Lucas, Cristalito-Tatescame or El Cacao.

(8) The Mineral Resources are inclusive of the Mineral Reserves

SUMMARY OF CURRENT PERMITTED OPEN PITS – LA INDIA PROJECT¹

Category	Area Name	Cut-Off	Gold		
			Tonnes (Kt)	Au Grade (g/t)	Au (Koz)
Indicated	La India	0.5 g/t (OP)	8,377	3.1	837
	America	0.5 g/t (OP)	114	8.1	30
	Mestiza	0.5 g/t (OP)	92	12.1	35
	Total		8,583	3.3	902
Inferred	La India	0.5 g/t (OP)	883	2.4	68
	America	0.5 g/t (OP)	667	3.1	67
	Mestiza	0.5 g/t (OP)	341	7.7	85
	Total		1,901	3.6	220

¹ See Company RNS dated 6 May, 2020

Permitted Mineral Resources at La India contain 1.12 Moz gold. (8,583Kt @ 3.3 g/t for 902 Koz gold in the Indicated category and 1,901 Kt @ 3.6 g/t for 220 Koz in the Inferred Category).

The preceding Indicated Mineral Resource summaries are inclusive of the 2014 Probable Mineral Reserve:

Mineral Reserve Class	Diluted Tonnes		Diluted Grade	Contained Metal	
	(Mt dry)	(g/t Au)	(g/t Ag)	(koz Au)	(koz Ag)
Proven	-	-	-	-	-
Probable	6.9	3.0	5.3	675	1,185
Total	6.9	3.0	5.3	675	1,185

(1) Open pit mineral reserves are reported at a cut-off grade of 0.75 g/t Au and gold price of US\$1,250, processing cost of USD 20.42 per tonne milled, G&A cost of 5.63 USD per tonne milled, 10 USD/oz Au selling cost, 3% royalty on sales.

(2) Average ore loss and dilution are estimated at 5% and 12%, respectively.

(3) 91% Au and 69% Ag metallurgical recovery was used.

(4) The reporting standard adopted for the reporting of the Mineral Reserve uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (2014) as required by NI 43-101.

(5) SRK completed a site inspection to the deposit by Mr Gabor Bacsfalusi, BEng (MAusIMM(CP), Membership Number 308303, an appropriate —independent qualified person as this term is defined in National Instrument 43-101.

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 28 January 2019 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. Geo., a qualified person within the meaning of NI 43-101.

The PFS summarised in the Technical Report contemplated a 0.8 million tonnes per annum open pit mining operation at La India (“**La India Open Pit**”), producing 614,000 ounces (“**oz**”) with average annual production of 79,300 oz of gold over the 7 years of production. With an initial capital requirement of U.S.\$110 million, the project generated a Net Present Value at a discount rate of 5.0% of U.S.\$92 million and an internal rate of return of 22%, both on an after-tax basis and assuming a gold price of U.S.\$1,250 per oz.

Records exist for industrial-scale gold mining in the La India Gold District between 1938 and 1956 by Noranda Inc, a Canadian mining company, and centred on the La India deposit. Production records estimate a total production from 1.73 Mt at 13.4 g/t for 575,000 oz gold.

As of the date of this document, a total of 63,120 metres (including 1,339 metres at Cacao and 938 metres at La India which were drilled in the quarter) had been drilled by the Company at the La India Project. A total of approximately 81,653 metres of drilling has been completed on La India Project by Condor and previous explorers, including meterage from the reported quarter.

Discussion of Operations

Since publication in December 2014 of the PFS for the La India Project, the principal operational activities of the Company have been:

- (i) to advance the permitting framework at La India Open Pit and secure the key environmental permit in order to then to construct and operate a processing plant of up to 2,800 tonnes per day (“**tpd**”) and associated mine site infrastructure and,
- (ii) to conduct further exploration within the La India Project to demonstrate potential for a 5M+ oz gold district.

In August 2018 the Company announced that the Ministry of the Environment and Natural Resources (“**MARENA**”) had granted the Company the environmental permit for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at La India Project for the production of approximately 600,000 oz gold from La India open pit (the “**La India Environmental Permit**”).

Subsequent to the 2018 granting by MARENA of the La India Environmental permit for development, construction and operation of a processing plant, the Company continues to successfully work towards fulfilling the requirements (of the permit). The Company’s work has been supported by the Company’s unwavering commitment to an Environmental and Social Action Plan (“**ESAP**”) in accordance with the Performance Standards (the “**IFC Performance Standards**”) of the International Finance Corporation (“**IFC**”) for the Company’s activities during the exploration and study phase. This required the development and implementation of an HSEC Policy and Environmental and Social Management System (ESMS) and associated documentation, appropriate to the Company’s activities. Implementation of the relevant IFC Performance Standards helps Condor manage and improve its environmental and social performance through a risk-based approach and also provides a solid base from which the Company may enhance the sustainability of its business operations and provides benefits for its shareholders.

The Company’s work in meeting the conditions of the La India Environmental Permit (as granted in August 2018), includes the completion of engineering and other technical studies and the acquisition of some or all of land for the mine site infrastructure (for further details, see “*Status, Plans and Expenditures at the La India Project*”).

Further to completion in late 2019 of technical studies required for Environmental and Social Impact Assessments for the extraction of gold-mineralised material from the Mestiza and America satellite open pits (“**Satellite Pit ESIAs**”), and their submission to MARENA, environmental permits for these sites were duly awarded in April and May 2020 respectively.

The Mestiza open pit hosts 92 thousand tonnes (“Kt”) at a grade of 12.1g/t gold (36,000oz contained gold) in the Indicated Mineral Resource category and 341Kt at a grade of 7.7g/t gold (85,000oz contained gold) in the Inferred Mineral Resource category. The Mestiza open pit is situated less than 4 kilometres from the location of the permitted processing plant for the La India open pit.

The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz contained gold) in the Indicated Mineral Resource category and 677Kt at a grade of 3.1 g/t gold (67,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit is located less than 3km from the permitted processing plant and compliments Mestiza and the already permitted La India open pits.

