Company number: 05587987

CONDOR GOLD PLC
Report and Accounts
Year ended 31 December 2017

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

TABLE OF CONTENTS	Page
Highlights	2
Chairman’s Statement	3 – 4
Strategic Report	5 – 8
Project Overview	9 – 12
Review of Operations	13 – 24
Statement of Forward-Looking Information and Technical Information	25-26
Report of the Directors	27-31
Report of the Independent Auditor	32-37
Consolidated Statement of Comprehensive Income	38
Consolidated Statement of Financial Position	39
Consolidated Statement of Changes in Equity	40
Company Statement of Financial Position	41
Company Statement of Changes in Equity	42
Consolidated Statement of Cash Flows	43
Company Statement of Cash Flows	44
Notes to the Financial Statements	45 – 63

CONDOR GOLD PLC

HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2017

- £ 5.242M raised by way of a private placement of new ordinary shares.
- Approximately 2,000 metres drilling on 3 scout targets completed on Real de la Cruz, Tatescame and Andrea.
- 5,922 metre drill campaign completed at Mestiza. The objective of the drill campaign at Mestiza is to convert an historic Soviet-era resource to NI 43-101 standard.
- The highlight of the drill results on Mestiza is a high-grade ore shoot in the Tatiana vein. This has a strike length of 450 m and an estimated average true width of 2.2 m. The shoot can be extrapolated approximately 200 m below surface; LIDC 344, which has a drill width 3.30 m at 28.3 g/t gold, is 60 m vertically beneath surface. LIDC 358, drill width of 3.55 m at 23.3 g/t gold, is approximately 100 m vertically below LIDC 344.
- Soil geochemistry survey completed in August 2017 over the entire 313 km² of La India Project, included several high grade rock chip samples of over 10g/t gold, highlighting several new exploration target.
- Regional structural geological model updated, highlighting two major basement feeder zones, La India Corridor and the Andrea Corridor, together with a linking structure in the South.
- Significant progress made by the social team on gaining a social licence to operate.
- Secondary trading on the OTCQX Best Market in the U.S. commenced in April 2017.
- Conditional approval received to dual- list the Company's shares on the Toronto Stock Exchange.

POST PERIOD HIGHLIGHTS

- Shares of the Company were dual-listed on the Toronto Stock Exchange on 15 January 2018
- Roger Davey retired from the Board after 6 years and was replaced by Andrew Cheatle, a Canadian resident and mining industry professional.
- La India Open pit was redesigned to avoid resettlement and a corresponding amendment to the Environmental and Social Impact Assessment, which forms a key part of the application for the Environmental Permit, was submitted to the Ministry of the Environment and Natural Resources.
- Redesigned open pit is not expected to materially alter Pre-Feasibility Study open pit gold mineral reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years.

CONDOR GOLD PLC

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

Dear Shareholder,

I am pleased to announce Condor Gold Plc's ("Condor" or "the Company" or "the Group", www.condorgold.com) annual report for the 12-month financial year to 31 December 2017. Following the release in December 2014 of a NI 43-101 technical report detailing a Pre-Feasibility Study ("PFS") and two Preliminary Economic Assessments ("PEAs"), the Company spent 2015, 2016 and 2017 executing a twin strategy of permitting the construction and operation of a base case processing plant with capacity of up to 2,800 tonnes per day ("tpd") capable of producing approximately 100,000 oz gold per annum and proving a major Gold District at the 313km² La India Project, Nicaragua.

In November 2015, Condor formally submitted a 700-page Environmental and Social Impact Assessment ("ESIA") document, applying for an Environmental Permit to the Ministry of the Environment and Natural Resources, Nicaragua ("MARENA") for the construction and operation of an open pit mine, a 2,800 tpd or 1 million tonnes per annum ("tpa") CIL processing plant and associated infrastructure at La India Project. The application envisaged the resettlement of approximately 330 houses or 1,000 people. The community resettlement combined with Presidential and Mayoral elections has been the reason the permit has been delayed 18 months. Overall, the Government of Nicaragua has been supportive of Condor building a new mine at the historic Mina La India.

On 26 February 2018, Condor announced that it had formally submitted a 130 page amendment to the ESIA to MARENA, to construct and operate a processing plant without the need to resettle approximately 330 houses or 1,000 people. This followed several months of discussions and collaborative meetings with MARENA and the Ministry of Energy and Mines ("MEM"), such that the technical components within the amended ESIA required by both Ministries were agreed in advance and submitted in the final amended application.

The general feedback from MEM, MARENA and local stakeholders has been that permitting will be much easier now that the mine has been redesigned to proceed without resettling 1,000 people. Condor's technical team has redesigned La India open pit and believe it is both technically viable and economically attractive, should future funding be received, to proceed with a redesigned open pit that does not require community resettlement. It includes the relocation of the processing plant approximately 1,200 metres from the village. A 5 metre high berm is planned between the redesigned open pit and the village to reduce noise and dust pollution. Mine scheduling studies are on-going, and further details will be provided in due course. Condor does not anticipate a material change in the total ounces of gold expected to be recoverable from the redesigned open pit compared to the open pit disclosed in the PFS. The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years.

The revised ESIA document considers the environmental and social impacts of gold production from the La India Open Pit mine plan, which is a single pit, detailed in the NI 43-101 compliant PFS released in December 2014 and the Whittle Enterprise Optimisation study which was finalised on 22 January 2016. The ESIA draws on data from 15 different environmental and social baseline studies, some of which commenced in 2013. In addition to describing the potential impacts of a future commercial mine on the environment, the ESIA also contains detailed environmental management plans and social management plans to monitor and control any such impacts.

The ESIA describes a processing plant that will have a capacity of up to 2,800 tpd 1.0 million tpa with an upfront capital cost of approximately US$120M. All-in-sustaining-cash-costs are circa US$700 per oz gold. The ESIA includes processing of an additional 10,000oz of gold p.a. from artisanal miners through the main processing plant, but the artisanal miners' ore is excluded from the PFS, PEAs and Optimisation Studies.

During 2017, SRK Consulting (UK) Ltd. completed two scoping level studies each aimed at examining the likely production scenarios in the event that the mineral resource in the 3 main vein sets of La India, America and Mestiza is increased from 2.1M oz gold to 3M oz gold. The studies conclude that the 3 vein sets could be mined simultaneously from a combination of open pit and underground mining methods and possibly double the annual production rate.

Condor has been working on a land acquisition programme for over 4 years and plans to acquire approximately 600 hectares of rural land for the production scenario in the PFS. ProNicaragua is assisting with a clean up of land titles. During 2017, the Company purchased 150 hectares of rural land. Two independent valuations have been conducted and a strategy is being implemented to secure the rural land by paying 10% of the purchase price of land to landowners, who grant Condor an option to purchase the rural land for a two-year period. Offers to purchase the land have been made to all landowners; at the time of writing 30% have accepted.

Exploration activities during 2017 followed a dual approach of exploration or scout drilling which targeted new areas within the La India Project and regional exploration, primarily focussed on identifying targets for hidden deep-seated gold mineralisation.

On 31st March 2017, Condor commenced an initial 2,000m drilling programme on Mestiza to test the historic Soviet mineral resource and went on to complete almost 6,000m drilling on Mestiza by August 2017. The aim was to convert the upper portion of the Soviet mineral resource to a NI 43-101-standard Inferred Mineral Resource. This is significant for four reasons:

1. Soviet-backed drilling in 1991 supported a Soviet-style mineral resource of 2,392kt at 10.2 g/t gold for 785,694oz gold at Mestiza. Note that the Company is not treating this historical estimate as current mineral resources or mineral reserves. It is superseded by the mineral resources reported herein. Condor has used the Soviet data, and subsequent drilling undertaken by Canadian companies, to plan a drill programme to convert the upper portion of the Soviet resource to Western standards.
2. Mestiza already hosts a NI 43-101-compliant Inferred Mineral Resource of 1,490kt at 7.47g/t for 333,000oz gold. However, this is excluded from the current PFS and PEA Studies at the La India Project.
3. There is a high possibility of bringing additional high grade gold ore from Mestiza into a future mine plan, feeding a centralised processing plant.
4. There is the possibility of a third feeder pit on Mestiza.

The Mestiza Vein Set is excluded from the PFS. It is encouraging that Micon International's 1998 report on the Espinito-Mendoza Concession concluded that the property has good potential to become a small (500 to 800tpd), low cost mine.

In April 2017, Condor completed a regional soil geochemistry survey designed to look for high-level, epithermal pathfinder elements above hidden deep-seated epithermal gold mineralisation. Following the 71km² multi-element soil survey carried out in 2015 a further 109km² was completed in 2016, with the balance of the entire 313km² of the La India Project concession package completed by April 2017. The interpretation of the soil geochemistry, in conjunction with the field mapping, has highlighted several areas for follow up exploration.

The International Finance Corporation ("IFC"), the private sector investment body of the World Bank, was a 7.33% shareholder in the Company at 31st December 2017. Condor is committed to complying with IFC Performance Standards, which are an international benchmark for identifying and managing environmental and social risk. Condor has put considerable time and effort into fulfilling the requirements of an Environmental Social Action Plan (ESAP), which was agreed to with the IFC as part of their investment process.

La India Project has now met the conditions of the agreed ESAP. The Company's fulfilment of the ESAP items, to the satisfaction of the IFC, is establishing the basis for the sustainability of a future mine at La India Project, whose development is subject to obtaining all required permits and compliance with IFC performance standards applicable to that stage . Implementation of IFC Performance Standards help Condor manage and improve our environmental and social performance through an outcomes-based approach and also provide a solid base from which the company may increase the sustainability of its business operations and provides benefits for all shareholders.

In October 2017, Mr Aiser Sarria joined Condor Gold as General Manager, Mina La India. Mr Sarria joins Condor from B2Gold where he was Projects and Mine Superintendent at El Limon Mine, which is only 35 miles away from La India Project. He has the relevant experience of open pit and underground mining to progress Mina La India through permitting, additional technical studies and construction. In November 2017, Mr Jeffrey Karoly joined Condor Gold as Chief Financial Officer. Mr Karoly has extensive experience at CFO-level in listed companies, with a particular focus on South America since spending time there with Anglo American. He has first-hand experience of maintaining AIM/TSX dual listings and was instrumental in Condor's dual listing on the TSX in January 2018.

Turning to the financial results for the year 2017, the loss for the year was £3,023,615 (2016:£7,682,231). The Company raised £5.242 million during the financial period. The increase in cash and cash equivalents over the year was £362,651 (2016: increase of £141,900). The net cash balance at 31st December 2017 was £946,261

In 2017, the Company announced it had raised £5.242 million by way of a private placement of 8,454,733 new ordinary shares at a placement price of 62 pence. A one-half warrant, which is unlisted, was attached to each placement share. A total of 4,227,364 warrants were issued with an exercise price of 93 pence and a 2 year life. If exercised in full, the warrants would raise gross proceeds of £3,931,449

The twin strategy for 2018 remains to obtain the Environmental Permit for a base case of a 2,800tpd processing plant for a single open pit at La India, with the capacity to produce approximately 100,000oz gold per annum and to demonstrate a major Gold District at La India Project. On the grant of the permits, Condor envisages a 12 month study period followed by an 18 to 24 month construction period. During the 12 month study period, subject to funding, the Company has exploration drill plans targeted to add 1million ounces of gold to the global mineral resource through extensions to known mineralisation and determine whether feeder pits can be added to the PFS as well as progress the main La India open pit from PFS to FS.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Group's financial performance for the year was in line with Directors' expectations. The Group's loss after taxation but before exceptional items for the year to 31 December 2017 amounted to £3,023,615 (2016: £3,617,145). The Group had exceptional items in 2016 relating to the cessation of El Salvadorian operations amounting to £4,065,086. The Group's total losses before taxation and including exceptional items amounted to £3,023,615 (2016: £7,682,231). The amount noted above has been classified as an exceptional item as the Group expects this to be a onetime cost. By using this alternative performance measure, the Group believes that readers will have a more accurate view of future expected operations. The Group's administrative expenses for the year were £3,023,953 (2016: £3,618,877). No dividends were paid during the year (2016: £nil). The Company has reviewed the future budget and cashflows.

Reconciliation to Group loss after taxation but before exceptional items:

	2017	2016
Group loss before taxation:	3,023,613	7,682,231
Exceptional item	-	4,065,086
Group loss after taxation but before exceptional items:	3,023,613	7,682,231

The impairment of the El Salvador assets has been classified as an exceptional item as management does not consider it to be representative of the underlying performance of the business.

The Group, at the end of the financial period has 100% ownership of ten concessions in La India Mining District and a further four in three additional project areas in Nicaragua. During the current year, the Group capitalised a further £3,239,665 on exploration and evaluation activities of the projects. During the year, the Group purchased options to acquire the land required to develop the mine in Nicaragua. These options have been included within the amount capitalised in exploration and evaluation activities during the year. The Company is currently investing in the La India Project, which is discussed in greater detail in the 'Chairman's Report', 'Operations Report and Projects Overview', and note 11 of the financial statements. Operations in El Salvador have ceased and are being wound up.

KEY PERFORMANCE INDICATORS

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

Resource estimates
The Group's reported mineral resources are only estimates. No assurance can be given that the estimated mineral resources will be recovered or that they will be recovered at the rates estimated. Mineral Resource and Mineral Reserve estimates are based on limited sampling and as a result are uncertain because the samples may not be fully representative of the full mineral resource. Further, these mineral resource estimates may require revision (either up or down) in future periods based on additional drilling or actual production experience.

