

Company number: 05587987

CONDOR GOLD PLC
Interim Accounts
For the Three and Nine Months Ended 30 September 2022

CONDOR GOLD PLC

Highlights for the third quarter of 2022

- On 4 August 2022, Feasibility Study confirmatory metallurgical testwork demonstrated that gold recovery is independent of grade and a fixed gold recovery of 91% assuming a 75 micron grind size is being used in the project economics
- On 4 August 2022, gold extraction from the 11 variability composites averaged 92.6% at the 75 micron grind size, which is reduced by 2% to allow for gold being locked up in the processing plant.
- On 4 August 2022, at a finer grind size of 53 microns an average gold extraction of 94.7% was achieved, indicating a potential upside gold recovery of about 93%.
- On 17 August 2022. Updated Mineral Resource Estimate of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category.
- On 17 August 2022The open pit Mineral Resource Estimate is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category.
- On 17 August 2022Total underground Mineral Resource Estimate is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.
- On 17 August 2022A Feasibility Study is being conducted on La India vein set Open Pit (“La India Open Pit”), which has a Mineral Resource Estimate of 8,487 kt at 3.0g/t gold in for 827,000 oz gold in the indicated mineral resource category and 893 Kt at 2.4 g/t gold for 69,000 oz gold in the inferred mineral resource category. There is a small silver content of 1,803,000 oz
- On 17 August 2022 The Cacao Mineral Resource has increased 69% to 1,164 kt at 2.5g/t gold for 101,000 oz gold in the inferred mineral resource category. The deposit remains ‘open’ on strike and at depth.
- On 17 August 2022. Updated geological interpretations and integrated litho-structural, weathering and mineralisation models are integrated in the MRE and reflect the higher degree of detail that is warranted for a Feasibility level of study on La India Open Pit. This is supported by closer-spaced diamond drilling within the upper portion of the main La India pit, along with additional detailed deposit-scale surface mapping.

On 12 September 2022, The 2022 Feasibility Study demonstrates a robust and economically viable base case for the La India open pit:

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

Post Period Highlights

- 12 October 2022. Jim Mellon assumed the Chairmanship of Condor Gold
- 26 October 2022. Feasibility Study Technical Report filed on SEDAR

Mark Child, Chief Executive of Condor Gold, commented:

“During the third quarter of 2022, Condor Gold continued on its journey of de-risking the La India Gold Project, advancing the Project to near construction-ready status. The Company’s strategy has been to develop the fully permitted La India Project in 2 stages using the new SAG Mill that has already been purchased. The delivery of a Feasibility Study on La India open pit with an average of 81,524 oz gold per annum for the initial 6 years for a relatively low total upfront capital cost of US\$106 Million is a landmark and further de-risks the Project. At US\$1,600 oz gold, the La India open pit Mineral Reserve produces total revenues of US\$888 Million, the total operating costs of mining, process and G&A are US\$480M, leading to an operating profit of US\$408 Million or a 46% operating margin. After government and other royalties, but before sustaining capital, the operating profit is US\$355M, which in Condor’s opinion is ample to repay any project debt on the relatively low upfront capex. At US\$2,000 oz gold after paying royalties, but before sustaining capital the operating profit is US\$563 Million. In reality, two permitted high grade feeder pits will be added during the early years of production thus increasing production ounces of gold. Early production is targeted at 100,000 oz gold p.a..

The plan is to materially expand production with a stage 2 expansion by converting existing Mineral Resources into Mineral Reserves and an associated integrated mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled “Condor Gold Technical Report on the La Indian Gold Project, Nicaragua, 2021” detailing average annual production of 150,000 oz of gold over the initial 9 years of production from open pit and underground Mineral Resources and provides an indication of a production target. Outside the main La India open pit Mineral Reserve, there are additional open pit Mineral Resources on four deposits (America, Mestiza, Central breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescane, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated Mineral Resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred Mineral Resource category.”

