



Condor Gold plc

7th Floor
39 St. James's Street
London SW1A 1JD
Telephone +44
020 74932784
Fax: +44 020
74938633

Company number: 05587987

CONDOR GOLD PLC
Condensed, Consolidated Interim Financial Statements
For the Three Months Ended 31 March 2018

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS TO 31 MARCH 2018

| | | Three months to 31 March 2018 unaudited £ | Three months to 31 March 2017 unaudited £ |
|---|--------|--|--|
| Revenue | | - | - |
| Administrative expenses | | (602,915) | (953,260) |
| Operating loss | Note 3 | <u>(602,915)</u> | <u>(953,260)</u> |
| Finance income | | 237 | - |
| Loss before income tax | | <u>(602,678)</u> | <u>(953,260)</u> |
| Income tax expense | Note 4 | - | - |
| Loss for the period | | <u>(602,678)</u> | <u>(953,260)</u> |
| Other comprehensive income/(loss): | | | |
| Write off of Minority Interest | | (85,056) | - |
| Currency translation differences | | <u>(710,554)</u> | <u>(531,993)</u> |
| Other comprehensive income/(loss) for the period | | <u>(795,610)</u> | <u>(531,993)</u> |
| Total comprehensive loss for the period | | <u>(1,398,288)</u> | <u>(1,485,253)</u> |
| Loss attributable to: | | | |
| Non-controlling interest | | - | - |
| Owners of the parent | | <u>(602,678)</u> | <u>(953,260)</u> |
| | | <u>(602,678)</u> | <u>(953,260)</u> |
| Total comprehensive loss attributable to: | | | |
| Non-controlling interest | | (-) | (21,028) |
| Owners of the parent | | <u>(1,398,288)</u> | <u>(1,464,227)</u> |
| | | <u>(1,398,288)</u> | <u>(1,485,255)</u> |
| Loss per share expressed in pence per share: | | | |
| Basic and diluted (in pence) | Note 7 | <u>(0.97)</u> | <u>(1.86)</u> |

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

| | As at 31 March 2018 unaudited £ | As at 31 December 2017 audited £ | As at 31 March 2017 unaudited £ |
|--|--|--|--|
| ASSETS: | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 240,368 | 271,319 | 261,095 |
| Intangible assets | 18,722,597 | 18,927,968 | 15,290,642 |
| | <u>18,962,965</u> | <u>19,199,287</u> | <u>15,551,737</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | 379,925 | 320,974 | 630,006 |
| Cash and cash equivalents | 2,483,095 | 946,261 | 4,489,522 |
| | <u>2,863,020</u> | <u>1,267,235</u> | <u>5,119,528</u> |
| TOTAL ASSETS | <u>21,825,985</u> | <u>20,466,522</u> | <u>20,671,265</u> |
| LIABILITIES: | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 491,981 | 445,030 | 311,981 |
| | <u>491,981</u> | <u>445,030</u> | <u>311,981</u> |
| TOTAL LIABILITIES | <u>491,981</u> | <u>445,030</u> | <u>311,981</u> |
| NET CURRENT ASSETS | <u>2,371,039</u> | <u>822,205</u> | <u>4,807,547</u> |
| NET ASSETS | <u>21,334,004</u> | <u>20,021,492</u> | <u>20,359,284</u> |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | | |
| Called up share capital | 13,435,868 | 12,273,077 | 12,273,077 |
| Share premium | 33,663,259 | 32,426,049 | 32,426,049 |
| Legal reserves | - | - | - |
| Exchange difference reserve | (128,979) | 581,575 | 121,559 |
| Retained earnings | (25,636,144) | (25,174,153) | (24,361,669) |
| | <u>21,334,004</u> | <u>20,106,548</u> | <u>20,459,016</u> |
| TOTAL EQUITY ATTRIBUTABLE TO: | | | |
| Non-controlling interest | - | (85,056) | (99,732) |
| | <u>21,334,004</u> | <u>20,021,492</u> | <u>20,359,284</u> |