Following the permitting of the Mestiza and America open pits, together with the La India open pit, Condor has 1.12M oz gold open pit Mineral Resources permitted for extraction (8,583Kt at 3.3g/t gold for 903,000 oz gold in the Indicated category and 1,901Kt at 3.6g/t gold for 220,000 oz gold in the Inferred category), inclusive of a Mineral Reserve of 6.9Mt at 3.0g/t gold for 675,000 oz gold. The underground Mineral Resource of 1.2M oz gold (1.27Mt at a grade of 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47Mt at a grade of 5.1 g/t gold, for 889,000 oz gold in the Inferred category) will be analysed and potentially converted to Mineral Reserves after production from the open pits has started.

In the fourth quarter of 2020 a circa 4,000 metre infill diamond drilling programme was initiated at the La India open pit, with the three-fold objectives of: tightening the drill hole spacing within the planned starter pits in order to finalise pit designs and mine schedules; replacing all historical reverse circulation (“RC”) drill holes within the overall La India open-pit Mineral Resource; and targeting near-by Inferred Mineral Resources for potential upgrade to an Indicated Mineral Resource and potential inclusion in the mine plan.

In February 2021 a circa 5,000 metre diamond drill exploration programme was initiated on the Cacao vein, located 4km from the planned processing plant at La India. This programme has three main objectives:

- (i) to increase the Inferred Mineral Resource on the Cacao Vein;
- (ii) to increase the strike length of the vein towards the Santa Barbara prospect, 3 km away; and,
- (iii) to prove the structural geological model that Cacao represents a dilational opening between two major basement feeder zones (the La India and Andrea Corridors).

In March 2021 the Company announced that it had entered into an agreement to purchase a complete new Semi-autogenous grinding Mill (“**SAG Mill**”) package from First Majestic Silver Corp (“**First Majestic**”) (TSX: FR). The SAG Mill package represents a key item of the plant required to bring the Company’s La India Project into production and is estimated by Metso Outotec’s technical support group to have a throughput of up to 2,300 tonnes per day (“tpd”) or 0.8 million tonnes per annum (“tpa”) on a sustained basis, based on the metallurgical characteristics of the ore and mineralised material at La India.

Developments in the three months ended March 31, 2021

On January 4, 2021, the Company announced that pursuant to receipt of notice for the exercise of share options with an exercise price of 22p per option, Ian Stalker, a Director of the Company, had purchased 100,000 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £22,000. The registration of these shares occurred on December 31, 2020.

On January 4, 2021, the Company announced that pursuant to receipt of notice for the exercise of warrants with an exercise price of 25p per warrant, it issued 166,667 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £41,667. The registration of these shares occurred on December 31, 2020.

On January 13, 2021, the Company announced that pursuant to receipt of notice for the exercise of warrants with an exercise price of 31p and 40p per warrant, it issued 125,000 and 376,713 new, Ordinary Shares respectively with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £189,435.

On January 14, 2021, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 31p per warrant, the Executive Chairman and the Chief Financial Officer of the Company had respectively purchased 20,833 and 12,500 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company has received gross proceeds of £44,913.

On January 16, 2021, the Company announced that pursuant to receipt of notice for the exercise of warrants with an exercise price of 31p per warrant, it issued 60,000 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £18,600.

On January 19, 2021, mobilisation of a second diamond drill rig for the on-going campaign at La India was announced by the Company (see “*Discussion of Operations*”).

Completion of ground investigation drilling of 23 geotechnical drill holes and 58 test pits was announced by the Company on January 25, 2021.

On January 25, 2021, the Company announced that pursuant to receipt of notice for the exercise of warrants with an exercise price of 31p per warrant, it issued 83,333 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company has received gross proceeds of £25,833.

On January 27, 2021, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 31p per warrant, Mr Jim Mellon, a Non-Executive Director of the Company had purchased 1,562,500 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £484,375.

On February 9, 2021, the Company announced that pursuant to receipt of notice for the exercise of warrants with an exercise price of 31p per warrant, it issued 92,083 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company has received gross proceeds of £28,546.

On February 16, 2021, the Company announced a placing of 9,523,810 new ordinary shares in the Company at a price of 42p per share, including a Directors & CFO subscription of 4,871,414 shares to raise in aggregate gross proceeds of £4,000,000 before expenses (the "**February 2021 Placing**"). The Placing was arranged directly by the Company with institutional and other investors.

On February 22, 2021, the Company commenced drilling of a 5,000m exploration program on the Cacao Prospect.

On March 9, 2021, the Company announced results from its on-going diamond drill campaign at within the La India starter pits.

On March 15, 2021, the Company announced the purchase of a SAG Mill from First Majestic for total consideration of US\$ 6.4 million, including \$3.0M payable in shares of the Company at an issue price of 50 pence per share.

On March 30, 2021, the Company announced further results from its ongoing infill diamond drill programme at La India.

Events subsequent to March 31, 2021

On April 29, 2021 the Company provided a third update on it's on-going diamond drilling programme at La India.

Status, Plans and Expenditures at the La India Project

As at the date hereof, from a NI 43-101 reporting perspective, the La India Project hosts an updated (2019) Mineral Resource of 9.85 Mt at 3.6 g/t gold for 1.14 Moz gold in the Indicated category (inclusive of a Mineral Reserve of 6.9 Mt at 3.0 g/t gold for 675 thousand ounces ("**Koz**") gold and 5.3 g/t silver for 1.185 Moz silver), and 8.48 Mt at 4.3 g/t gold for 1.179 Moz gold in the Inferred category. Key components of the Technical Report completed on the La India Open Pit to Pre-Feasibility Study level will be carried forward.

The environmental permit is considered to be the "master permit" in Nicaragua, and once granted, all permits for construction, electricity, water use, explosives etc. are expected to follow. As of the date of this document the design had been completed for the water and wastewater treatment systems for the processing plant, offices and accommodation blocks; development of final engineering designs for the tailings storage facility and the majority of the surface water management system for the mine is in progress. The Company had made offers to buy the surface rights from all landowners within the proposed area for mine site infrastructure, of which 95% had been accepted. An 18-month extension has been granted by MARENA, until 27 July 2021, to satisfy those conditions of the La India Environmental Permit that require achievement prior to construction.