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

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

Nicaragua is the current focus of the Group's activity and offers stable political frameworks and actively supports foreign investment. It has a well-developed exploration and mining code with proactive support for foreign companies. The economy of Nicaragua grew in 2017 and the country has also been the recipient of major funds from the World Bank and these have been largely allocated to infrastructure projects, some of which indirectly benefit the La India project. The Company continues to monitor the economic and political climate in the country.

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

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

Financing
The successful exploration of natural resources on any project requires significant capital investment. The Group currently sources finance through the issue of additional equity capital. The Group's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Group may not be successful in procuring the requisite funds on terms which are acceptable and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion. To date the Group has been successful in raising capital and prepares expenditure budgets to ensure that its activities are consistent with its financial resources.

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

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

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

The Group's exploration work involves participation in soil surveys, trenching and drilling. Interpretations of the results of these programmes are dependent on judgements and assessments of qualified geoscientists. These interpretations are applied in designing further exploration work programmes and mining studies to which the Company can commit significant fiscal resources.

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

The Group operates in countries where political, economic, legal, regulatory and social uncertainties are potential risk factors. The company continues the process of winding up its El Salvador operations. The risk committee carefully monitor the project areas in Nicaragua, and actively work to mitigate any foreseen risks to the project. Furthermore, the Group seeks to minimise risk through purchasing of a variety of insurance policies.

GOING CONCERN

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date the group had £946,261 of cash. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date. These conditions indicate the existence of a material uncertainty and may cast doubt on the Group and Company's ability to continue as a going concern.

Nevertheless, the financial statements have been prepared on a going concern basis. Should sufficient funding not be obtained, the Company and the Group will be unable to continue trading and adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current assets.

FINANCIAL RISK MANAGEMENT

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

1. Credit risk

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

The Group and the Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The credit risk on trade and other receivables is limited to the Group's receivable of £320,974. The exposure of the Group and the Company to credit risk arises from default of its counterparty, with maximum exposure equal to the carrying amount of cash and cash equivalents in the Group's Statement of Financial Position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

The Group does not hold any collateral as security.

2. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to maintain sufficient cash and cash equivalents on demand to meet its obligations as and when they fall due. The Group actively manages its working finance to ensure that sufficient funds exist for operations and planned expansion.

3. Market risks

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

(i) Pricing and risks

The Directors consider there to be minimal price risk to the business. Price risk to the business relates to the international price of gold.

(ii) Interest rate cash flow risk

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

(iii) Foreign exchange risk

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

FINANCIAL RISK MANAGEMENT – continued

4. Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to Shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the Consolidated Statement of Changes in Equity.

ON BEHALF OF THE BOARD:

M L Child
Chairman

Date: 23 March 2018

CURRENT CONCESSION HOLDINGS

Nicaragua Projects

Project	Concession	Ownership	Expiry Date	Area (km²)
La India Project	La India	100% Owned	January 2027	68.50
	Espinito Mendoza	100% Owned	November 2026	2.00
	Cacao	100% Owned	January 2032	11.90
	Santa Barbara	100% Owned	April 2034	16.20
	Real de la Cruz	100% Owned	January 2035	7.66
	Rodeo	100% Owned	January 2035	60.40
	La Mojarra	100% Owned	June 2029	27.00
	La Cuchilla	100% Owned	August 2035	86.39
	El Zacatoso	100% Owned	October 2039	1.00
	Tierra Blanca	100% Owned	June 2040	32.21
	Subtotal			***313.26***
Boaco	Rio Luna	100% Owned	June 2035	43.00
RAAN	Estrella	100% Owned	April 2035	18.00
Nueva Segovia	Potrerillos	100% Owned	December 2031	12.00
TOTAL				**386.26**

All concessions in Nicaragua are combined exploration and exploitation concessions.

CURRENT LA INDIA PROJECT CIM CODE MINERAL RESOURCE

The following Mineral Resource estimations set out Condor's Mineral Resource Statement as at 30 September 2014 for the La India Project, as disclosed in the Technical Report.

Table 1. CIM Compliant Mineral Resource Statement as at 30 September 2014 for the La India Project (SRK Consulting (UK) Ltd.).

SRK MINERAL RESOURCE STATEMENT SPLIT PER VEIN as of 30 September 2014 [(4),(5),(6),(7)]								
Category	*Area Name*	*Vein Name*	*Cut-Off*	*gold*			*silver*	
				Tonnes (Kt)	*Au Grade (g/t)*	*Au (Koz)*	*Ag Grade (g/t)*	*Ag (Koz)*
Indicated	La India veinset	La India/ California[(1)]	0.5 g/t (OP)	8,267	3.1	832	5.5	1,462
		La India/ California[(2)]	2.0 g/t (UG)	706	4.9	111	10.6	240
	America veinset	America Mine	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine	2.0 g/t (UG)	470	7.3	110	4.7	71
Inferred	La India veinset	La India/ California[(1)]	0.5 g/t (OP)	895	2.4	70	4.3	122
		Teresa[(3)]	0.5 g/t (OP)	4	6.6	1		
		La India/ California[(2)]	2.0 g/t (UG)	1,107	5.1	182	11.3	401
		Teresa[(2)]	2.0 g/t (UG)	82	11.0	29		
		Arizona[(3)]	1.5 g/t	430	4.2	58		
		Agua Caliente[(3)]	1.5 g/t	40	9.0	13		
	America veinset	America Mine	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol[(3)]	1.5 g/t	751	4.8	116		
	Mestiza veinset	Tatiana[(3)]	1.5 g/t	1,080	6.7	230		
		Buenos Aires[(3)]	1.5 g/t	210	8.0	53		
		Espinito[(3)]	1.5 g/t	200	7.7	50		
	Central Breccia	Central Breccia[(1)]	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas[(3)]	1.5 g/t	330	5.6	59		
	Cristalito-Tatescame	Cristalito-Tatescame[(3)]	1.5 g/t	200	5.3	34		
	El Cacao	El Cacao[(3)]	1.5 g/t	590	3.0	58		

Notes

(1) The La India, America and Central Breccia 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 U.S.$1,500 per ounce of gold with no adjustments; prices are based on experience gained from other SRK projects; metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company, marginal costs of U.S.$19.2/t for processing, U.S.$5.63/t G&A and U.S.$2.47/t for mining; and slope angles defined by the Company geotechnical study which range from angle 46 - 48°.

(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 1.0 m. Cut-off grades are based on a price of U.S.$1,500 per ounce of gold and gold recoveries of 91% for resources, costs of U.S.$19.00/t for processing, U.S.$10.0/t G&A and U.S.$50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (December 22, 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 reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.

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

(7) The Mineral Resources are inclusive of the Mineral Reserves.

Table 2. Summary of La India Project Mineral Resource Statement as of 30 September 2014 (SRK Consulting (UK) Ltd.).

SRK MINERAL RESOURCE STATEMENT SPLIT PER VEINSET as of 30 September 2014 [4],[5],[6],[9]								
Category	*Area Name*	*Vein Name*	*Cut-Off*	*gold*			*silver*	
				Tonnes (Kt)	*Au Grade (g/t)*	*Au (Koz)*	*Ag Grade (g/t)*	*Ag (Koz)*
Indicated	Subtotal Areas	La India veinset	0.5 g/t (OP)[1]	8,267	3.1	832	5.5	1,462
			2.0 g/t (UG)[2]	706	4.9	111	10.6	240
		America veinset	0.5 g/t (OP)[1]	114	8.1	30	4.9	18
			2.0 g/t (UG)[2]	470	7.3	110	4.7	71
Inferred	Subtotal Areas	La India veinset	0.5 g/t (OP)[1]	899	2.5	71	4.3	122
			2.0 g/t (UG)[2]	1,189	5.5	211	11.3	401
			1.5 g/t[3]	470	4.7	71		
		America veinset	0.5 g/t (OP)[1]	677	3.1	67	5.5	120
			2.0 g/t (UG)[2]	1,008	4.8	156	6.8	221
			1.5 g/t[3]	751	4.8	116		
		Mestiza veinset	1.5 g/t[3]	1,490	7.0	333		
		Central Breccia	0.5 g/t (OP)[1]	922	1.9	56		
		Other veins	1.5 g/t[3]	1,120	4.2	151		

Notes

(1) The La India, America and Central Breccia 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 U.S.$1,500 per ounce of gold with no adjustments; prices are based on experience gained from other SRK projects; metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company, marginal costs of U.S.$19.2/t for processing, U.S.$5.63/t G&A and U.S.$2.47/t for mining; and slope angles defined by the Company geotechnical study which range from angle 46 - 48.

(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 1.0 m. Cut-off grades are based on a price of U.S.$1,500 per ounce of gold and gold recoveries of 93% for resources, costs of U.S.$19.0/t for processing, U.S.$10.0/t G&A and U.S.$50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (December 22, 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 reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.

(6) SRK completed a site inspection to the deposit by Mr. Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568), an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

(7) Back calculated silver grade based on a total tonnage of 1,576 Kt as no silver estimates for Central Breccia (922 Kt).

(8) Back calculated silver grade based on total tonnage of material estimated for silver of 3,7731 Kt, for veins where silver assays have been recorded in the database.

(9) The Mineral Resources are inclusive of the Mineral Reserves.

Table 3. Summary of La India Project Mineral Resource Statement as of 30 September 2014 (SRK Consulting (UK) Ltd.)

SRK MINERAL RESOURCE STATEMENT as of 30 September 2014 (4),(5),(6),(9)								
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	0.5 g/t (OP) (1)	8,382	3.2	862	5.5	1,480
			2.0 g/t (UG) (2)	1,176	5.9	221	8.2	312
		Subtotal Indicated		9,557	3.5	1,083	5.8	1,792
Inferred	Grand total	All veins	0.5 g/t (OP) (1)	2,498	2.4	194	4.8(7)	242
			2.0 g/t (UG) (2)	2,197	5.2	366	8.8	622
			1.5 g/t (3)	3,831	5.4	671		
		Subtotal Inferred		8,526	4.5	1,231	7.1(8)	865

Notes

(1) The La India, America and Central Breccia 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 U.S.$1,500 per ounce of gold with no adjustments; prices are based on experience gained from other SRK projects; metallurgical recovery assumptions of 91% for gold, based on assumptions provided by the Company, marginal costs of U.S.$19.2/t for processing, U.S.$5.63/t G&A and U.S.$2.47/t for mining; and slope angles defined by the Company geotechnical study which range from angle 46 - 48.

(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 1.0 m. Cut-off grades are based on a price of U.S.$1,500 per ounce of gold and gold recoveries of 93% for resources, costs of U.S.$19.0/t for processing, U.S.$10.0/t G&A and U.S.$50.0/t for mining, without considering revenues from other metals.

(3) Mineral Resources as previously quoted by SRK (December 22, 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 reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.

(6) SRK completed a site inspection to the deposit by Mr. Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568), an appropriate “independent qualified person” as this term is defined in National Instrument 43-101.

(7) Back calculated silver grade based on a total tonnage of 1,576 Kt as no silver estimates for Central Breccia (922 Kt).

(8) Back calculated silver grade based on total tonnage of material estimated for silver of 3,7731 Kt, for veins where silver assays have been recorded in the database.

(9) The Mineral Resources are inclusive of the Mineral Reserves.

CURRENT LA INDIA PROJECT CIM CODE MINERAL RESERVE

Table 4. La India Open Pit Mineral Reserve Estimate for La India Project Mineral Resource Statement as of 21 December 2014 (SRK Consulting (UK) Ltd.).

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**

Note

(1) Open pit mineral reserves are reported at a cut-off grade of 0.75 g/t Au assuming: metal price of U.S.$1,250 per ounce gold, processing cost of U.S.$20.42 per tonne milled, G&A cost of U.S.$5.63 per tonne milled, U.S.$10/oz Au selling cost, 3% royalty on sales and a processing recovery of 91%.

NICARAGUA – OPERATIONS REPORT

La India, Espinito Mendoza, Cacao, Santa Barbara, Real de la Cruz, El Rodeo, La Cuchilla, La Mojarra, El Zacatoso and Tierra Blanca Concessions (Condor 100% ownership)**.**

Introduction La India Project is a 313km² concession package covering an estimated 98% of the historic La India Gold Mining District and comprises of 10 contiguous and adjacent concessions, see Figure 1. The District supported production of up to 41k oz gold per annum at over 11g/t head grade from underground mining between 1938 and 1956. An estimated total of 575,000 ounces of gold were mined during this period.