CONDOR GOLD PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2017

| | Share capital | Share premium | Legal reserve | Exchange difference reserve | Retained earnings | Total | Non controlling interest | Total equity |
|-------------------------------------|------------------|------------------|------------------|-----------------------------------|----------------------|-------------|--------------------------------|-----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 January 2017 | 10,582,129 | 28,875,061 | - | 632,526 | (23,075,118) | 17,014,598 | (78,704) | 16,935,894 |
| Comprehensive income: | | | | | | | | |
| Loss for the period | - | - | - | - | (953,260) | - | - | (953,260) |
| Other comprehensive income: | | | | | | | | |
| Currency translation differences | - | - | - | (510,967) | - | (510,967) | (21,028) | (531,995) |
| Total comprehensive income | - | - | - | (510,967) | (953,260) | (1,464,227) | (21,028) | (1,485,255) |
| New shares issued | 1,690,948 | 3,550,988 | - | - | - | 5,241,936 | - | 5,241,936 |
| Share based payment | - | - | - | - | (333,291) | (333,291) | - | (333,291) |
| At 31 March 2017 | 12,273,077 | 32,426,049 | - | 121,559 | (24,361,669) | 20,459,016 | (99,732) | 20,359,284 |
| At 1 January 2018 | 12,273,077 | 32,426,049 | - | 581,575 | (25,174,153) | 20,106,548 | (85,056) | 20,021,492 |
| Comprehensive income: | | | | | | | | |
| Loss for the period | - | - | - | - | (602,678) | (602,678) | - | (602,678) |
| Other comprehensive income: | | | | | | | | |
| Write off of Minority Interest | - | - | - | - | (85,056) | (85,056) | 85,056 | - |
| Currency translation differences | - | - | - | (710,554) | - | (710,554) | - | (710,554) |
| Total comprehensive income | - | - | - | (710,554) | (687,734) | (1,398,288) | (-) | (1,398,288) |
| New shares issued | 1,162,791 | 1,337,210 | - | - | - | 2,500,001 | - | 2,500,001 |
| Issue costs | - | (100,000) | - | - | - | (100,000) | - | (100,000) |
| Share based payment | - | - | - | - | 225,743 | 225,743 | - | 225,743 |
| At 31 March 2018 | 13,435,868 | 33,663,259 | - | (128,979) | (25,636,144) | 21,334,004 | (-) | 21,334,004 |

CONDOR GOLD PLC

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 MARCH 2018

| | Three months to 31.03.18 unaudited £ | Three months to 31.03.17 unaudited £ |
|--|---|---|
| Cash flows from operating activities | | |
| Loss before tax | (602,678) | (953,260) |
| Share based payment | 225,742 | (333,292) |
| Depreciation charges | 22,729 | 315 |
| Exchange differences | 9,460 | 956,888 |
| Finance income | (237) | - |
| | <hr/> | <hr/> |
| | (344,984) | (329,349) |
| | | |
| (Increase) in trade and other receivables | (58,948) | (84,755) |
| Increase/(decrease) in trade and other payables | (53,050) | (39,564) |
| | <hr/> | <hr/> |
| Net cash absorbed in operating activities | (456,982) | (453,668) |
| | | |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (501,123) | (879,991) |
| Purchase of tangible fixed assets | (5,299) | (2,362) |
| Interest received | 237 | - |
| | <hr/> | <hr/> |
| Net cash absorbed in investing activities | (506,185) | (882,353) |
| | | |
| Cash flows from financing activities | | |
| Net proceeds from share issue | 2,500,001 | 5,241,934 |
| | <hr/> | <hr/> |
| Net cash generated in financing activities | 2,500,001 | 5,241,934 |
| | | |
| Increase / (decrease) in cash and cash equivalents | 1,536,834 | 3,905,912 |
| Cash and cash equivalents at beginning of period | 946,261 | 583,610 |
| Exchange losses on cash and bank | - | - |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | 2,483,095 | 4,489,522 |

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS **FOR THE THREE MONTHS TO 30 SEPTEMBER 2017**

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 issued by the International Accounting Standards Board (IASB). It has been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) ("IFRS") in force at the reporting date, and their interpretations issued by the IASB as adopted for use within the European Union, and with IFRS and their interpretations as issued by the IASB.

The interim results for the three months to 31 March 2018 are neither audited nor reviewed by our auditors 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 2017 have been filed with the Registrar of Companies and the auditor's report was unqualified, did not contain any statement under Section 498(2) or 498(3) of the Companies Act 2006 and did not contain any matters to which the auditors drew attention without qualifying their report.

The interim financial information for the three months ended 31 March 2018 were approved by the Board on 14 2018.

The directors do not propose an interim dividend.

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. The comparative period presented is that of the three months ended 31 March 2017.