The Company had also prioritised the advancement of the permitting process for two satellite feeder pits at La India, including the Satellite Pit ESIA's and on April 29 and May 6, 2020 announced the award by MARENA of the Mestiza and America Environmental Permits respectively.

Subject to availability of funding, the Company has the option to resume additional exploration drill programmes with two principal objectives:

- A Mineral Resource expansion drilling programme of approximately 20,000 metres and focusing on the Mestiza, America and La India vein sets. The target of this drilling is to expand and upgrade the Mineral Resource on these three vein sets. The cost of this programme, including incremental Company operating costs would amount to approximately U.S.\$5 million.

In the first instance the Company initiated a drill programme in late 2020 comprising 4,000 metres at La India.

- An in-fill and exploration drilling programme of approximately 20,000 meters to be conducted on two to three potential feeder pits (e.g. Cacao and Central Breccia) with the intention of adding feeder pits into a mine plan early on in the mine life. The cost of this programme, including incremental Company operating costs would amount to approximately U.S. \$5 million. The Company commenced an initial 5,000 metre diamond drill campaign at Cacao during the first quarter of 2021.

The cost of the technical studies required by MARENA is estimated to be in the order of U.S.\$4 million, plus a further circa U.S.\$1 million for land purchase.

The Company was able to shorten the anticipated delivery time for a processing plant through its agreement with First Majestic in March 2021 to purchase a SAG Mill with a throughput capacity of 2,300 tonnes per day, thereby setting the trajectory for detailed plant design and an accelerated path to production.

There have been no actual or anticipated changes which would adversely affect the financial condition or performance of the Company, nor industry or economic factors that would adversely affect the Company's performance.

Capitalised expenditure by the Company up to end-March 2021 on the La India Project amounted to circa £27 million on a cumulative basis.

Achievement of plans and milestones in 2021

The principal plans of the Company in the three months ended March 31, 2021 have been:

- To continue with mineral resource in-fill and expansion drilling programmes at both La India and Cacao.
- To continue with acquisitions of land at the La India Project, including that required for mine site infrastructure.
- To further advance compliance with the terms of the La India Environmental Permit, including completion of additional technical and engineering studies and purchase of land for mine site infrastructure (see "*Company Overview and Discussion of Operations – Discussion of Operations*" and "*Status, Plans and Expenditures at the La India Project*").

The development of the La India Project in 2020 and continuing into 2021 was consistent with these plans of the Company. In particular, the following progress has been made:

- Under the terms of the Environment Permit, the Company has to purchase or have legal agreements in place for the land required for the mine site infrastructure. Offers have been made to all land owners. The Company has now purchased 95% of the land in and around the permitted La India open pit mine site area thereby getting close to completing one of the main conditions of the Environmental Permit and significantly de-risking the Project. The Company has purchased land totalling 689 hectares in and around the permitted La India open pit mine site infrastructure. In addition, the Company can also demonstrate physical possession for approximately 18 years on the land covering the Mestiza open pit, has purchased the majority of this land and has claimed ownership over 303 hectares in this area. The Company has ownership of 96 hectares of land in the area of the America open pit. The Company has spent approximately US\$4 million on buying land during the last 5 years. Negotiations with remaining landowners continued in the first quarter of 2021.
- The Tailings Storage Facility ("TSF") and 2 water retention ponds are being fully designed and engineered with drawings one step short of "issued for construction". Tierra Group Inc, Denver, Colorado has completed site visits and is conducting the engineering studies. 23 geotechnical

drill holes and 55 geotechnical test pits have been completed. Good progress has been made, with circa 70% of the work completed. A Feasibility Study on the TSF is due to be completed in June 2021.

- The design of the site wide water balance (“SWWB”), including a surface water management plan was awarded during 2020 to SRK Consulting (UK) Limited (“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. hydrogeology. 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. A hydrologist from SRK has recently completed a 4 week site visit. A Feasibility-level study is due to be completed over the summer.
- Preliminary designs for the layout of the mine site infrastructure including, in some detail, the designs for the location of the processing plant have been completed. Site preparation on 11 hectares around the location of the processing plant commenced in December 2020.
- Mine and waste dump schedules for a number of mining scenarios have been completed to a level that can be submitted to MARENA, now that the capacity of the initial processing plant is known.
- The processing plant designs will be finalised following the purchase of the SAG Mill from First Majestic.
- Final designs on power infrastructure can now be progressed now that, with the purchase of the SAG Mill from First Majestic, the processing plant size has been finalised and the power requirement known. Several meetings have been held with the Ministry of Energy and Mines. National grid electricity pylons are located 700 meters from the processing plant. 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.
- MARENA has written to the Company confirming that the final designs for the domestic wastewater treatment system for the offices and accommodation blocks at Mina La India comply with MARENA’s technical and environmental requirements and the final designs are approved.
- An updated forestry inventory has been completed. 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 6,200 trees.
- Further studies are planned for 2021, including *inter alia*: geotechnical studies at La India open pit, the Mestiza / America satellite pits and in the proposed plant area; a Feasibility Study and related studies including detailed process plant design, and further metallurgical testwork.

For further discussion of the above, see also “*Company Overview and Discussion of Operations – Developments in the three months ended March 31, 2021*” and “*Events Subsequent to March 31, 2021*” and “*Status, Plans and Expenditures at the La India Project*”.

Risks and Uncertainties

In common with other companies operating in natural resources exploration, the Company is subject to ongoing risk factors and uncertainties, including, among others, political risks including the risk of operating in Nicaragua, title risks, commodity prices, liquidity and financing risks, exchange rate risks, permitting risks, operating and environmental hazards encountered in the exploration, development and mining business and changing laws and public policies, as well as the risks disclosed elsewhere in this MD&A.