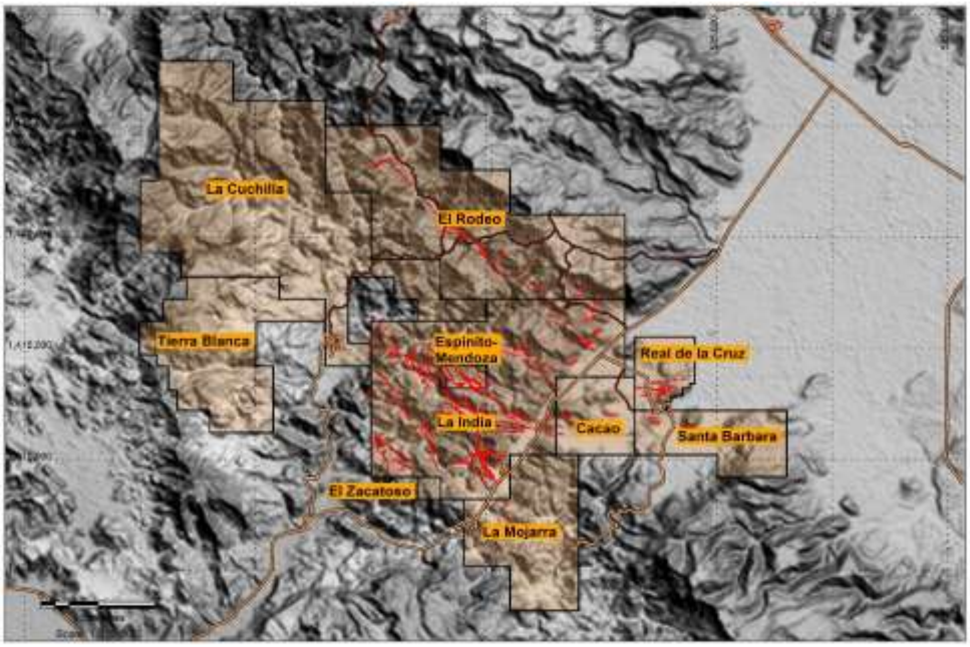

Figure 1 Location of Condor Gold´s 313km² concession package at La India Project

A Pre-Feasibility Study ("PFS") on open-pit mining at La India and two supplementary Expansion Scenarios which explored the possibility of including two additional satellite open pits, and underground mining beneath the La India and America open pits, as summarised in the Technical Report, were released with an effective date of 21st December 2014. To comply with Canadian securities law requirements, the two Expansion Scenarios were prepared to replace the original PEAs contained within the technical report prepared in 2014. The study defined the first mineral reserve on the Project since mining ceased in 1956, with an open pit Probable Mineral Reserve of 6.9Mt ore at 3.0g/t gold and 5.3g/t silver for a total of 675,000oz gold and 1,185,000oz silver on the principal La India Vein.

The PFS demonstrates that the base case of mining La India open pit reserve only would support a 0.8Mtpa processing plant to produce 614,000oz gold over a 9 year mine life at an average annual gold production of 79,300oz pa. The Expansion Scenarios assessed the addition of satellite open pits at the nearby America Vein Set and Central Breccia gold mineralisation to support a 1.2Mtpa plant for a total production of 774,000oz gold over an 8 year mine life. The development of an underground mine from the La India and America open pits would increase production to 1.6Mtpa for 1.2M oz gold production over a 12 year mine life. The PFS prepared in accordance with NI 43-101.

Following-up on the release of a positive PFS on mining at the La India Project in Nicaragua, released at the end of 2014, the Company has sought to secure permits and land access for development of the core La India open pit gold mine while simultaneously proving a major Gold District. An Environmental Impact Assessment ("EIA") in support of an Environmental Permit was submitted in November 2015 and preparations for permitting took up much of the work of the social, admin and management time in 2016.

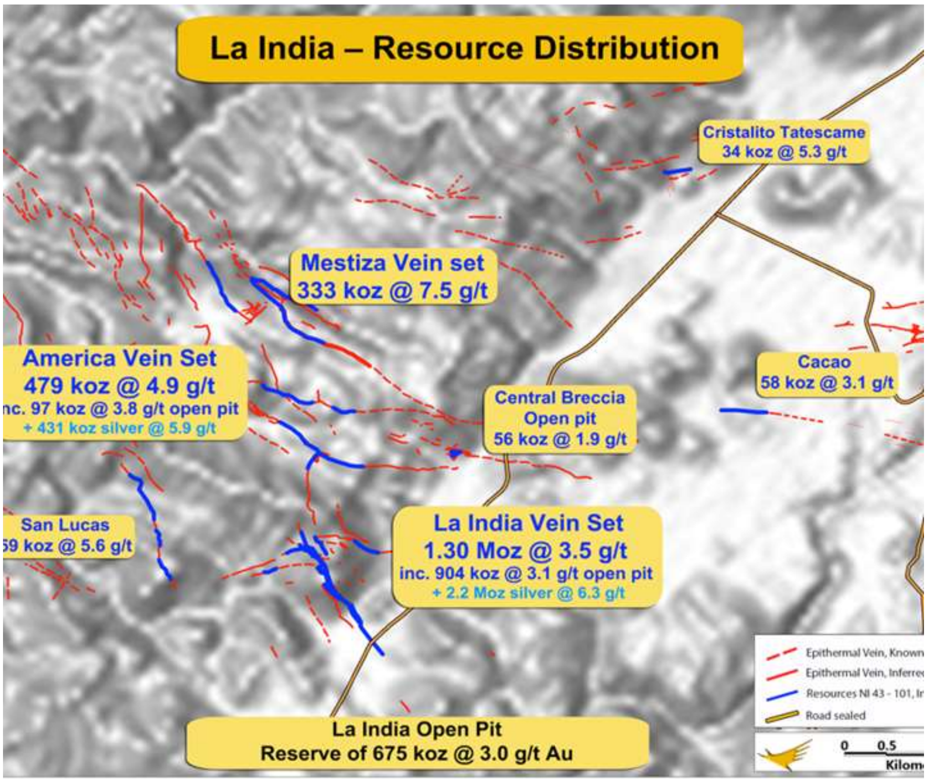

Figure 2 Surface distribution of Mineral Resources on La India Project at La India Project

Exploration activities continue to follow a dual approach during 2017:

1. scout drilling to demonstrate untested targets as well as expand known resources.
2. regional exploration primarily focussed on identifying targets for hidden, deep-seated gold mineralisation via soil geochemistry, geological mapping, rock chip sampling, and a small amount of trenching.

Concession	Soil Samples	Rock Chip Samples	Trenches Completed	Trench (m)	Trench Samples	Drill holes Completed	Drilling (m)	Drilling Samples
La India	32	175	10	133	132	12	1850	729
Cacao	35	15						19
El Rodeo		38				6	945	293
Real de La Cruz	31	5						
La Cuchilla	810	52						
Santa Barbara	175	39						
El Zacatoso								
Tierra Blanca	437	4						
Espinito/Mendoza		21				32	4470	1610
La Mojarra	205	22						
Totals	1725	371	10	133	132	50	7265	2651

Table 1 Summary of drilling, trenching, rock chip and soil geochemistry sampling completed in 2017.

The scout drilling programme began in November 2016 on the Cacao, Real de la Cruz, Tatascame and Andrea targets, and continued into early 2017. Two drill holes (total 423.6 m) were completed at Tatascame and 6 holes (945 m) at Andrea. The 6 relatively shallow holes on the Andrea vein found abundant zeolite veinlets, minerals typical of the upper parts of epithermal systems (above the boiling zone, normally associated with economic gold grades). The northern holes cut barren quartz/carbonate veins, but the deepest, southernmost, hole encountered significant gold mineralization, with 5.1 m @ 1.9 g/t gold. This began at 186 m depth. Subsequent exploration along the Andrea Vein (mapping and rock sampling) focused on generating drill targets on the southeast extension of the final drill hole.

Drilling commenced at the Mestiza Vein Set ('Mestiza') with one rig in March 2017. The program aimed to test and convert the upper part of an historic Soviet mineral resource (2,392 kt at 10.2 g/t gold for 785,694 oz gold) to Canadian NI 43-101 standard. This program concluded in August 2017, with a total of 43 drill holes (5,922 m) (Figure 1). Table 1 lists the best intercepts above 20 g*m (grade x thickness) gold (Au) for the entire program. Most drilling focused on the largest vein, Tatiana.

Prospect	Drill hole ID	From**	To**	Drill Width (m)	True Width (m)*	Au (g/t)	Ag (g/t)	Grade Thick (m x g/t)
Tatiana	LIDC344	76.70	80.00	3.30	2.20	28.3	38.9	93.4
Tatiana	LIDC358	160.50	164.05	3.55	2.30	23.3	66.6	82.7
Tatiana	LIDC365	142.60	146.20	3.60	3.12	13.7	13.9	49.3
Tatiana	LIDC360	40.30	43.40	3.10	2.70	14.4	29.2	44.6
Tatiana	LIDC348	91.00	93.65	2.65	1.70	12.6	21.8	33.4
Tatiana	LIDC346	83.80	86.85	3.05	2.30	6.79	14.1	20.7
Tatiana	LIDC383	18.20	19.60	1.40	1.10	18.5	22.1	25.9
Tatiana	LIDC345	129.60	133.00	3.40	2.20	6.06	21.4	20.6
Tatiana	LIDC363	145.50	152.50	7.00	6.10	2.90	0.4	20.3

Table 2 Best Drill Results from the Tatiana vein

* Intercepts calculated above a 0.5 g/t Au cut off. True width is an interpretation based on the current understanding of the veins and may be revised in the future.

** Depth down hole from surface

Drilling with large diameter (PQ) core was a priority because it provided high core recoveries and larger sample sizes. The drill rigs were only powerful enough to test the top 200 m of the veins (below ground surface). Deeper holes have proved more problematic, with narrower diameter HQ core and a smaller sample size. More powerful rigs are required to drill deeper and fully test the volume of the Soviet resource model, which extends to a depth of 500 m below surface.

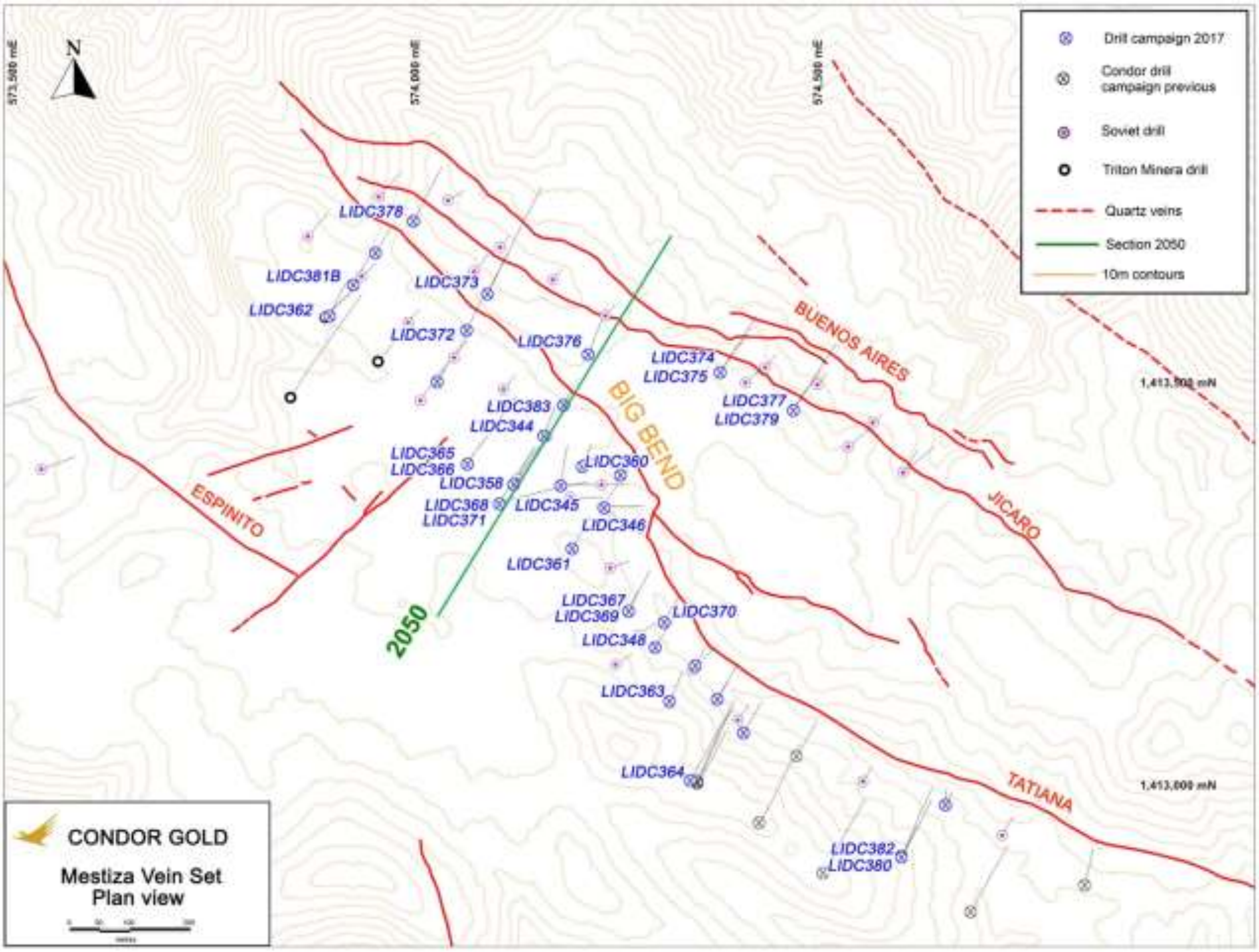

Figure 3 Map of Mestiza Vein Set Showing 4 Main Veins (see Figure 4 for cross section)