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS TO 30 SEPTEMBER 2022

		Nine months to 30.09.22 unaudited £	Nine months to 30.09.21 unaudited £	Three months to 30.09.22 unaudited £	Three months to 30.09.21 unaudited £
Revenue		-	-	-	-
Share based payments		(355,241)	(351,554)	(66,335)	(151,963)
Administrative expenses		(1,557,925)	(1,254,133)	(472,856)	(439,864)
Operating loss	Note 3	<u>(1,913,166)</u>	<u>(1,605,687)</u>	<u>(539,191)</u>	<u>(591,827)</u>
Finance income		4,025	-	2,440	-
Loss before income tax		<u>(1,909,141)</u>	<u>(1,605,687)</u>	<u>(536,751)</u>	<u>(591,827)</u>
Income tax expense	Note 4	-	-	-	-
Loss for the period		<u>(1,909,141)</u>	<u>(1,605,687)</u>	<u>(536,751)</u>	<u>(591,827)</u>
Other comprehensive income/(loss):					
Currency translation differences		<u>6,317,109</u>	<u>(5,025)</u>	<u>3,046,404</u>	<u>619,603</u>
Other comprehensive income/(loss) for the period		<u>6,317,109</u>	<u>(5,025)</u>	<u>3,046,404</u>	<u>619,603</u>
Total comprehensive profit/(loss) for the period		<u>4,407,968</u>	<u>(1,610,712)</u>	<u>2,509,653</u>	<u>27,776</u>
Loss attributable to:					
Non-controlling interest		-	-	-	-
Owners of the parent		<u>(1,909,141)</u>	<u>(1,605,687)</u>	<u>(536,751)</u>	<u>(591,827)</u>
		<u>(1,909,141)</u>	<u>(1,605,687)</u>	<u>(536,751)</u>	<u>(591,827)</u>
Total comprehensive profit/(loss) attributable to:					
Non-controlling interest		-	-	-	-
Owners of the parent		<u>4,407,968</u>	<u>(1,610,712)</u>	<u>2,509,653</u>	<u>27,776</u>
		<u>4,407,968</u>	<u>(1,610,712)</u>	<u>2,509,653</u>	<u>27,776</u>
Profit/(loss) per share expressed in pence per share:					
Basic and diluted (in pence)	Note 7	<u>(1.20)</u>	<u>(1.19)</u>	<u>(0.34)</u>	<u>(0.44)</u>

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	30.09.22 unaudited £	31.12.21 audited £	30.09.21 unaudited £
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	8,255,620	7,473,433	7,569,949
Intangible assets	<u>36,775,455</u>	<u>28,100,980</u>	<u>26,184,917</u>
	<u>45,031,075</u>	<u>35,574,413</u>	<u>33,754,866</u>
CURRENT ASSETS			
Trade and other receivables	902,260	775,693	588,439
Cash and cash equivalents	<u>570,638</u>	<u>2,072,046</u>	<u>554,449</u>
	<u>1,472,898</u>	<u>2,847,739</u>	<u>1,142,888</u>
TOTAL ASSETS	<u>46,503,973</u>	<u>38,422,152</u>	<u>34,897,754</u>
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	<u>239,869</u>	<u>248,176</u>	<u>59,473</u>
TOTAL LIABILITIES	<u>239,869</u>	<u>248,176</u>	<u>59,473</u>
NET CURRENT ASSETS	<u>1,233,029</u>	<u>2,599,563</u>	<u>1,083,415</u>
NET ASSETS	<u>46,264,104</u>	<u>38,173,976</u>	<u>34,838,281</u>
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	Note 8 31,725,906	29,326,143	26,983,286
Share premium	43,455,783	42,528,627	40,858,206
Exchange difference reserve	3,835,071	(2,482,038)	(2,367,126)
Retained earnings	<u>(32,752,656)</u>	<u>(31,198,756)</u>	<u>(30,636,085)</u>
	<u>46,264,104</u>	<u>38,173,976</u>	<u>34,838,281</u>