The Company has been operating in Nicaragua for circa 15 years and closely monitored the social unrest between April and July 2018. The Government re-asserted control in July 2018; the country has subsequently been relatively calm. Condor continues to promote peaceful dialogue between all parties. In December 2018, the United States Congress passed into law the Nicaragua Human Rights and Anticorruption Act of 2018 (the “Nica Act”). This bill imposes restrictions and sanctions on institutions and individuals responsible for the Nicaraguan government’s violence and infringement of the civil rights of protesters. There have been a number of “Dialogue Tables” between the Government and opposition parties. It is unclear what, if any, impact the Nica Act will have on the Company.

As of the date of this document, the ability of the Company to operate has not been materially affected by the on-going Covid-19 pandemic as the Company is in a study and land acquisition phase, pre-construction. The situation is kept under close review by management and the Board; certain measures have and will be taken as appropriate to ensure the health and safety of employees in this regard.

Analysis of Financial and Operating Performance

Summary of Overall Financial Performance

The Company reports in U.K. pounds sterling. The functional currency of the La India Project is Nicaraguan Cordobas, which is pegged to the USD with a 5% annual depreciation to the USD. The presentational currency of the Company is U.K. pounds sterling. The financial statements of the Company for the three months ended March 31, 2021 are prepared in accordance with IFRS as issued by the IASB.

	Three months ended March 31, 2021	Three months ended March 31, 2020
	(£)	(£)
Total comprehensive income/(loss)	(934,910)	1,529,133
Cash and cash equivalents	6,278,947	1,736,695
Exploration assets	22,623,998	22,851,336
Net assets	33,074,583	25,506,055

The total comprehensive income/(loss) for the Company of £(934,910) for the three months ended March 31, 2021 (three months ended March 31, 2020: £1,529,133) was after the following principal items:

- General and Administrative (“**G&A**”) costs of £(512,518) for the three months ended March 31, 2021 (three months ended March 31, 2020: £(386,314)).
- In addition to G&A costs there is a non-cash charge for share options granted.
- One-off gain on disposal of the Potrerillos concession of £477,616 for the three months ended March 31, 2020 (see news release of the Company of December 17, 2019), payment for which was received in 2019, with the profit on sale recorded in the profit and loss account of the Company upon approval of the transfer of the licence in the first quarter of 2020.
- Currency translation differences of £(422,392) for the three months ended March 31, 2021 (three months ended March 31, 2020: £1,436,656), driven by movements in the United States Dollar and the Nicaraguan Cordoba relative to the U.K. pound sterling, resulting in unrealised currency translation differences.

Further analysis of total comprehensive income/(loss) is contained in the section “*Results from Operations*”.

The cash levels of the Company as at March 31, 2021 and March 31, 2020 vary due to the timing and quantum of financing by the Company as well as the level of expenditures by the Company on exploration and administrative activities.

The movement in exploration assets between March 31, 2021 and March 31, 2020 is a function of exploration expenditure during the year, together with foreign exchange movements and any asset impairments or revaluations during the period. See “*Analysis of Intangible Assets*”.

Net assets primarily comprise intangible assets, which are made up of the capitalised exploration and development costs attributed to the La India Project, current assets, which comprise cash and cash equivalents together with trade and other receivables and current liabilities, which comprise short term trade payables.

The financial statements for the Company for the three months ended March 31, 2021 and 2020 were prepared in accordance with IFRS as issued by the IASB.

Comparison of Financial Condition

The financial condition of the Company is primarily measured by the reserves of cash and cash equivalents, and the level of net assets. As of March 31, 2021, the Company held cash and cash equivalents of £6,278,947 (March 31, 2020: £1,736,695). As of March 31, 2021, the Company had net assets of £33,074,583 (March 31, 2020: £25,506,055). The May 2020 Placing and warrant exercises between April 1, 2020 and March 31, 2021 (see “*Outstanding Share Data*” and “*Developments in the three months ended March 31, 2021*”), offset by subsequent cash expenditures through to March 31, 2021 (see “*Summary of Cash Flows*” for cashflows during the three months ended March 31, 2021) are the primary drivers behind the variances in these two measures between March 31, 2020 and March 31, 2021. Net assets are also impacted by the operating performance of the Company (see “*Results from Operations*”).

Summary of Cash Flows

	Three months ended March 31, 2021	Three months ended March 31, 2020
	(£)	(£)
Net cash used in operating activities	(642,668)	(415,087)
Net cash used in investing activities	(1,994,899)	(906,774)
Net cash generated from financing activities	4,757,123	155,000
Net increase/(decrease) in cash and cash equivalents	2,119,556	1,166,861

The net cash flows used in operating activities for the three months ended March 31, 2021 and March 31, 2020 are driven by activities in the management of the La India Project. The change between March 31, 2021 and March 31, 2020 is primarily attributed to spend on corporate and administrative costs (see “*Results from Operations*”), together with variations arising from fluctuations in trade and other receivables and payables. Variations in trade and other receivables and payables totalled £(241,680) during the three months ended March 31, 2021 (three months ended March 31, 2020: £(574,572)).

Cash used in investing activities increased to £(1,994,899) in the three months ended March 31, 2021 as compared to £(906,774) in the three months ended March 31, 2020. The higher spend in 2020 as compared to 2019 was principally driven by activities associated with purchase of the SAG Mill at La India (see “*Developments in the three months ended March 31, 2021*”).

Cash flows from financing activities in the three months ended March 31, 2021 arose from the February 2021 Placement and from exercises of warrants (see “*Outstanding Share Data*” and “*Developments in the three months ended March 31, 2021*”) and due to warrant exercises during the three months ended March 31, 2020 (see “*Outstanding Share Data*”).

Quarterly Financial Information

The Company reports in U.K. pounds sterling. The functional currency of the La India Project is Nicaraguan Cordobas. The presentational currency of the Company is U.K. pounds sterling. The financial statements for the Company were prepared in accordance with IFRS as issued by the IASB.