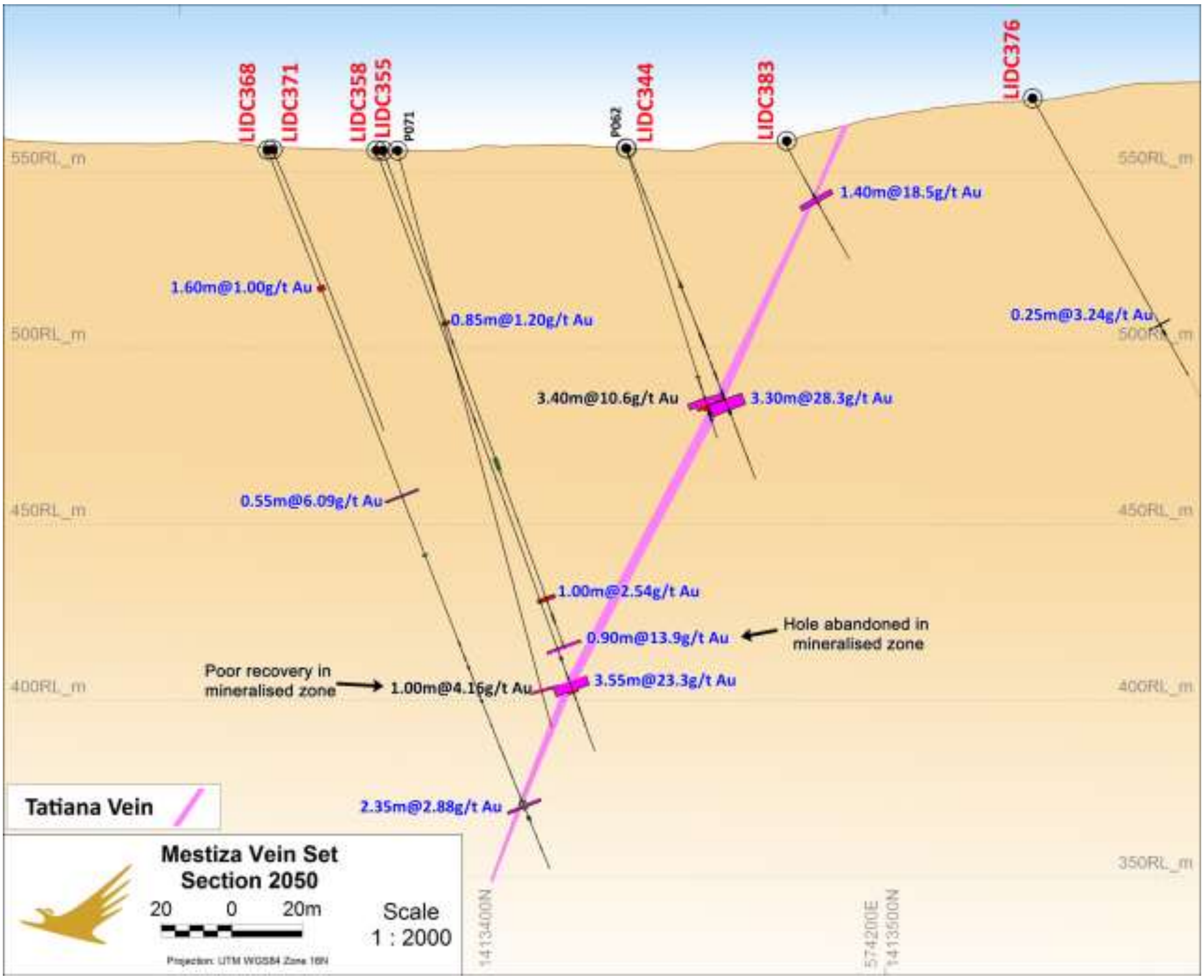

Figure 4 Cross section 2050 of Tatiana Vein

Mineralisation occurs within a 4 to 6 m wide structure cutting a welded tuff. The structure consists of:

- An early-stage broad zone of jigsaw and crackle hydrothermal breccia with drusy and comb vein quartz in the matrix. These support angular clasts of weakly silicified wall rock. This phase normally has lower gold grade.
- A central high-grade quartz vein, typically 0.5-1.0 m wide, with comb and drusy quartz and minor chalcedony. Textures vary between holes, from massive quartz to locally colloform pale green chalcedony with fine streaks of sulphide, and coarse quartz with spongy moulds after calcite, now filled by smectite.
- Common post-mineral fault breccias with clasts of vein and hydrothermal breccia in a sooty, black, manganiferous gouge and brick red smectite. These can contain high grade gold.

Gold mineralisation occurs in the quartz vein and fault breccia, with true widths up to 3 m. The chaotic nature of the fault breccia, with variable amounts of gold-mineralised vein clasts in a clayey gouge, leads to high grade variability across the deposit. However, the principal higher grade zone or ‘oreshoot’ seems to show consistent high grades.

The entire structure is oxidised down to a depth of at least 200 m below surface. Sulphides, where seen, tend to be encapsulated in quartz. Possible supergene enrichment is suggested by higher silver grades in some deeper historic holes (e.g. 0.7 m @ 356 g/t Ag from 198.1 m in LIDC030B).

A long section of the Tatiana Vein (Figure 5) plots the drill intercepts where they pierce the vein. It shows all historic and new drilling. Each point is coloured according to average grade and sized according to the grade x thickness factor, which is the downhole intercept length multiplied by gold grade. At the local scale, this shows the highly variable nature of mineralisation, with narrow low-grade intersections only metres away from wide high-grade intersections. At the larger scale, the long section shows that the vein is broadly well mineralised and forms high grade shoots separated by intervening areas of low grade where the mineralised zone is thinner.

A geological model has been developed correlating high gold grade with bends in the vein (see 'Big Bend' in Figure 1). These bends created more open space, allowing more hydrothermal fluid circulation, resulting in higher grade. The Big Bend high grade shoot, which appears to pitch steeply to the west, has a strike length of about 450 m (Figure 5).

The deepest drill holes, about 200 m below surface, intersected lower grades and/or narrower vein widths. This may reflect pinching of the vein or the base of supergene enrichment. However, this has only been tested in two holes at the western end of Big Bend. LIDC361, which returned a disappointing 0.25 m @ 1.05 g/t Au, intersected a visually exciting 3.35 m wide (downhole) vein and fault breccia zone in HQ core. Further deeper drilling is required to test the potential extension to depth or closure of the high-grade zone.

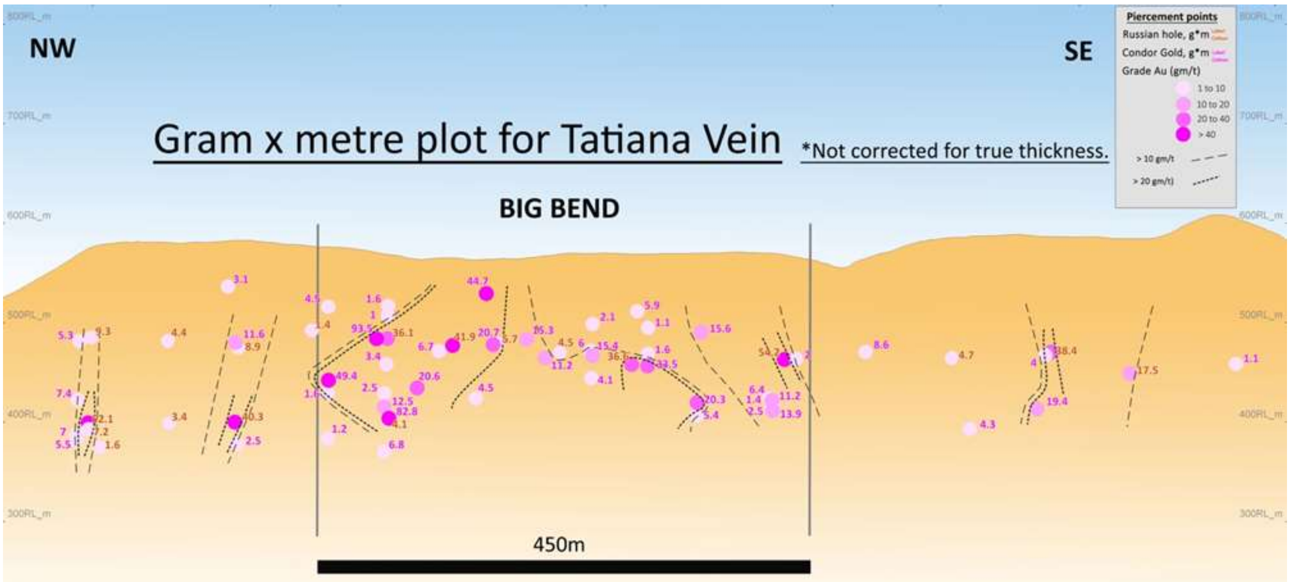

Figure 5 Tatiana Vein. Long section

Following the good drill results, detailed mapping and sampling was extended along strike to the northwest to better understand the geometry of the veins and identify new drill targets (Figure 6).

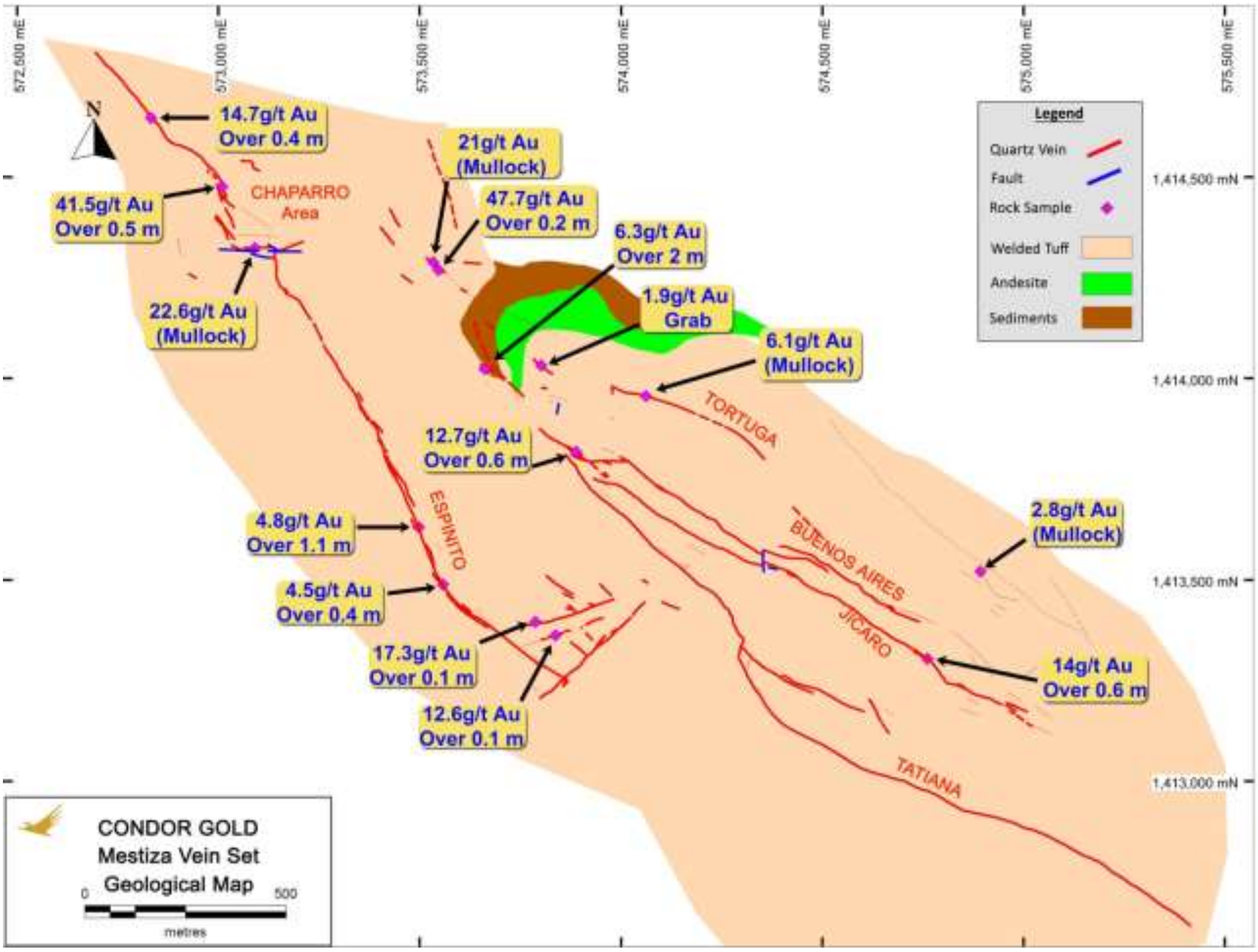

Figure 6 Distribution of quartz veins together with rock chip and channel assays

A major geological mapping programme was conducted in the Mestiza area in 2018. The dominant rock is a welded tuff showing two facies: 1) a glassy, pumice-rich lithic lapilli tuff and 2) a glassy, dense pumice-poor crystal tuff unit. Both types are good competent hosts for vein development. The tuff is at least 200 m thick. It is underlain by a sequence of andesites and sediments.

Mapping has traced quartz veins over a strike length of at least 3.5 km at Mestiza. The Tatiana, Jicaro and Buenos Aires veins coalesce in the northwest, combining into a single, northwest-striking vein. There is also a newly discovered, parallel vein, the Tortuga Vein, which assayed up to 6.1 g/t Au in a mullock rock sample. Historic sampling of the northwestern extension of all these veins includes 47.7 g/t Au, about 450 m along strike from the westernmost Tatiana vein exposures (Figure 6).