CONDOR GOLD PLC**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2022**

	Share capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non controlling interest	Total equity
	£	£	£	£	£	£	£
At 1 January 2021	23,732,526	37,175,626	(2,362,101)	(29,381,952)	29,164,099	-	29,164,099
Comprehensive income:	-	-	-	-	-	-	-
Loss for the period	-	-	-	(1,605,687)	(1,605,687)	-	(1,605,687)
Other comprehensive income:							
Currency translation differences	-	-	(5,025)	-	(5,025)	-	(5,025)
Total comprehensive income	-	-	(5,025)	(1,605,687)	(1,610,712)	-	(1,610,712)
New shares issued	3,250,760	3,682,580	-	-	6,933,340	-	6,933,340
Issue costs	-	-	-	-	-	-	-
Share based payment	-	-	-	351,554	351,554	-	351,554
At 30 September 2021	26,983,286	40,858,206	(2,367,126)	(30,636,085)	34,838,281	-	34,838,281
At 1 January 2022	29,326,143	42,528,627	(2,482,038)	(31,198,756)	38,173,976	-	38,173,976
Comprehensive income:	-	-	-	-	-	-	-
Loss for the period	-	-	-	(1,909,141)	(1,909,141)	-	(1,909,141)
Other comprehensive income:							
Currency translation differences	-	-	6,317,109	-	6,317,109	-	6,317,109
Total comprehensive income	-	-	6,317,109	(1,909,141)	4,407,968	-	4,407,968
New shares issued	2,399,763	927,156	-	-	3,326,919	-	3,326,919
Issue costs	-	-	-	-	-	-	-
Share based payment	-	-	-	355,241	355,241	-	355,241
At 30 September 2022	31,725,906	43,455,783	3,835,071	(32,752,656)	46,264,104	-	46,264,104

CONDOR GOLD PLC

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
AS AT 30 SEPTEMBER 2022

	Nine months to 30.09.22 unaudited £	Nine months to 30.09.21 unaudited £
Cash flows from operating activities		
Loss before tax	(1,909,141)	(1,605,687)
Share based payment	355,241	351,554
Depreciation charges	51,377	-
Finance income	(4,025)	-
	<u>(1,506,548)</u>	<u>(1,254,133)</u>
(Increase)/decrease in trade and other receivables	(126,567)	(474,030)
Increase/(decrease) in trade and other payables	(8,307)	(206,939)
	<u>(1,641,422)</u>	<u>(1,935,102)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(3,089,766)	(4,344,306)
Purchase of tangible fixed assets	(230,438)	(4,506,964)
Interest received	4,025	-
	<u>(3,316,179)</u>	<u>(8,851,270)</u>
Net cash absorbed in investing activities	<u>(3,316,179)</u>	<u>(8,851,270)</u>
Cash flows from financing activities		
Net proceeds from share issue	3,326,919	6,933,340
	<u>3,326,919</u>	<u>6,933,340</u>
Net cash generated in financing activities	<u>3,326,919</u>	<u>6,933,340</u>
Increase / (decrease) in cash and cash equivalents	(1,630,682)	(3,853,032)
Cash and cash equivalents at beginning of period	2,072,046	4,159,391
Exchange losses on cash and bank	129,274	248,090
	<u>570,638</u>	<u>554,449</u>

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS **FOR THE NINE MONTHS TO 30 SEPTEMBER 2022**

1. COMPLIANCE WITH ACCOUNTING STANDARDS

Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and also as issued by the International Accounting Standards Board (“IASB”). It has been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with IFRS as adopted by the EU and as issued by the IASB.

The interim results for the three and nine months to 30 September 2022 are unaudited and the accounts in this interim report do not therefore constitute statutory accounts in accordance with Section 434 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2021 have been filed with the Registrar of Companies and the auditor's report was unqualified and did not contain any statement under Section 498(2) or 498(3) of the Companies Act 2006. The statutory accounts contained a material uncertainty in respect of going concern which referred to the Group’s need to raise further funding in order to progress exploration activity. There were no other matters drawn to the attention of the users of the financial statements in the auditor’s report.

The interim financial information for the three and nine months ended 30 September 2022 was approved by the Board on 11 November 2022.

The directors do not propose an interim dividend.