Quarter Ended	March 31, 2021 (£)	December 31, 2020 (£)	September 30, 2020 (£)	June 30, 2020 (£)	March 31, 2020 (£)	December 31, 2019 (£)	September 30, 2019 (£)	June 30, 2019 (£)
Revenue	—	—	—	—	—	—	—	—
Profit/(loss) from continuing operations ⁽¹⁾	(512,518)	(577,287)	(377,286)	(447,896)	92,477	(556,198)	(316,125)	(299,905)
Total comprehensive income/(loss) attributable to owners of the parent	(934,910)	(2,241,589)	(1,651,426)	(561,278)	1,529,133	(2,238,452)	105,010	(70,450)
Profit/(loss) from continuing operations pence per share	(0.41)	(0.49)	(0.32)	(0.43)	0.10	(0.59)	(0.35)	(0.40)
Total comprehensive earnings/(loss) pence per share	(0.75)	(1.89)	(1.41)	(0.54)	1.61	(2.37)	0.10	(0.09)

Notes

(1) Disclosed in Condensed Consolidated Statement of Comprehensive Income as “Loss for the period”

Profit/(loss) from continuing operations in each of the periods disclosed is driven on an on-going basis by G&A costs, which include non-cash charges arising in connection with share options.

Total comprehensive earnings also reflect currency translation differences arising on foreign operations, as the functional currency for the La India project is the Nicaraguan Cordoba (see “*Analysis of Intangible Assets*”).

For information regarding progress of the Company in achieving previously announced milestones, see “*Discussion of Operations*” and “*Achievement of plans and milestones in 2020*”).

Results from Operations

	Three months ended March 31, 2021 £	Three months ended March 31, 2020 £
Analysis of Operating Loss:		
General and Administration Costs (including Share-based Payments)		
Wages and salaries	(51,619)	(80,911)
Unwinding / (Charge) for share options granted (non-cash)	(88,271)	(36,602)
Travel / expenses	(32,903)	(55,688)
Exploration costs expensed	(60,699)	(8,598)
Professional fees	(151,639)	(126,670)
Legal fees	(21,789)	(6,500)
Overheads/Other	<u>(105,598)</u>	<u>(71,345)</u>
General and Administration Costs	(512,518)	(386,314)
Operating Loss		
Gain on disposal of project	-	477,616
Finance income	-	1,175
Income / (Loss) for the period	<u>(512,518)</u>	<u>92,477</u>
Currency translation differences	(422,392)	1,436,656
Total comprehensive loss	<u>(934,910)</u>	<u>1,529,133</u>

Cash expenditure on exploration activities comprises direct expenditure on the La India Project. This includes in-country operating, staff and permitting costs, as well as sampling, mapping and drilling programmes and studies, broken down as follows:

	Three months ended March 31, 2021 (£)	Three months ended March 31, 2020 (£)
Payroll	150,167	133,488
Operating Costs	65,033	78,204
Permitting	173,415	155,880
Direct field expenditure (Drilling / Sampling / Studies)	673,264	202,598
Cash expenditure on Exploration activities	<u>1,061,879</u>	<u>570,170</u>

Cash expenditure levels vary according to the timing and nature of these activities undertaken as the Company advances the La India Project. Exploratory drilling recommenced in December 2020 and was on-going in the first quarter of 2021 – there was none on-going in the first three months of 2020. A summary of the activities carried out in the year and how these relate to the development plans of the

project are set out in “*Status, Plans and Expenditure at the La India Project*” and “*Achievement of Plans and Milestones in 2021*”.

For analysis regarding how these expenditures related to relevant milestones for the La India Project and anticipated timing and costs to advance the La India Project to further stages, see “*Status, Plans and Expenditures at the La India Project*” and “*Achievement of Plans and Milestones in 2020*”. For analysis of net movement in intangible assets and explanation of the Company’s exploration activities, see “*Analysis of Intangible Assets*.”

G&A costs have increased for the Three months ended March 31, 2021 as compared to the prior period, from £(386,314) to £(512,518). The main drivers behind these changes are as follows:

Within General and Administration costs:

- Wages and salaries have decreased from £(80,911) to £(51,619) due to timing of payments and adjustment in payment method while the unwinding charge for share-based payments has increased from £36,602 to £88,271.
- Professional fees have increased in 2021 versus the prior year, rising from £(126,670) in to £(151,639).
- Exploration costs expensed, which include expenditure on consultant services outside of Nicaragua and which are generally expensed by the Company, have increased in the three months ended 31 March 2021 as compared to prior period, from £(8,598) to £(60,699) due to the timing and nature of the Company’s exploration activities, coupled with realised foreign exchange movements in relation to funds remitted to and expensed by local operating subsidiaries, which incur costs in United States dollars and/or Nicaraguan Cordobas. Gains or losses between realised exchange rates on remittance and exchange rates on date of transaction can also result in volatility in this measure.
- Overheads have increased in the first quarter of 2021 versus prior year, rising from £(71,345) to £(105,598) due *inter alia* to realised foreign exchange movements in relation to funds remitted to and expensed by local operating subsidiaries, which incur costs in United States dollars and/or Nicaraguan Cordobas. Gains or losses between realised exchange rates on remittance and exchange rates on date of transaction can also result in volatility in this measure.

Additional movements:

One-off gain on disposal of Potrerillos licence of £477,616 for the three months ended March 31, 2020 (see news release of the Company of December 17, 2019), payment for which was received in 2019, with the profit on sale recorded in the profit and loss account of the Company upon approval of the transfer of the licence in the first quarter of 2020.

Currency translation differences of £(422,392) for the three months ended March 31, 2021 (Three months ended March 31, 2020: £1,436,656) arose from the relative movements in U.K. pounds sterling in relation to the United States dollar, the Nicaraguan Cordoba and which impacted the values recorded in U.K pounds sterling of the Company’s foreign assets and liabilities.

Analysis of Intangible Assets

	Exploration Costs (£)	Mineral Resources (£)	Total (£)
Net Book Value			
As at January 1, 2020	20,160,064	749,573	20,909,637

	Exploration Costs (£)	Mineral Resources (£)	Total (£)
Additions	570,170	-	570,170
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	1,371,529	-	1,371,529
At March 31, 2020	22,101,763	749,573	22,851,336
As at 1 January 2021	21,339,741	749,573	22,089,314
Additions	933,020	-	933,020
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	(398,336)	-	(398,336)
Net book value at March 31, 2021	21,874,425	749,573	22,623,998

Exploration Costs within intangible assets comprise all costs directly attributable to the exploration of a project area and which are capitalised to that project. The accounting policies of the Company specify that exploration costs are to be denominated in the functional currency of the country in which the asset is located. The La India Project is located in Nicaragua and is thus denominated in Nicaraguan Cordobas.