The Espinito Vein has been traced over a strike length of 2 km and shows a jog in the Chaparro area (Figure 6). It hosts numerous artisanal workings and previous sampling returned up to 41.5 g/t Au over 0.5 m. A series of ENE-WSW linking structures, with a strike length of over 300 m, occur between the southernmost part of the Espinito vein and the Tatiana vein. These probably represent more dilational structures, exploited by mineralizing fluids. Historic sampling includes 17.3 g/t Au.

Geology mapping continued along the northwest extension of the Espinito vein and possible extensions of the Tatiana structure to the northwest. Two veins, not previously identified on Company maps, were discovered to the northwest of El Chaparro vein, which is a NW strike extension of the Espinito vein of the Mestiza area.

Both veins are approximately 1-2 m wide, and up to 3 m in some places, with strike lengths of approximately 800-1000 m. They consist of a post-mineral fault breccia with quartz fragments and abundant smectite gouge, drusy to vuggy quartz vein and hydrothermal breccias. These two veins are parallel to El Chaparro and taking in to account their similar composition to the Tatiana structure could represent an extension of the Tatiana and Buenos Aires structures to the northwest.

Nine trenches (total length 150 m) were completed across the Mestiza area – results showed anomalous gold values but were somewhat disappointing, with no samples above 0.3 g/t Au.

Geology mapping was bolstered with the incorporation of Mr Don Allen and Mr Miguel Ponce into the geological team. Mr Allen (MSc Geological Engineering and Economic Geology) has over 30 years of experience in Au/Cu exploration in mapping sedimentary and igneous terrains in Canada, the United States, Ecuador and Bolivia. Mr Ponce (MSc in Ore Deposits, Geochemistry and Petrology, University of Geneva) is an Ecuadorian geologist with considerable experience in various types of deposits, including: epithermal deposits, Cu-Au porphyry systems, VHMS "Kuroko-type", Manto-type Cu deposits, Fe-skarn and geothermal exploration projects in Ecuador, Colombia, Mexico, Panama, Peru and Argentina.

Exploration mapping and sampling in 2017 also focused on the promising Cacao target..Detailed mapping of the lithostratigraphy and veins was carried out at the Cacao, Andrea southeast, Mestiza and Santa Barbara targets, to help identify drill targets. Mapping at Cacao and Andrea yielded some 20 areas of interest, with at least four warranting follow-up trenching and diamond drilling.

Highlights of mapping include the discovery of a likely concealed eastern extension of the Cacao Vein beneath alluvial gravels and new high-grade veins at Santa Barbara. The strike length of the Cacao-Santa Barbara vein system is at least 4 km, of which less than 15% has been tested by drilling. Mapping and prospecting also identified the continuation of the Andrea Vein to the southeast, where trenching is planned.

To improve geological models of the La India and America resources, a complete relog of drill core from the different veins was begun. A total of 48 drill holes at America and 155 from La India were relogged. Interpretation and modelling of structures (major faults and veins) and stratigraphy will be carried out in early 2018. As part of this activity, detailed mapping and prospecting was carried out at America, where numerous active artisanal workings have uncovered veins that allow for better structure and vein characterization.

During 2017, 371 rock chip samples were obtained from the regional district (Figure 7). Of interest, are a 3.1 g/t Au sample obtained from a stockwork of drusy quartz veinlets in the far northwest sector of the La Cuchilla concession (upper left of Figure 7). Most of the samples obtained during soil sampling at La Cuchilla concession have <1 g/t Au, but fall in a corridor that seems to extend towards the main La India corridor to the southeast.

Several gold-bearing rock chips were collected from the southeast extension of the Andrea vein (southeast of the final 2017 drill hole). Highlights include a 23.8g/t Au sample, obtained from a 0.5 m quartz breccia vein inside a recent artisanal excavation.

At Santa Barbara, along the inferred extension of the Cacao vein, a 11.6 g/t Au sample was collected from a 1.4 m wide vein zone with fine disseminated pyrite in an active artisanal excavation (Figure 7). A 15.9 g/t Au sample was collected from a recently identified vein nearby.

Prospection of new outcrops and active artisanal workings in the Mestiza and America vein set yielded over 40 samples with Au >5 g/t and up to 37 g/t Au. These results are within the historic norm. A new vein, probably a northern offshoot of eastern Guapinol vein came back at 9.2 g/t Au.

Sampling of recent artisanal workings along the Alfonso Vega vein, located in the footwall of La India vein yielded a 27.2 g/t Au rock chip.

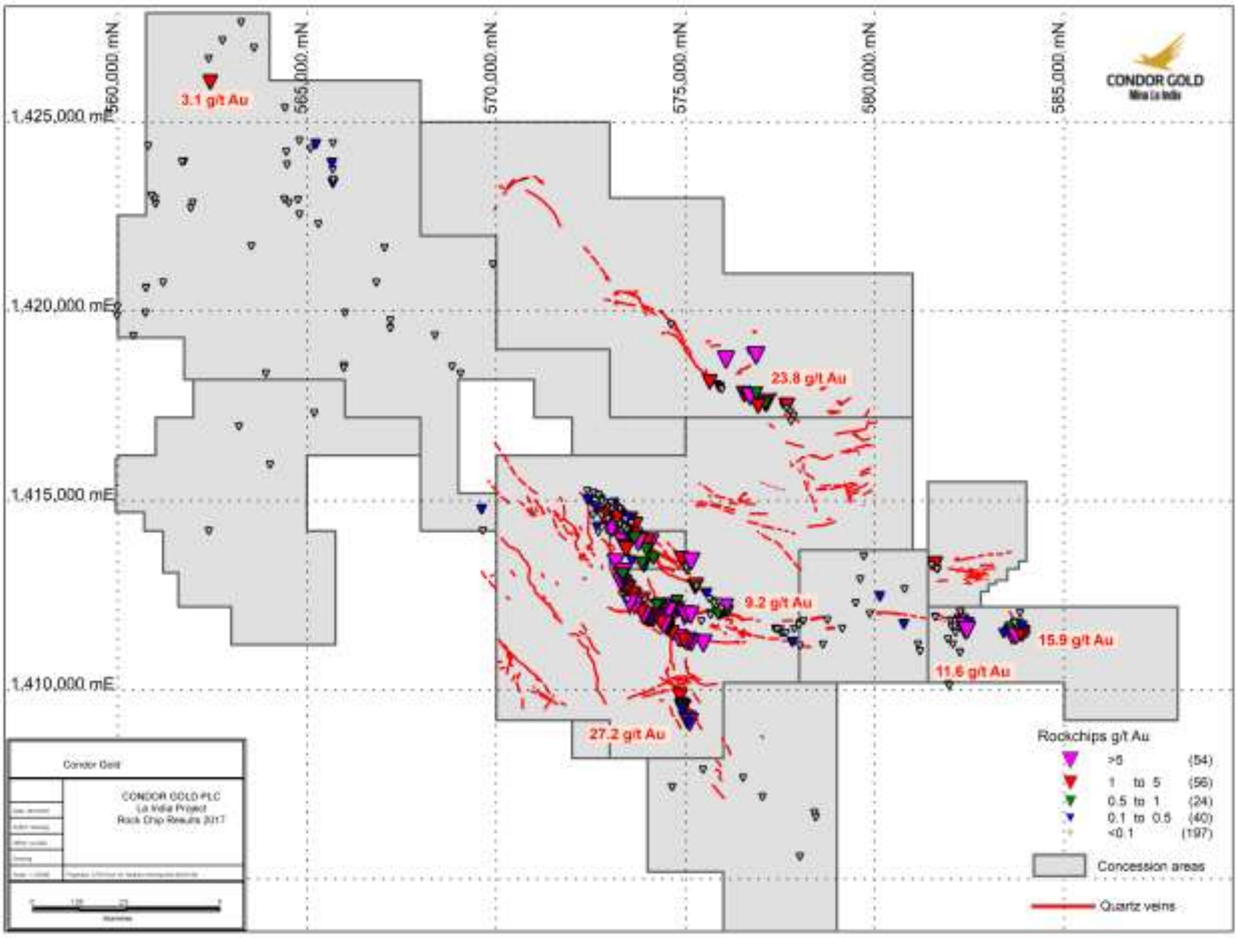

Figure 7 Rock chip samples from 2017

Soil sampling of the entire La India Project was completed with a total of **7,997** samples collected since June 2016 (1,725 in 2017), out of which **6,685** samples were sent for assaying covering an area of approximately of **242m²** (Figure 8). The total number of samples collected during 2015-2017 in the entire La India project concession package of **313 km² is 13,114**.

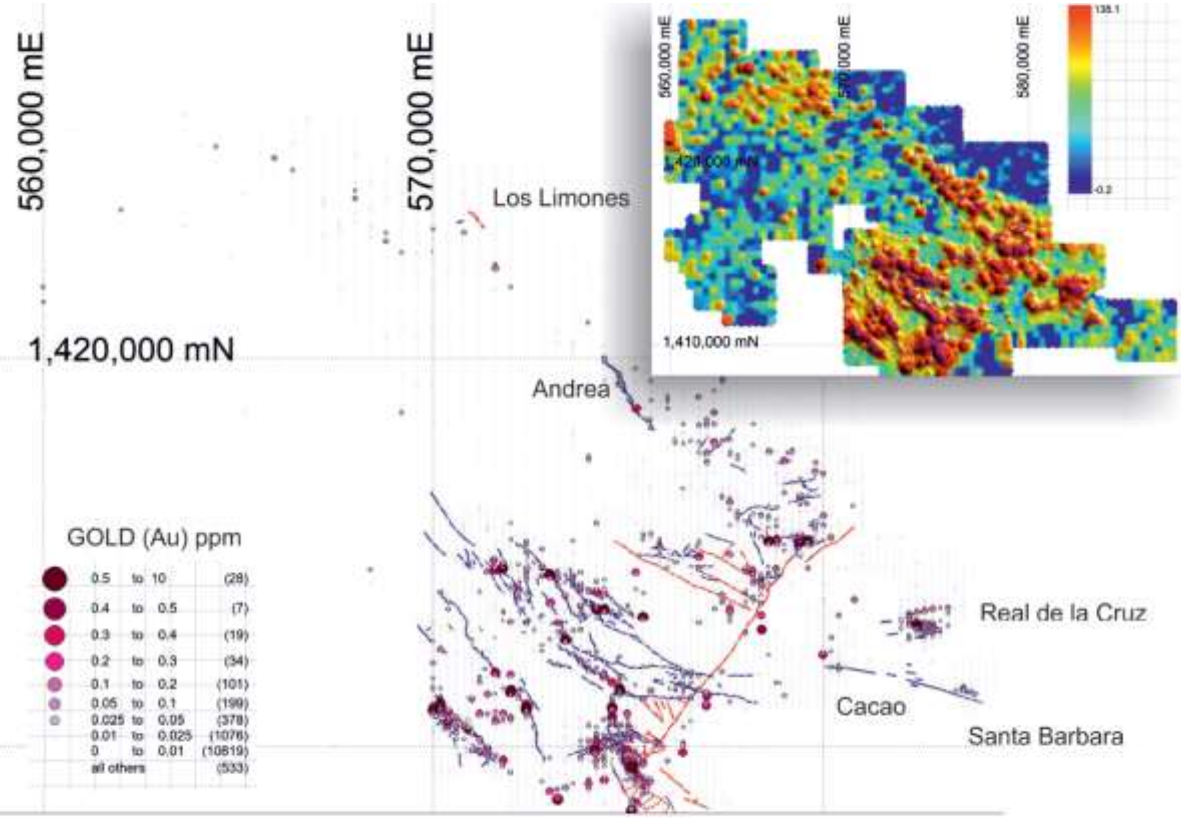

Figure 8 Soil sampling. Final Au results

Several elements (e.g. Au, Te, Tl, As, Ag and Sb) define two significant trends. These are interpreted as two major basement feeder zones; La India and Andrea Corridors (Figure 9). There is a suggestion that some rich veins (Tatascame, Los Limones, thin east-northeast striking veins branching from Andrea with visible gold) are conjugate and *en echelon* structures, at high angle to the Andrea Corridor. They may have provided localised dilations for fluids to rise.

The two corridors seem to converge west of Los Limones in an area of broad geochemical soil anomalies (particularly Te). This area is a target for exploration. However, the target may be concealed since Au and Ag anomalies are weak. The vein at Los Limones may be an example of a mostly concealed target: the surface rocks here comprise lapilli tuffs and mudstones, poor for brittle fracture. Mapping shows that a more brittle andesite flow can be expected at depth and this is a target for scout drilling.