While it is noted that the Company will require further finance within 12 months of the date of release of these financial statements, the Directors consider the going concern basis to be appropriate based on cash flow forecasts and projections and current levels of commitments, cash and cash equivalents, together with the ability of the Company to raise financing in the future. The comparative period presented is that of the three and nine months ended 30 September 2021.

The Directors are of the opinion that due to the nature of the Group’s activities and the events during that period these are the most appropriate comparatives for the current period. Copies of these financial statements are available on the Company’s website and on www.Sedar.com.

2. ACCOUNTING POLICIES

The interim financial information for the three and nine months ended 30 September 2022 has been prepared on the basis of the accounting policies set out in the most recently published financial statements for the Group for the year ended 31 December 2021, which are available on the Company’s website www.condorgold.com and on SEDAR at www.sedar.com, as the Company does not anticipate the addition of new standards to the Group’s results for the year ended 31 December 2021 would materially impact the results.

3. REVENUE AND SEGMENTAL REPORTING

The Group has not generated any revenue during the period. The Group’s operations are located in England and Nicaragua.

The following is an analysis of the carrying amount of segment assets, and additions to plant and equipment, analysed by geographical area in which the assets are located.

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2022

3. REVENUE AND SEGMENTAL REPORTING - continued

The Group's results by reportable segment for the nine month period ended 30 September 2022 are as follows:

	UK Nine months to 30.09.2022 £	Nicaragua Nine months to 30.09.2022 £	Consolidation Nine months to 30.09.2022 £
RESULTS			
Operating (loss)	(1,792,141)	(121,025)	(1,913,166)
Finance income	4,025	-	4,025
Income tax	-	-	-
Loss for period	(1,788,116)	(121,025)	(1,909,141)

The Group's results by reportable segment for the three month period ended 30 September 2022 are as follows:

	UK Three months to 30.09.2022 £	Nicaragua Three months to 30.09.2022 £	Consolidation Three months to 30.09.2022 £
RESULTS			
Operating (loss)	(503,395)	(35,796)	(539,191)
Finance income	2,440	-	2,440
Income tax	-	-	-
Loss for period	(500,955)	(35,796)	(536,751)

Assets

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses.

	UK 30.09.2022 £	Nicaragua 30.09.2022 £	Consolidation 30.09.2022 £
ASSETS			
Total assets	<u>5,806,874</u>	<u>40,697,099</u>	<u>46,503,973</u>

	UK 30.09.2022 £	Nicaragua 30.09.2022 £	Consolidation 30.09.2022 £
LIABILITIES			
Total liabilities	<u>(130,560)</u>	<u>(109,309)</u>	<u>(239,869)</u>

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2022

3. REVENUE AND SEGMENTAL REPORTING - continued

The Group's results by reportable segment for the nine month period ended 30 September 2021 are as follows:

	UK Nine months to 30.09.2021 £	Nicaragua Nine months to 30.09.2021 £	Consolidation Nine months to 30.09.2021 £
RESULTS			
Operating (loss)	(1,464,227)	(141,460)	(1,605,687)
Finance income	-	-	-
Income tax	-	-	-
Loss for period	(1,464,227)	(141,460)	(1,605,687)

The Group's results by reportable segment for the three month period ended 30 September 2021 are as follows:

	UK Three months to 30.09.2021 £	Nicaragua Three months to 30.09.2021 £	Consolidation Three months to 30.09.2021 £
RESULTS			
Operating (loss)	(556,351)	(35,476)	(591,827)
Finance income	-	-	-
Income tax	-	-	-
Loss for period	(556,351)	(35,476)	(591,827)

Assets

All transactions between each reportable segment are accounted for using the same accounting policies as the Group uses.

	UK 30.09.2021 £	Nicaragua 30.09.2021 £	Consolidation 30.09.2021 £
ASSETS			
Total assets	<u>5,616,463</u>	<u>29,281,291</u>	<u>34,897,754</u>

	UK 30.09.2021 £	Nicaragua 30.09.2021 £	Consolidation 30.09.2021 £
LIABILITIES			
Total liabilities	<u>(83,914)</u>	<u>24,441</u>	<u>(59,473)</u>

4. TAXATION

There is no current tax charge for the period. The accounts do not include a deferred tax asset in respect of carry forward unused tax losses as the Directors are unable to assess that there will be probable future taxable profits available against which the unused tax losses can be utilised.