Mineral Resources, as disclosed in the table above, comprise payments to third parties to acquire interests in existing projects.

Outstanding Share Data

	As of March 31, 2021 (000's)	As of March 31, 2021 (£)	As of March 31, 2020 (000's)	As of March 31, 2020 (£)
Issued and fully paid				
Ordinary Shares				
of 20 pence each				
At 1 January	118,663	23,732,526	94,664	18,932,704
Issue of Ordinary Shares	16,161	3,232,310	500	100,000
At March 31	134,824	26,964,836	95,164	19,032,704

For details concerning the February 2021 Placing and exercises of warrants during the three months ended March 31, 2021, see "Developments in the three months ended March 31, 2021".

Share issuances in the three months ended 31 March 2021 were as follows:

Nature of issuance	Issue price per Ordinary share	Date of share issuance	Number of shares issued	Total Cumulative number of ordinary shares issued
Opening		1 January 2021		118,662,629
Warrant exercise	25 pence	13 January 2021	125,000	118,787,629
Warrant exercise	40 pence	13 January 2021	376,713	119,164,342
Warrant exercise	31 pence	13 January 2021	33,000	119,197,675
Warrant exercise	31 pence	18 January 2021	60,000	119,257,675
Warrant exercise	31 pence	25 January 2021	83,333	119,341,008
Warrant exercise	31 pence	27 January 2021	1,562,500	120,903,508
Warrant exercise	31 pence	7 February 2021	92,083	120,995,591
Private placement	42 pence	1 March 2021	9,523,810	130,519,401
Consideration San Dimas Mill	50 pence	15 March 2021	4,304,778	134,824,179

On May 28, 2020 the Company announced a placing of 18,082,192 units at a price of 36.5p per unit to raise in aggregate gross proceeds of £6,600,000 (the "**May 2020 Placing**") before expenses. Each unit comprised one ordinary share of 20p each in the Company and one half of one 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 40p for a period of 36 months from the date on which the shares were issued pursuant to the May 2020 Placing. 50% of the warrants are subject to an accelerated exercise period if the closing mid-market price of the Ordinary Shares on AIM is more than 55p for 10 consecutive trading days.

The following shares were issued pursuant to exercise of warrants and options in the 12 months ending 31 December 2020, raising £1,648,142 for the Company:

Date of Issue	Number of shares issued through subscription	Warrant / option exercise price
17 March 2020	500,000	31p
29 May 2020	312,499	31p
29 May 2020	2,672,487	25p
1 June 2020	817,927	25p
29 July 2020	260,416	31p
3 August 2020	17,902	40p
18 August 2020	20,548	40p
21 August 2020	120,891	40p
25 August 2020	54,794	40p
4 September 2020	75,342	40p
21 September 2020	112,283	40p
25 September 2020	200,000	31p
13 November 2020	200,000	31p
18 November 2020	216,666	31p
23 December 2020	68,493	40p
31 December 2020	<u>166,667</u>	25p
Subtotal: Warrants	5,816,915	
Options		
31 December 2020	100,000	22p
Total	5,916,915	

Stock Options and Warrants in the Company

The total Options outstanding as at the date hereof amount to 11,750,000 with an average exercise price of 43 pence, and which will be fully vested by May 31, 2022. There is no other share-based compensation paid by the Company.

The Company recognises as an expense the cost of warrants and/or stock-based compensation based upon the estimated fair value of new stock options or warrants granted. The fair value of each stock option or warrant is estimated on the date of grant using the Black-Scholes option pricing model and is expensed over the vesting period.

No warrants were issued in conjunction with the February 2021 Placement. 9,041,090 warrants were issued as part of the May 2020 Placement (see “*Outstanding Share Data*”).

As the date hereof, there were 11,267,879 Warrants outstanding. Should all Warrants be exercised in full, the Company would receive £4,046,089.

A summary of outstanding warrants is set out below:

Date of issue	Date of expiry	Number	Exercise price £	Total amount raised if all exercised £
July 16, 2019	July 15, 2022	3,073,754	0.25	768,439
May 28, 2020	May 27, 2023	8,194,125	0.40	3,277,650
TOTAL		11,267,879	0.36 (avg)	4,046,089

The exercise period for 50 per cent of the warrants issued on July 16, 2019 (“**July 2019 Accelerated Warrants**”) and 50 per cent of the warrants issued on May 28, 2020 (“**May 2020 Accelerated Warrants**”) shall be accelerated if the closing mid-market share price of the Company's Ordinary Shares on AIM is more than £0.30 or £0.55 respectively for 10 consecutive trading days (an “**Acceleration Trigger Date**”), further to which a notice (an “**Acceleration Notice**”) shall be delivered by the Company to holders of warrants (“**Warrant Holders**”) informing them that an Acceleration Trigger Date has occurred. Warrant Holders who wish to exercise the rights attaching to the Accelerated Warrants must do so by the later of the date falling 10 Business Days after receipt of the Acceleration Notice by the Warrant Holders; or the date falling 10 Business Days after the end of a Closed Period, which means the period of 30 calendar days before the announcement of an interim financial report or year-end report (which includes preliminary financial results) which the Company is obliged to make public, as defined in Article 19(11) of the Market Abuse Regulation (regulation No 596/2014 of the European Parliament and of the Council); or such other date (which is more than 10 Business Days after receipt of the Acceleration Notice) as the Company may notify the Warrant Holders in the Acceleration Notice (“**Accelerated Warrants Expiry Date**”). Any warrant rights relating to the Accelerated Warrants that are not exercised by the Accelerated Warrants Expiry Date shall lapse and shall no longer be exercisable. The July 2019 Accelerated Warrants were fully exercised by the end of June 2020.