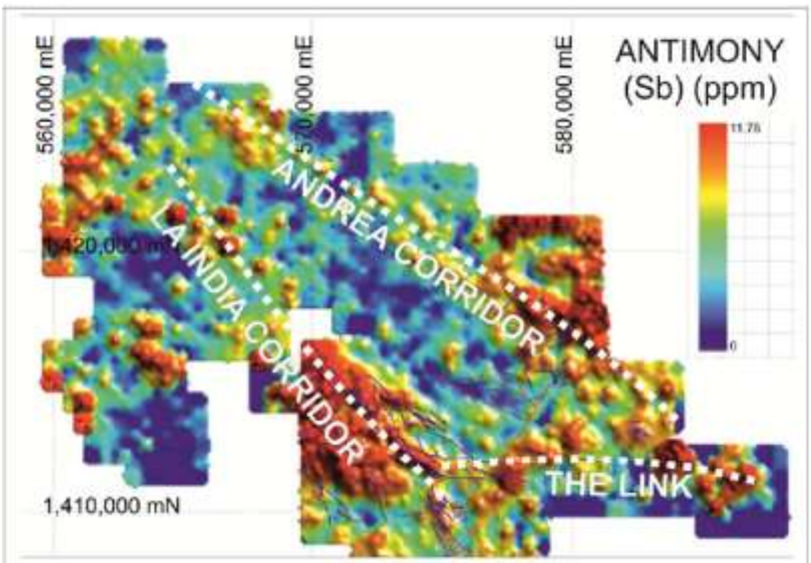

Figure 9 Gridded Sb values in soils.

Land Acquisition

Condor has been working on a land acquisition programme for over 3 years and plans to acquire approximately 600 hectares of rural land for the production scenario in the PFS. ProNicaragua is assisting with a clean up of the land titles. Two independent valuations have been conducted and a strategy is being implemented to secure the rural land by paying 10% of the purchase price of the land to the landowners, who grant Condor an option to purchase the rural land for a 2year period. Offers to purchase the land have been made to all landowners; at the time of writing 30% have accepted. In 2017, Condor acquired 3,508 hectares of surface rights from B2Gold in return for transferring to B2Gold, Condor's 20% shareholding in the Cerro Quiroz concession, which is adjacent to La Libertad Mine. The surface rights cover the mine site infrastructure and the area of the mineral resource and reserves and removes an obstacle that allows the Project to progress and de-risks the Project.(see RNS dated 9th December 2016.)

Environmental Permit Application

An Environmental Impact Assessment ("EIA") for an Environmental Permit was submitted to the Nicaraguan Government's Ministry of the Environment and Natural Resources ("MARENA") in November 2015. The application is for permission to undertake open pit mining at La India as envisaged in the PFS study released in December 2014 and updated for the Whittle optimised open pit, detailed in January 2016. A Public Consultation is required as part of the EIA process. Mineral concessions in Nicaragua are granted for a period of 25 years and are both exploration and exploitation concessions. However, in order to exploit (extract) minerals an Environmental Permit is required. This is viewed as the Master Permit in Nicaragua. Once granted, other permits for construction, electricity, water use, explosives etc are expected to follow.

Post-period activity

January and February 2018 are being used to continue the relog at La India and America. This work aims to: 1) further verify previous models of mine depletion; 2) improve the correlation of individual veins; 3) model the 3D lithostratigraphy (to determine if certain rock types make a better host for veining).

Rock sampling and trenching continues at Cacao and Andrea.

Other Project Areas

Rio Luna Concession

The Rio Luna Concession, which covers an area of 43 km² in the Central Highlands of Nicaragua, was granted to Condor in June 2010 and will expire in 2035. The previous explorer of the Rio Luna Concession, First Point Minerals, a Canadian company, completed an extensive programme of soil, auger, rockchip and trench sampling to define 18 km of epithermal quartz veining in three distinct northwest-southeast trending gold vein sets. This surface sampling defined seven principal prospects, five of which were drill-tested over several phases of drilling. The mineralisation of the Rio Luna Concession is medium-sulphidation epithermal vein gold-silver type, hosted by a Tertiary-aged volcanic sequence of andesite flows intercalated with subordinate basalt. The Company has continued to carry out exploration activities at the Rio Luna Concession, including mapping and resurveying of previous drill holes.

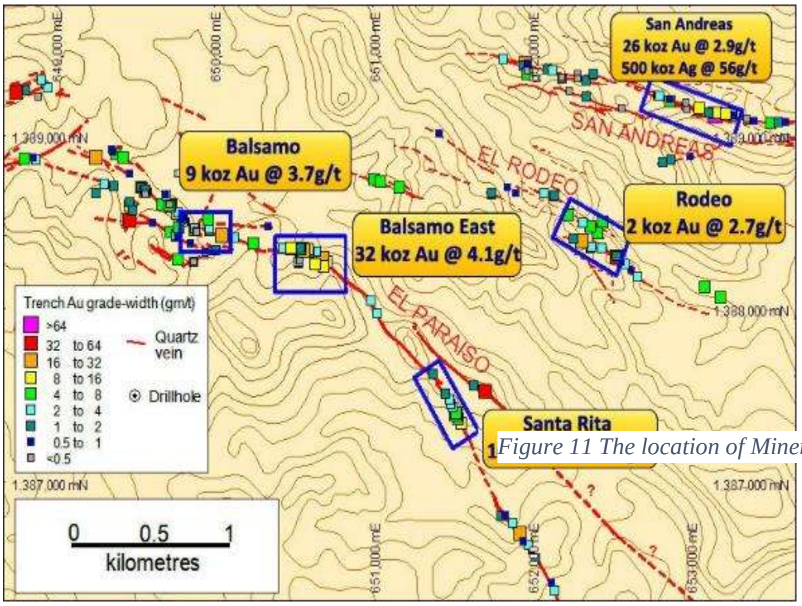

Figure 11 The location of Mineral Resources on the Rio Luna Concession

Estrella Concession

The Estrella Concession covers an 18 km² area in Nicaragua's historic 'Mining Triangle' in the northeast of the country. The concession is centred on the historic Estrella Gold Mine. No mine plans or production data are available for the Estrella Mine (also referred to as the Estrella de Venus Mine in old reports), however it is believed that the mine exploited two or more sub-parallel epithermal veins on two or three levels along a strike length of at least a 250m and processed 20-50 tonnes per day. The mine was worked for only a few years before being destroyed in 1935 during civil unrest: abandoned steel mine trolleys and rail tracks are testament to this period of mechanised mining. The old workings can be traced for approximately 100m where the mineralised structure runs close to the bank of a small river and continue for an indeterminate distance beneath the crest of a ridge. The drift that runs next to the river has been reopened by artisanal miners. It is considered likely that the mining relied on gravity dewatering and did not extend below the level of the drainage adit at river level, no deeper than the 10-15m depth exploited by the artisanal miners.

Trench and underground channel sampling by previous explorers and confirmed by Condor has returned high grade gold intercepts over a 400m strike length including the historic Estrella Gold Mine and extending along strike up the ridge to the northeast. Two to three parallel epithermal veins separated by short intervals of 5 to 10m of country rock are recognised in old mine workings and trenches. A best trench intercept of 9.0m at 5.44g/t gold reflects the full width of the mineralisation, whilst the channel sampling of the more selectively mined underground workings, often only exploiting one of the two or three structures returned an average intercept of 0.9m at 8.53g/t gold. Exploration for gold mineralisation away from the historic mine area has only returned one positive assay result from quartz vein float located approximately 1200m along strike of the historic gold mine workings which suggests that gold mineralisation extends over a strike length of over 1.5km. The challenge on this concession is to extend the size of the mineralised zone beyond the 400m strike length positively defined to date. It is highly unlikely that the mineralised fluids that deposited this ore body were restricted to an isolated structure and future exploration activity will aim to discover extensions to the known structure and/or other gold mineralised veins in the vicinity.

Potrerillos Concession

Condor maintains a strategic concession holding covering a 3.5km strike length continuation of the gold mineralised system that hosts the historic San Albino mine workings which contains a NI 43-101 compliant mineral resource of 348kt at 8.47g/t for 95,000oz gold equivalent at the Indicated category and 3.371kt at 7.43g/t for 805,000oz gold equivalent at the Inferred level of confidence (using a 1:60 Au:Ag ratio), as announced by concession holders TSX-listed Golden Reign Resources on 7th January 2013. The San Albino Resource is located less than 500m from the edge of the Potrerillos Concession. However the San Albino Resource may not be indicative of mineral deposits on the Company's property. Channel sampling of trenches and old mine adits on the Potrerillos Concession carried out by Condor between 2007 and 2009 returned intersections of up to 1m at 29.5g/t gold.

EL SALVADOR – OPERATIONS REPORT

Condor's assets in El Salvador have been on care and maintenance since 2008, with no exploration activity carried out for 10 years. Following the late 2016 ruling by the International Centre for the Settlement of Investment Disputes in favour of the Government of El Salvador, Condor is winding up all activities in El Salvador and withdrawing from the country.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking information under applicable Canadian securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of 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 document contains forward-looking statements pertaining to the following:

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

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

- mineral exploration, development and operating risks;
- estimation of mineralisation, mineral resources and mineral reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;
- permitting and licencing risks;
- operational risks;
- negative cash flow;
- liquidity and financing risks;
- funding risk;
- material contract risks;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- exercise of statutory rights and remedies;
- risks of operating in Nicaragua;
- government policy changes;
- ownership risks;
- artisanal miners and community relations;
- difficulty in enforcement of judgments;
- the Company's staggered board of directors;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- reliance on key personnel;

STATEMENT REGARDING FORWARD-LOOKING INFORMATION (CONTD.)

- dilution risk; and
- payment of dividends; 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 profile at www.sedar.com.

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

Although the forward-looking statements contained in this document are based upon assumptions which the Company believes to be reasonable, the Company cannot assure holders of ordinary shares of the Company that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, the Company has made assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. The Company has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide holders of ordinary shares of the Company with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. These forward-looking statements are made as of the date of this document and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

TECHNICAL INFORMATION

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

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

Qualified Person: Mr Peter Flindell has supervised the preparation of the geological technical information in this report. Mr Flindell has more than 32 years of relevant experience in gold/silver exploration, largely in Southeast Asia, but including the US, Africa, Central Asia and the UK. Mr Flindell is a Non-Executive Director of Condor Gold plc and Managing Director of Signal Delta Pte Ltd, a Singapore-based consultancy that offers exploration management services to exploration companies around the world.

Mr Flindell is satisfied that the results are verified, based on an inspection of the results from activities carried out in 2017, as set out in this document, including of drill core, a review of the sampling procedures, the credentials of the professionals completing the work and the visual nature of the geology within a district where he is familiar with the style and type of mineralization.

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS' REPORT

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2017.

DIRECTORS

The Directors shown below have held office during the year:

M Child
J Mellon
R Davey (resigned 18 January 2018)
P Flindell
K Harcourt

The Director shown below was appointed post year end:

A Cheatle (appointed 18 January 2018)

DIVIDENDS

The Directors do not recommend payment of a dividend (2016: £nil)

SUBSTANTIAL SHAREHOLDERS

On 23 March 2018 the Company was aware of the following interests in 3% or more of the Company's issued share capital:

Shareholders	Number of ordinary shares	Holding %
Mr R Beaty	5,362,903	8.74
International Finance Corporation	4,500,000	7.33
Oracle Management Limited	4,054,645	6.61
Mr M Child	3,962,500	6.46
Canaccord Genuity Group	3,111,290	5.07
Mr J Mellon	3,169,330	5.16

DIRECTORS' INTERESTS

The Directors in office during the year under review and their interests in ordinary shares and unlisted options of the Company at 31 December 2017 were:

		31 December 2017		31 December 2016	
Directors	Holding	Number of shares	Number of options	Number of shares	Number of options
M Child	Direct	3,873,750	3,200,000	3,942,500	2,650,000
	Indirect	88,750	-	88,750	-
R Davey	Direct	52,500	750,000	52,500	800,000
	Indirect	-	-	-	-
J Mellon	Direct	1,356,108	750,000	1,256,108	700,000
	Indirect	1,813,222	-	1,601,932	-
P Flindell	Direct	-	662,500	-	512,500
	Indirect	-	-	-	-
K Harcourt	Direct	-	350,000	-	200,000
	Indirect	-	-	-	-

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

	Exercise price (p)	Latest exercise date	As at 1 January 2017	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2017
DIRECTORS							
M L Child	100	24 June 2017	250,000	-	-	(250,000)	-
	100	1 July 2018	600,000	-	-	-	600,000
	100	23 July 2019	600,000	-	-	-	600,000
	67	7 July 2020	600,000	-	-	-	600,000
	80	26 Sept 2021	600,000	-	-	-	600,000
	62	6 July 2022	-	800,000	-	-	800,000
J Mellon	100	24 June 2017	100,000	-	-	(100,000)	-
	100	1 July 2018	150,000	-	-	-	150,000
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	-	150,000	-	-	150,000
R Davey	180	5 Jan 2017	100,000	-	-	(100,000)	-
	100	24 June 2017	100,000	-	-	(100,000)	-
	100	1 July 2018	150,000	-	-	-	150,000
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022		150,000	-	-	150,000
P Flindell	160	1 July 2018	62,500	-	-	-	62,500
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 Jul 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022		150,000	-	-	150,000
K Harcourt	67	7 Jul 2020	50,000	-	-	-	50,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022		150,000	-	-	150,000

Directors held 627,956 warrants as at 31 December 2017 (2016: 491,110), to subscribe for ordinary shares of the company. No warrants held by the directors expired during the year and 281,290 warrants were issued to or acquired by Directors during the year.