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 accounting policies used in preparing the interim results are the same as those applied to the latest audited annual financial statements, which are available on www.Sedar.com and on the Company's website www.condorgold.com. These accounting policies are those expected to be applied in the financial statements for the year ended 31 December 2018.

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.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS TO 31 MARCH 2018

3. REVENUE AND SEGMENTAL REPORTING - continued

The Group's results by reportable segment for the three month period ended 31 March 2018 are as follows:

| | UK Three months to 31 March 2018 £ | Nicaragua Three months to 31 March 2018 £ | Consolidation Three months to 31 March 2018 £ |
|------------------|---|--|--|
| RESULTS | | | |
| Operating (loss) | (593,108) | (9,570) | (602,678) |
| Interest income | 237 | - | 237 |

Assets and liabilities

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

| | UK As at 31 March 2018 £ | Nicaragua As at 31 March 2018 £ | Consolidation As at 31 March 2018 £ |
|--------------------|---|--|--|
| ASSETS | | | |
| Total assets | 3,261,537 | 18,564,448 | 21,825,985 |
| | | | |
| | UK As at 31 March 2018 £ | Nicaragua As at 31 March 2018 £ | Consolidation As at 31 March 2018 £ |
| LIABILITIES | | | |
| Total liabilities | (160,388) | (331,593) | (491,981) |

The Group's results by reportable segment for the three month period ended 31 March 2017 are as follows:

| | UK Three months to 31 March 2017 £ | Nicaragua Three months to 31 March 2017 £ | Consolidation Three months to 31 March 2017 £ |
|------------------|---|--|--|
| RESULTS | | | |
| Operating (loss) | (950,298) | (2,957) | (953,260) |

Assets and liabilities

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

| | UK As at 31 March 2017 £ | Nicaragua As at 31 March 2017 £ | Consolidation As at 31 March 2017 £ |
|--------------------|---|--|--|
| ASSETS | | | |
| Total assets | 5,070,437 | 15,600,828 | 20,671,265 |
| | | | |
| | UK As at 31 March 2017 £ | Nicaragua As at 31 March 2017 £ | Consolidation As at 31 March 2017 £ |
| LIABILITIES | | | |
| Total liabilities | (163,145) | (148,836) | (311,981) |

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS TO 31 MARCH 2018

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.

5. INTANGIBLE FIXED ASSETS

During the three months ended 31 March 2018, the Group acquired intangible assets with a cost of £501,123 (three months ended 31 March 2017: £ 879,991).

6. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

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

| | Three months to 31 March 2018 unaudited £ | Three months to 31 March 2017 unaudited £ |
|-----------------------------|--|--|
| Warrants and options charge | (225,742) | 333,292 |

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:

| | 2018 | 2017 |
|---------------------------------------|------|------|
| Expected volatility | 55% | 67% |
| Expected life warrants/options (yrs.) | 2/5 | 2/5 |
| 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:

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS TO 31 MARCH 2018

7. EARNINGS PER SHARE (continued)

| | Three months to 31 March 2018 | Three months to 31 March 2017 |
|-----------------------------------|--|--|
| Basic EPS | | |
| (Loss) for the period | (602,678) | (953,260) |
| Weighted average number of shares | 61,882,176 | 51,121,800 |
| Loss per share (in pence) | <u>(0.97)</u> | <u>(1.86)</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

| | As at 31 March 2018 £ | As at 31 March 2018 £ |
|--|--------------------------------------|--------------------------------------|
| Allotted and fully paid | | |
| Ordinary shares 67,179,335 of 20p each as at 31 March 2017: 61,365,380 of 20p each) | <u>13,435,868</u> | <u>12,273,077</u> |

On March 23 2018, 5,813,953 ordinary shares were issued at a price of 43 pence per share. On 20 February 2017, 8,454,733 ordinary shares were issued at a price of 62p per share.

9. RELATED PARTY TRANSACTIONS

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

| Company | Related party | Three months to 31 March 2018 £ | Three months to 31 March 2017 £ |
|---------------------------------------|----------------|---|---|
| Axial Associates Limited | Mark Child | 18,750 | 12,500 |
| Burnbrae Limited | Jim Mellon | 6,250 | 6,250 |
| | Peter Flindell | 6,250 | 6,250 |
| AMC Geological Advisory Group Inc. | Andrew Cheatle | 6,000 | - |

10. SEASONALITY OF THE GROUP'S BUSINESS OPERATIONS

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

Ends