For information regarding exercise of warrants during the three months ended March 31, 2021, see “*Developments in the three Months ended March 31, 2021*”

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Liquidity, Capital Resources and Financial Instruments

The Company is not in commercial production on any of its properties and accordingly it does not generate cash from operations and finances its activities by raising capital through equity issues.

As at March 31, 2021 the Company had £6,278,947 in cash at bank and on deposit. As at March 31, 2020, cash at bank and on deposit amounted to £1,736,695. The Company does not enter into lease arrangements or debt facilities to cover working capital requirements – see “*Contractual Obligations*.”

The Company endeavours to hold all cash and cash equivalents in interest bearing accounts. The Company has not invested in any short-term commercial paper, asset-backed securities or other financial instruments. There are no known or expected trends or fluctuations in the Company’s capital resources which would have a material impact on the capital resources of the Company. The Company mitigates risks associated with its cash holdings by reviewing the credit ratings of banks with which it places those holdings. Cash holdings kept in Nicaragua are limited to cover short term needs only.

In management’s view the Company will be able to raise sufficient financial resources to fund currently planned development and land acquisition activities and ongoing operating expenditures over at least the next 12 months. Total expenditures will depend in part on the availability of working capital and will include settlement of the on-going contractual obligations of the Company. The plans for the Company through 2021 are to maintain its social and community programmes, to comply with the terms of the Environmental Permit and to continue with exploration activities as well as continuing to develop the La India Project. (see “*Status, Plans and Expenditures at the La India Project*”).

In relation to compliance with the La India Environmental Permit, the Company’s priority is also to complete the purchases of land for mine-site infrastructure and complete the additional technical studies required by MARENA prior to the commencement of construction of the processing plant of up to 2,800 tpd and associated mine site infrastructure - see “*Status, Plans and Expenditures at the La India Project*”.

The Company also plans further resource expansion, in-fill and exploratory drilling programmes (see “*Status, Plans and Expenditures at the La India Project*”). It does not currently have the financial resources for all of this planned drilling and will be seeking additional external funding in order to carry out these activities. Sources of such funding are likely to include issuance of additional share capital in the Company.

The Company will need to seek additional sources of funding in order to initiate construction of a mine at the La India Project.

Expenditure plans are reviewed and adjusted on a regular basis as appropriate and in line with the financial resources of the Company. Financial commitments are not given to third parties where they would result in undue risk to the financial solvency of the Company going forwards. Payments will be required to maintain the Company’s concessions in Nicaragua in good standing and the Company ensures that it holds sufficient financial reserves to meet those payments. The Company only commits to future payments and exploration programmes once it already has the required financial resources to do so.

There are no legal or practical restrictions on the repatriation out of Nicaragua of capital and profits.

As of the date of this document, the Company does not hold sufficient working capital to meet its obligations and carry out its planned activities over the following 12 months, as outlined above. It will continue to be dependent on raising equity capital as required until and unless it reaches the production stage and generates cash flow from operations and is confident that it will be able to do so: to date the Company has been successful in raising funding from investors and believes that it will continue to be able to attract financial capital as it progressively de-risks and advances the La India Project towards the Feasibility Study, construction and production stages.

Contractual Obligations

£				
	<i>Total (£)</i>	<i>Less than 1 year (£)</i>	<i>2-5 years (£)</i>	<i>Greater than 5 years (£)</i>
Operating leases on offices	100,755	31,132	70,330	-
Material creditors	88,000	88,000	-	-

The cost of maintaining the concession areas of the Company by payment of taxes has been included in the expenditure plans of the Company. As of the date of the MD&A, taxes on concessions had been fully paid up to the date of this document.

The Company is not in arrears or at risk of default with its suppliers or regarding its lease payments. It has no plans to pay dividends until it has commenced commercial production and holds no debt. There are no capital expenditure commitments and no sources of funding that the Company has arranged but not yet used.

Transactions with Related Parties

The balances recorded as at March 31, 2021, and the prior year balance are as follows and cancel out upon consolidation:

	March 31, 2021 (£)	March 31, 2020 (£)
Condor S.A.		
Brought forward loan balance from December 31	8,008,457	7,586,684
Additional loans during the period	243,091	25,961
Management charges	30,950	34,400
Closing balance	<u>8,282,498</u>	<u>7,647,045</u>

	March 31, 2021 (£)	March 31, 2020 (£)
La India Gold S.A.		
Brought forward loan balance from December 31	20,942,844	18,762,420
Additional loans during the period	807,008	389,678
Management Charges	30,950	33,250
Closing balance	<u>21,780,802</u>	<u>19,185,348</u>

	March 31, 2021 (£)	December 31, 2019 (£)
La India Inversiones SA		
Brought forward loan balance from December 31	3,309,843	668,821
Additional loans during the period	228,531	471,607
Management Charges	-	-
Closing balance	3,538,374	1,140,428

The above related parties are subsidiaries of Condor. The purpose of the above loans, which are unsecured, is to meet the working capital requirements of the subsidiaries.

During the three months ended March 31, 2021 the Company received consultancy advice from the following related parties:

Company	Related party	31.03.21 £	31.03.20 £
Burnbrae Limited	J Mellon	6,250	6,250
Axial Associates Limited	M L Child	-	14,496
AMC Geological Advisory Group	A Cheatle	-	11,125
Promaco	I Stalker	12,675	7,950
	K Harcourt	-	-

Jim Mellon, Ian Stalker, Andrew Cheatle and Kate Harcourt are Non-Executive Directors of the Company. Ms. Harcourt received additional remuneration of £nil in the three months ended March 31, 2021 (three months ended March 31, 2020: £nil). Ms Harcourt furthermore received directors' fees of £6,250 in each of the three months to end-March 2020 and 2021. Mr. Cheatle received additional remuneration of £nil in the three months ended March 31, 2021 (three months ended March 31, 2020: £4,875) for providing services to the Company. Mr Cheatle furthermore received directors' fees of £6,250 in the three months to end-March 2021. Mr. Stalker received additional remuneration of £6,425 in the three months ended March 31, 2021 and £1,700 in the three months ended March 31, 2020.