CORPORATE GOVERNANCE

Condor Gold’s Board of Directors and management strongly support the principles of good corporate governance, and are committed to building the Group’s reputation for integrity. For the financial year ended 31 December 2017, due to the size of the Group the board did not consider it appropriate to follow the provisions of the Corporate Governance Code for Small and Mid-size Quoted Companies (the “QCA code”) but followed governance procedures appropriate to the Group’s size, having due regard to the principles of the QCA code.

Corporate policies

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

Health and safety

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

Environment

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

Community

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

Financial Risk Management

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

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

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

Board of Directors

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

The board meets regularly throughout the year, for both committee board meetings and full operational Board meetings. During the year to 31 December 2017 the Board met for a total of 7 meetings and passed resolutions in writing on two occasions. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance.

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

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

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

Committees

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

Audit committee

The Audit Committee comprises J Mellon (non-executive director) and A Cheatle (non-executive director, appointed on 18 January 2018), and K Harcourt (non-executive director). R Davey resigned from the audit committee on 18 January 2018. The committee meets at least once a year.

All directors received a copy of the respective audit committee reports prior to these meetings and had an opportunity to comment. The meetings were attended by the auditor. The chief financial officer and a representative of the external auditor are normally invited to attend meetings. Other directors or staff may be invited to attend, as considered beneficial by the committee.

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

Remuneration committee

The Remuneration Committee plans to meet at least twice in each year. Its members are J Mellon (non-executive director) and A Cheatle (non-executive director), both of whom were in attendance at the meetings since their appointment date. R Davey resigned from the remuneration committee on 18 January 2018.

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

Risk Committee

The Risk Committee plans to meet at least twice in each year. Its members are A Cheatle (non-executive director) and K Harcourt (non-executive director).

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

Service Contracts

The Company has service contracts with its non-executive directors.

The service contracts also provide that the directors and parties related to the directors are entitled to participate in the share option arrangements operated by the Company as well as consultancy payments.

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

	Annual salary £'000	Consultancy payments £'000	Date of Contract	Unexpired term	Notice period
M L Child	100	75	13 July 2011	-	6 months
J Mellon	-	25	6 April 2011	-	2 months
A Cheatle	25	-	18 January 2018	-	2 months
K Harcourt	25	-	2 March 2015	-	2 months
P Flindell	-	25	28 August 2014	-	2 months

As part of his duties as a director, P Flindell also provided ad hoc technical consultancy services to the company and in 2017 earned at total of £56,718. Subject to the notice requirements described above, there is no provision in the service agreements for compensation to be payable on early termination of the contract.

Annual general meeting

Details of the ordinary and special business to be conducted and the resolutions to be proposed at the 2018 Annual General Meeting to be held on 10 May 2018 will be sent to all shareholders and will be made available on the Company's website in due course.

Directors Insurance

During the year the Company paid £19,767 (2016: £11,393) in respect of Directors professional indemnity insurance.

SUBSEQUENT EVENTS

On 15 January 2018 the Company's shares were also listed on the Toronto Stock Exchange. On 18 January 2018 the company announced that Mr Roger Davey had retired as a director of the company and Mr Andrew Cheatle was appointed as a director of the company as at the same date.

FUTURE DEVELOPMENTS

In 2018 the Group will be working on securing the Environmental Permit for the La India project and will be continuing with exploration activities, including rock sampling and trenching.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

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

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

They are further responsible for ensuring that the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for re-appointment at the Annual General Meeting to be held on 10 May 2018 in accordance with Section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Mark Child

M L Child
Chairman
Date: 23 March 2018

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CONDOR GOLD PLC FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Condor Gold plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2017, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2017;
- the Group and parent company statements of financial position as at 31 December 2017;
- the Group and parent company statements of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 which indicates that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date.

These conditions indicate the existence of a material uncertainty and may cast doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £300,000, based on 1.5% of total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £9,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Whilst the Parent Company's activity and accounting is in the United Kingdom, the main activity of the Group is accounted for from its operating location in Nicaragua.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. For the full scope components in Nicaragua, where the work was performed by a local audit team, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole. We discussed the risks of material misstatement with the subcontracting auditor.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team interacted regularly with the local team where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Carrying value of intangible assets relating to exploration expenditure	The carrying value of exploration expenditure as at 31 December 2017 is £18.7million. We challenged the outcome of management's review of their E&E assets to assess if there were any indicators of impairments for any of the Group's material mining locations by: • participating in meetings with key operational and finance staff to understand the current status and future intention for each mining location; • confirming that the Group continues to hold licences for each of its significant E&E assets; • confirming that all assets which remain capitalised are included in future budgets and are considered to contain potentially commercial levels of gold; • identifying any locations where the Group's right to explore is either at, or close to, expiry and assessing the appropriateness of retaining the associated costs as an asset; and • where an asset has been impaired, obtaining supporting evidence for the events that led to the impairment.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

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

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements
As explained more fully in the directors' responsibilities statement set out on pages 30-31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Leo Malkin (Senior Statutory Auditor)
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London
23 March 2018

Note: The maintenance and integrity of the Condor Gold Plc website is the responsibility of the directors. The work carried out by the auditor does not involve consideration of these matters and accordingly the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were originally presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107 (ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS) FOR THE YEAR ENDED 31 DECEMBER 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Condor Gold plc and its subsidiaries (the "Group"), as at 31 December 2017, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2017;
- the Group statement of financial position as at 31 December 2017;
- the Group statement of cash flows for the year then ended;
- the Group statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the Group's financial position as at 31 December 2017, and of the Group's financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 which indicates that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date.

These conditions indicate the existence of a material uncertainty and may cast doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Carrying value of intangible assets relating to exploration expenditure	The carrying value of exploration expenditure as at 31 December 2017 is £18.7million. We challenged the outcome of management's review of their E&E assets to assess if there were any indicators of impairments for any of the Group's material mining locations by: • participating in meetings with key operational and finance staff to understand the current status and future intention for each mining location; • confirming that the Group continues to hold licences for each of its significant E&E assets; • confirming that all assets which remain capitalised are included in future budgets and are considered to contain potentially commercial levels of gold; • identifying any locations where the Group's right to explore is either at, or close to, expiry and assessing the appropriateness of retaining the associated costs as an asset; and • where an asset has been impaired, obtaining supporting evidence for the events that led to the impairment.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Leo Malkin (Senior Statutory Auditor)
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London
23 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year Ended 31.12.17 £	Year Ended 31.12.16 £
Administrative expenses		(3,023,953)	(3,618,877)
Impairment of El Salvador assets		-	(4,065,086)
Operating loss	6	(3,023,953)	(7,683,963)
Finance income	5	338	1,732
Loss before income tax		(3,023,615)	(7,682,231)
Income tax expense	7	-	-
Loss for the year		**(3,023,615)**	**(7,682,231)**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation differences		(57,303)	(918,254)
Other comprehensive (loss) / income for the year		**(57,303)**	**(918,254)**
Total comprehensive loss for the year		**(3,080,918)**	**(8,600,485)**
Loss attributable to:			
Non-controlling interest		-	(513)
Owners of the parent		(3,023,615)	(7,681,718)
		(3,023,615)	**(7,682,231)**
Total comprehensive loss attributable to:			
Non-controlling interest		(6,352)	(1,692)
Owners of the parent		(3,074,566)	(8,598,793)
		(3,080,918)	**(8,600,485)**
Loss per share expressed in pence per share:			
Basic and diluted (in pence)	9	(5.04)	(14.52)

The notes in pages 45 to 63 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	31.12.17	31.12.16
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	10	271,319	234,390
Intangible assets	11	18,927,968	15,924,194
		19,199,287	16,158,584
CURRENT ASSETS			
Trade and other receivables	13	320,974	545,251
Cash and cash equivalents		946,261	583,610
		1,267,235	1,128,861
TOTAL ASSETS		**20,466,522**	**17,287,445**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	445,030	351,551
TOTAL LIABILITIES		**445,030**	**351,551**
NET CURRENT ASSETS		822,205	777,310
NET ASSETS		**20,021,492**	**16,935,894**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	16	12,273,077	10,582,129
Share premium		32,426,049	28,875,061
Exchange difference reserve		581,575	632,526
Retained earnings		(25,174,153)	(23,075,118)
		20,106,548	**17,014,598**
Non-controlling interest		(85,056)	(78,704)
		20,021,492	**16,935,894**

The financial statements were approved and authorised for issue by the Board of directors on 23 March 2018 and were signed on its behalf by:

Mark Child

M L Child - Chairman
Company No: 05587987

The notes in pages 45 to 63 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2017

	Share Capital	Share premium	Legal reserve	Exchange difference reserve	Retained earnings	Total	Non Controlling Interest	Total Equity
	£	£	£	£	£	£	£	£
At 1 January 2016								
Comprehensive income:	9,161,463	27,442,728	71	1,549,601	(17,893,453)	20,260,410	(77,012)	20,183,398
Loss for the year	-	-	-	-	(7,681,718)	(7,681,718)	(513)	(7,682,230)
Other comprehensive income:								
Currency translation differences	-	-	-	(917,075)	-	(917,075)	(1,179)	(918,254)
Total comprehensive income	-	-	-	(917,075)	(7,681,718)	(8,598,793)	(1,692)	(8,600,484)
Adjustment	-	-	(71)	-	-	(71)	-	(71)
New shares issued	1,420,666	1,432,333	-	-	-	2,852,999	-	2,852,999
Share based payment	-	-	-	-	2,500,053	2,500,053	-	2,500,053
At 31 December 2016	10,582,129	28,875,061	-	632,526	(23,075,118)	17,014,598	(78,704)	16,935,894
Comprehensive income:								
Loss for the year	-	-	-	-	(3,023,615)	(3,023,615)	-	(3,023,615)
Other comprehensive income:								
Currency translation differences	-	-	-	(50,951)	-	(50,951)	(6,352)	(57,303)
Total comprehensive income	-	-	-	(50,951)	(3,023,615)	(3,074,566)	(6,352)	(3,080,918)
New shares issued	1,690,948	3,550,988	-	-	-	5,241,936	-	5,241,936
Share based payment	-	-	-	-	924,580	924,580	-	924,580
At 31 December 2017	12,273,077	32,426,049	-	581,575	(25,174,153)	20,106,548	(85,056)	20,021,492

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

Legal reserve represents the El Salvadorian statutory reserve calculated on results declared.

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

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

The notes in pages 45 to 63 form an integral part of these financial statements

CONDOR GOLD PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31.12.17	31.12.16
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,472	2,667
Investments	12	751,977	565,355
Other receivables	13	22,329,897	18,594,762
		23,083,346	19,162,784
CURRENT ASSETS			
Other receivables	13	71,392	31,378
Cash and cash equivalents		913,257	543,198
		984,649	574,576
TOTAL ASSETS		**24,067,995**	**19,737,360**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	15	302,286	186,232
TOTAL LIABILITIES		**302,286**	**186,232**
NET CURRENT ASSETS		682,363	388,344
NET ASSETS		**23,765,709**	**19,551,128**
SHAREHOLDERS' EQUITY			
Called up share capital	16	12,273,077	10,582,129
Share premium		32,426,049	28,875,061
Retained earnings		(20,933,417)	(19,906,062)
TOTAL EQUITY		**23,765,709**	**19,551,128**

The loss for the financial year dealt with in the financial statement of the parent company was £ 1,951,935 (2016: £8,509,435).

The financial statements were approved and authorised for issue by the Board of directors on 23 March 2018 and were signed on its behalf by:

Mark Child

M L Child - Chairman
Company No: 05587987

The notes in pages 45 to 63 form an integral part of these financial statements

CONDOR GOLD PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2017

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2016	9,161,463	27,442,728	(13,896,671)	22,707,520
Comprehensive income:				
Loss for the period	-	-	(8,509,435)	(8,509,435)
Total comprehensive income	-	-	(8,509,435)	(8,509,435)
New shares issued	1,420,666	1,432,333	-	2,852,999
Share based payment	-	-	2,500,044	2,500,044
At 31 December 2016	10,582,129	28,875,061	(19,906,062)	19,551,128
Comprehensive income:				
Loss for the period	-	-	(1,951,935)	(1,951,935)
Total comprehensive income	-	-	(1,951,935)	(1,951,935)
New shares issued	1,690,948	3,550,988	-	5,241,936
Share based payment	-	-	924,580	924,580
At 31 December 2017	12,273,077	32,426,049	(20,933,417)	23,765,709

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

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

The notes in pages 45 to 63 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	31.12.17	31.12.16
	£	£
Cash flows from operating activities		
Loss before tax	(3,023,615)	(7,682,231)
Share based payment	740,362	2,500,053
Depreciation charges	88,800	47,897
Impairment charge of intangible fixed assets	-	33,975
Exchange differences	(54,365)	-
Finance income	(338)	(1,732)
Write off of El Salvador	-	4,063,136
	(2,249,156)	(1,038,902)
Decrease in trade and other receivables	224,274	392,942
Increase / (Decrease) in trade and other payables	93,480	(206,772)
Net cash absorbed in operating activities	(1,931,402)	(852,732)
Cash flows from investing activities		
(Purchase)/disposal of tangible fixed assets	(128,667)	32,593
Purchase of intangible fixed assets	(2,819,554)	(1,892,692)
Interest received	338	1,732
Net cash absorbed in investing activities	(2,947,883)	(1,858,367)
Cash flows from financing activities		
Net proceeds from share issue	5,241,936	2,852,999
Net cash from financing activities	5,241,936	2,852,999
Increase in cash and cash equivalents	362,651	141,900
Cash and cash equivalents at beginning of year	583,610	1,105,457
Exchange (loss)/gains in cash and bank	-	(663,747)
Cash and cash equivalents at end of year	946,261	583,610