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS TO 30 SEPTEMBER 2022

5. INTANGIBLE FIXED ASSETS

During the nine months ended 30 September 2022, the Group acquired intangible assets with a cost of £3,089,766 (nine months ended 30 September 2021: £4,344,306).

During the three months ended 30 September 2022, the Group acquired intangible assets with a cost of £1,284,550 (three months ended 30 September 2021: £1,681,645).

6. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

The estimated fair value of the options and warrants granted was;

	Nine months to 30.09.22 unaudited £	Nine months to 30.09.21 unaudited £	Three months to 30.09.22 unaudited £	Three Months to 30.09.21 unaudited £
Warrants and options charge	(355,241)	(351,554)	(66,335)	(151,963)

The fair value has been fully recognised within administration expenses, on a pro-rata basis over the vesting period. This fair value has been calculated using the Black-Scholes option pricing model. The latest inputs into the model were as follows:

	2022	2021
Share price	26p	48p
Exercise price	28.5p	48p
Expected volatility	22.8%	35.6%
Vesting period (yrs.)	2	2
Risk free rate	0.5%	0.5%
Expected dividend yield	-	-

7. EARNINGS PER SHARE

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

A reconciliation is set out below:

	Nine months to 30.09.22	Nine months to 30.09.21
Basic EPS		
(Loss) for the period	(1,909,141)	(1,605,687)
Weighted average number of shares	158,560,299	134,855,182
(Loss) per share (in pence)	<u>(1.20)</u>	<u>(1.19)</u>

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2022

	Three months to 30.09.22	Three months to 30.09.21
Basic EPS		
(Loss) for the period	(536,751)	(591,827)
Weighted average number of shares	158,605,170	134,916,429
Loss per share (in pence)	<u>(0.34)</u>	<u>(0.44)</u>

In accordance with IAS 33, as the Group has reported a loss for the period, diluted earnings per share are not included.

8. CALLED-UP SHARE CAPITAL

	30.09.22 £	30.09.21 £
Allotted and fully paid		
Ordinary shares 158,629,530 of 20p each (30.09.21: 134,916,429 of 20p each)	<u>31,725,906</u>	<u>26,983,286</u>

Share issuances in the three and nine months ended September 30, 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 2022		146,630,715
Option exercise	20 pence	13 January 2022	300,000	146,930,715
Private placement	28 pence	17 June 2022	11,607,149	158,537,864
Warrant exercise	25 pence	18 July 2022	91,666	158,629,530

On 1 January 2022, 300,000 new ordinary shares were issued at a price of 20 pence per share, further to exercise of employee share options. On 17 June 2022, 11,607,149 ordinary shares were issued at a price of 28 pence per share further to a private placement. On 18 July 2022, 91,666 ordinary shares were issued at a price of 25 pence per share further to an exercise of warrants.

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

9. RELATED PARTY TRANSACTIONS

During the reporting period the Company received consultancy advice from the following related parties:

Company	Related party	Nine months to 30.09.2022 £	Nine months to 30.09.2021 £	Three months to 30.09.2022 £	Three months to 30.09.2021 £
Axial Associates Limited	Mark Child	-	-	-	-
	Mark Child	149,999	131,250	62,500	43,750
Burnbrae Limited	Jim Mellon	18,750	18,750	6,250	6,250
Promaco	Ian Stalker	35,375	40,931	10,625	13,800
AMC Geological Advisory	Andrew Cheatle	-	-	-	-

No amounts were outstanding at the period end date (30 September 2021: £NIL).

10. SEASONALITY OF THE GROUP'S BUSINESS OPERATIONS

There are no seasonal factors which affect the trade of any company in the Group.

11. COMMITMENTS

The Company has capital commitments of \$300,000 due to First Majestic Silver.