Mark Child is Chairman and Chief Executive Officer. All key management receive their remuneration from the subsidiary they work for. The remuneration of key management in Nicaragua in the subsidiaries is capitalised within exploration costs.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in detail in Note 1 of the Company's December 31, 2020 annual consolidated financial statements. The Company considers the following judgments and estimates to be most critical in understanding its financial results:

Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities at the date of the financial statements and the reported amounts of expenditures during the period reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. While actual results could differ materially from these estimates, no specific sources of estimation uncertainty have been identified by management that are believed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amount of the Company's assets and liabilities as recorded as at March 31, 2021.

Significant items subject to such estimates include:

Valuation of Intangible Assets

Exploration expenditure comprises all costs which are directly attributable to the exploration of a project area. Licence costs are those incurred acquiring mineral rights and include the entry premiums paid to gain access to areas of interest. Mineral Resource costs are those paid to third parties to acquire interests in existing projects.

In accordance with IFRS 6, the Company capitalises as exploration costs within Intangible Assets all exploration and evaluation costs, including field exploration and analysis costs relating to specific properties until those properties are brought into production, at which time they will be amortised on a unit-of-production basis or until the properties are abandoned, sold or considered to be impaired in value, at which time an appropriate charge is made.

Intangible Assets are reviewed for impairment to determine if a write down of their carrying amount is required. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside, a decision will be made to discontinue exploration. The Directors of the Company have reviewed the estimated value of each project prepared by management and consider them to be reasonable.

Management has made various estimations regarding the fair value of exploration assets acquired in the absence of NI 43-101 compliant Mineral Resource data available at acquisition. The fair value of exploration assets acquired has been estimated based on a number of valuation techniques.

Where acquisitions represent transactions between knowledgeable and willing parties on an arm's length basis, the exploration assets acquired have been valued on the basis of the consideration transferred. Where acquisitions are not deemed to represent arm's length transactions, management compare them to similar transactions that are on an arm's length basis taking into account key factors such as certainty over the level of defined resource, processing technology and location infrastructure in order to arrive at a fair valuation.

See "*Results from operations*" and "*Analysis of Intangible Assets*" for further information regarding the valuation of and movements in intangible assets during the reporting period.

Foreign currencies

The foreign currency movements included in the consolidated financial statements of the Company arose from the relative movements in the U.K. pound sterling in relation to the United States Dollar and the Nicaraguan Cordoba. The Company has adopted accounting treatment of foreign operations upon consolidation following “International Accounting Standard 21 – *The Effects of Changes in Foreign Exchange Rates*” as regards application of exchange rates at balance sheet dates and/or exchange rates at the date of transaction as appropriate, in relation to monetary and non-monetary assets and liabilities.

Exploration costs, disclosed as part of Intangible Assets, are denominated in the functional currency of the country in which the asset is located. The La India Project is located in Nicaragua and is thus denominated in Nicaraguan Cordobas. All resulting unrealised exchange differences arising from variations in the exchange rate between the Nicaraguan Cordoba and U.K. pounds sterling are recognised in the profit and loss in “other comprehensive income” and accumulated in equity – see “*Results from operations.*”

Changes in accounting policies

The adoption of IFRS and IFRS Interpretation Committee interpretations did not result in any substantial changes to the accounting policies adopted by the Company.

Management’s Report on Internal Controls and Procedures

Disclosure controls and procedures

Disclosure controls and procedures (“**DCP**”) have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under supervision of the Chief Executive Officer, is responsible for the design and operation of disclosure controls and procedures and has evaluated the effectiveness of the Company’s DCP and has concluded that they were effective as at March 31, 2021.

Internal control over financial reporting

The Company’s internal control over financial reporting (“**ICFR**”) is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements or fraud.

As at March 31, 2021, an evaluation was carried out, under the supervision of the Chief Executive Officer, of the design and operating effectiveness of Condor’s internal controls over financial reporting. Based on this evaluation, the Chief Executive Officer concluded that the internal controls over financial reporting were effective as at March 31, 2021, using the criteria, having taken account of the size and nature of Condor, put forward by the Financial Reporting Council in their revised guidance for Directors on internal controls for UK listed companies (issued 2005).

Changes in internal controls over financial reporting

There have been no changes in the Company’s ICFR during the Three months ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, its ICFR.

Approval

The Board of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company, including the AIF, is available under the Company’s SEDAR profile at www.sedar.com.

Statement Regarding Forward-Looking Information

Certain statements contained in this MD&A 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 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. 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 MD&A contains forward-looking statements pertaining to the following:

- Mineral Resource and Mineral Reserve estimates;
- targeting additional Mineral Resources and expansion of deposits;
- 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 satisfying the conditions 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 permits;
- 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 MD&A:

- 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;
- public health risks including risks associated with the on-going Covid-19 global pandemic
- 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;
- 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;
- reliance on key personnel;
- dilution risk;
- payment of dividends;
- other factors discussed under “*Risks and Uncertainties*”; and
- other risks and uncertainties described under the heading “Risk Factors” in the Company’s long form prospectus dated December 21, 2017, available under the Company’s SEDAR 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 mineral reserves and mineral 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, the Company cannot assure holders of Ordinary Shares 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 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.

CIM Definition Standards

The Mineral Resources and Mineral Reserves for the Company's properties (including as used in the Technical Report) have been estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 19, 2014 (the "**CIM Definition Standards**").

The following definitions are reproduced from the CIM Definition Standards:

"Mineral Resource" means 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.

"Inferred Mineral Resource" means 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 (as defined herein) 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.

"Indicated Mineral Resource" means 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 (as defined herein) as described below 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 (as defined herein) and may only be converted to a Probable Mineral Reserve (as defined herein).

"Measured Mineral Resource" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve (as defined herein) or to a Probable Mineral Reserve.

"Mineral Reserve" means 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.

"Probable Mineral Reserve" means 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.

"Proven Mineral Reserve" means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

"Pre-Feasibility Study" means 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.

“Feasibility Study” means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

For the purposes of the CIM Definition Standards, **“Modifying Factors”** are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.