The notes in pages 45 to 63 form an integral part of these financial statements

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Year Ended 31.12.17 £	Year Ended 31.12.16 £
Cash flows from operating activities		
Loss before tax	(1,951,935)	(8,509,435)
Share based payment	740,362	2,377,414
Depreciation charges	1,196	1,542
Finance income	(338)	(1,722)
Write off of El Salvador	-	3,211,018
	(1,210,715)	(2,921,183)
Increase / (decrease) in trade and other receivables	(40,014)	2,130,675
Decrease / (increase) in trade and other payables	116,054	(293,941)
Net cash from/(absorbed) in operating activities	76,040	(1,084,449)
Cash flows from investing activities		
Interest received	338	1,722
Purchase of tangible fixed assets	-	(2,905)
Loans to subsidiaries	(3,735,135)	(2,170,364)
Purchase of fixed asset investments	(2,405)	(136,891)
Net cash absorbed in investing activities	(3,737,202)	(2,308,438)
Cash flows from financing activities		
Proceeds from share issue	5,241,936	2,852,999
Net cash from financing activities	5,241,936	2,852,999
Increase / (Decrease) in cash and cash equivalents	370,059	(539,888)
Cash and cash equivalents at beginning of year	543,198	1,083,086
Cash and cash equivalents at end of year	913,257	543,198

The notes in pages 45 to 63 form an integral part of these financial statements

1. ACCOUNTING POLICIES

General information

These consolidated financial statements are for Condor Gold Plc and its subsidiary undertakings. The Company is a public company registered in England and Wales on 10 October 2005 and is listed on the AIM Market of the London Stock Exchange, the Toronto Stock Exchange in Canada and on the OTCQX market in the United States of America. The address of its registered office is Origin Two, 106 High Street, Crawley, West Sussex, England, RH10 1BF. The nature of the Group's operation is described in the Directors' report. For the subsidiaries, the registered offices are: Condor S.A.; Reparto San Juan, Gimnasio Hercules 1 c al Sur 2 arriba, Apartamentos Isolsa #2, Managua Nicaragua 14002, and La India Gold S.A; La Cruz de La India, Centro de Salud 50 vrs al Sur, Municipio de Santa Rosa del Peñon, Departamento de Leon. Minerales Morazan S.A. De C.V. is in the process of closing.

Functional and presentation currency

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

Basis of preparation

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

The operations of the Group are currently financed from funds which the Company has raised from shareholders. The Group has not yet earned revenues and is still in the exploration phase of its business. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only and further funding will be required to finance those activities. The directors of the Company are seeking further funding by way of an issue of new shares in order to meet operational cash flows requirements. Should sufficient funding not be obtained, the Company and the Group will be unable to continue trading and adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current assets.

The financial statements have been rounded to the nearest pound.

Interpretations and amendments to published standards effective in 2017

The adoption of IFRS and IFRIC Interpretations did not result in any substantial changes to the Group's accounting policies, nor any significant impact on these financial statements except for presentation and disclosures in the financial statements.

Standards, amendments and interpretations to published standards not yet effective

The Directors have considered those Standards and Interpretations, which have not been applied in the Financial Statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Group.

The directors are assessing the potential impact of IFRS 9 on the Group's accounts. The new impairment rules may have a material impact on the investments going forward. The impact is being investigated and will be shown in the interim financial statements.

Basis of consolidation

The Group financial statements consolidate the accounts of its subsidiaries; Minerales Morazan S.A. De C.V., Condor S.A., La India Gold S.A. and La India Inversiones S.A. under the acquisition method. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

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

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

1. ACCOUNTING POLICIES - continued

Business combinations

On the acquisition of a subsidiary, fair values are attributed to the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions necessary for recognition, on the basis of fair value at the acquisition date. Those mineral reserves and resources that are able to be reliably measured are recognised in the assessment of fair values on acquisition.

Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchase goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the cost of acquisition is less than the value attributable to such net assets, the difference is treated as negative goodwill and is recognised immediately in the income statement.

Financial instruments

(a) Financial assets
Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity financial assets, and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at recognition. Where financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Group transfers substantially all risks and rewards of ownership.

Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less impairment.

Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents include cash-in-hand and deposits held with banks.

(b) Financial liabilities
Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

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

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Intangible assets – exploration costs, licences and minerals resources

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

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

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

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

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

1. ACCOUNTING POLICIES - continued

Foreign currencies

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

On consolidation of a foreign operation, assets and liabilities are translated at the balance sheet rates, income and expenses are translated at rates ruling at the transaction date. All resulting exchange differences shall be recognised in other comprehensive income and accumulated in equity.

Share based payments

The fair value of equity instruments granted to directors, employees and consultants is charged to the income statement with a corresponding increase in equity. The fair value of share options is measured at grant date, using the Black-Scholes model, and spread over the period during which the employee becomes unconditionally entitled to the award. The charge is adjusted to reflect the number of shares or options that vest, except where forfeiture is due to criteria, as stated in the share option agreements.

Critical accounting estimates and judgements

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

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

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

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

Determining whether the intangible assets and/or investments and/or intercompany loan are impaired requires an estimation of the value in use of the cash generating units to which the intangible assets belong. Where impairment indicators are present, the Group is required to evaluate the future cash flows expected to arise from the cash-generating unit and the suitable discount rate in order to calculate the present value, as explained further in note 11

b) Share based payments

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

The valuation of these options involved making a number of critical estimates relating to going concern, price volatility, future dividend yields, expected life of the options and interest rates. These assumptions are described in more detail in note 18.

c) Going concern

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date the group had £946,261 of cash. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date. These conditions indicate the existence of a material uncertainty and may cast doubt on the Group and Company's ability to continue as a going concern.

Nevertheless, the financial statements have been prepared on a going concern basis. Should sufficient funding not be obtained, the Company and the Group will be unable to continue trading and adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current assets.

2. REVENUE AND SEGMENTAL REPORTING

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

The Group's operations are located in UK and Nicaragua. The Group undertakes only one business activity as described in the Director's Report. The Company is in the process of winding up its operations in El Salvador.

Revenue and results

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

The segment results are the measures that are reported to the Groups' chairman in order to assess the segments' performance during the period.

The Group has not generated revenue during the year.

The Group's results by reportable segment for the year ended 31 December 2017 are as follows:

	UK	**El Salvador**	**Nicaragua**	**Consolidation**
	£	**£**	**£**	**£**
RESULTS				
Operating loss	(1,951,935)	-	(1,072,018)	(3,023,953)
Interest income	338	-	-	338
Write off of El Salvador	-	-	-	-
Income tax expense	-	-	-	-
Included in operating loss				
Depreciation	(1,195)	-	(87,604)	(88,799)

The Group's results by reportable segment for the year ended 31 December 2016 are as follows:

	UK	**El Salvador**	**Nicaragua**	**Consolidation**
	£	**£**	**£**	**£**
RESULTS				
Operating loss	(3,172,514)	(39,114)	(407,249)	(3,618,877)
Interest income	1,722	10	-	1,732
Write off of El Salvador	(2,127,626)	(1,937,460)	-	(4,065,086)
Included in operating loss				
Impairment of intangibles	-	(33,974)	-	(33,974)
Depreciation	(1,542)	-	-	(1,542)

3. REVENUE AND SEGMENTAL REPORTING - continued

Assets - 2017

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

	UK £	Nicaragua £	Consolidation £
ASSETS			
Total assets	1,735,694	18,730,828	20,466,522
LIABILITIES			
Total liabilities	302,286	142,744	445,030

The group had intercompany debt owed to the UK at 31 December 2017 split segmentally as follows:
Due from El Salvador £NIL
Due from Nicaragua £22,329,897

Assets - 2016

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

	UK £	Nicaragua £	Consolidation £
ASSETS			
Total assets	1,141,438	16,146,007	17,287,445

	UK £	El Salvador £	Nicaragua £	Consolidation £
LIABILITIES				
Total liabilities	186,232	-	165,319	351,551

The Group had intercompany debt owed to the UK at 31 December 2016 split segmentally as follows:
Due from El Salvador £NIL
Due from Nicaragua £18,594,762

4. STAFF COSTS

	31.12.17	31.12.16
	£	£
Wages and salaries	3,823,493	3,199,316
Social security costs	293,524	216,808
Cost of share options	879,447	921,079
	4,996,464	4,337,203

Staff costs included within additions to exploration costs during the year were £470,436 (2016: £351,440).

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

	Group		Company	
	2017	2016	2017	2016
Directors	5	5	3	3
Employees	81	45	1	1
	86	50	4	4

Directors' remuneration, which form part of key management personnel is described below. There are no other key management personnel in the opinion of the directors.

	Salary Payments		Related Party Payments *		Share option charges		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	£	£	£	£	£	£	£	£
M L Child	100,000	100,000	58,333	53,318	220,860	334,937	379,193	488,255
K Harcourt	25,000	21,833	-	-	41,411	83734	66,411	105,567
J Mellon	-	-	25,128	20,667	41,411	83734	66,539	104,401
R Davey	24,996	26,895	-	-	41,411	83734	66,407	110,629
P Flindell	-	-	56,718	31,988	41,411	83734	98,129	115,722
Total	149,996	148,728	140,719	105,973	386,504	669,873	676,679	924,574

* Refer to Note 18 for listing of related parties

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

4. STAFF COSTS - continued

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

	Exercise price (p)	Latest exercise date	As at 1 January 2017	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2017
DIRECTORS							
M L Child	100	24 June 2017	250,000	-	-	(250,000)	-
	100	1 July 2018	600,000	-	-	-	600,000
	100	23 July 2019	600,000	-	-	-	600,000
	67	7 July 2020	600,000	-	-	-	600,000
	80	26 Sept 2021	600,000	-	-	-	600,000
	62	6 July 2022	-	800,000	-	-	800,000
J Mellon	100	24 June 2017	100,000	-	-	(100,000)	-
	100	1 July 2018	150,000	-	-	-	150,000
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	-	150,000	-	-	150,000
R Davey	180	5 Jan 2017	100,000	-	-	(100,000)	-
	100	24 June 2017	100,000	-	-	(100,000)	-
	100	1 July 2018	150,000	-	-	-	150,000
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022		150,000	-	-	150,000
P Flindell	160	30 June 2018	62,500	-	-	-	62,500
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 Jul 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	-	150,000	-	-	150,000
K Harcourt	67	7 Jul 2020	50,000	-	-	-	50,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	-	150,000	-	-	150,000

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

The market price of the shares at 31 December 2017 was 40.50 pence (2016: 51.50 pence).
The market price during the year ranged from 30.50 pence to 73.0 pence (2016: 17 pence to 88 pence).
Directors held 627,956 warrants as at 31 December 2017 (2016: 491,110), to subscribe for ordinary shares of the company. No warrants held by the directors expired during the year.

5. FINANCE INCOME

	31.12.17 £	31.12.16 £
Deposit account interest	338	1,732

6. LOSS BEFORE TAX

The loss before tax is stated after charging:

	31.12.17 £	31.12.16 £
Depreciation – owned assets	1,195	1,542
Fees payable to the company's auditor for the audit of parent company and consolidated financial statements	32,900	20,000
Foreign exchange differences	11,941	55,481
Impairment of El Salvador assets (See note 11)	-	4,872,513
Rent – operating leases	8,121	8,238

7. TAXATION

Analysis of the tax charge	31.12.17 £	31.12.16 £
Current tax:		
Tax	-	-
Total tax charge in income statement	-	-

Reconciliation of the tax charge

	31.12.17 £	31.12.16 £
Loss before tax	(1,951,985)	(8,509,435)
Loss before tax multiplied by standard rate of Corporation tax in the UK of 20% (2015: 20%)	(390,387)	(1,701,887)
Effects of:		
Non-taxation income/(non-deductible expenses)	239	617
Deferred tax not provided	390,148	1,701,270
Differences in overseas taxation rates	-	-
Total tax charge in income statement	-	-

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to certain losses carried forward at the year end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised. The unrecognised deferred tax asset was £3,279,664 (2016: £3,062,140).

8. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £1,951,935 (2016: £8,509,435).

9. LOSS PER SHARE

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

A reconciliation is set out below:

Basic earnings per share	31.12.17 £	31.12.16 £
Loss for the year	(3,023,615)	(7,682,231)
Weighted average number of shares	59,994,972	52,910,649
Loss per share (in pence)	(5.04)	(14.52)

Diluted earnings per share

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

10. PROPERTY, PLANT AND EQUIPMENT

	Improvements to rental property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer equipment & software £	Totals £
Group						
Cost or valuation:						
At 1 January 2016	205,112	154,027	34,002	117,817	62,307	573,265
Additions	1,454	3,922	775	-	11,422	17,573
Disposals	-	(663)	(2,868)	-	(3,010)	(6,541)
Exchange difference	(2,348)	225	1,621	(1,348)	2,296	446
At 31 December 2016	204,218	157,511	33,530	116,469	73,015	584,743
Additions	22,463	7,610	8,776	77,871	12,809	129,529
Disposals	-	(860)	-	-	-	(860)
Exchange difference	(2,595)	(876)	822	(1,480)	1,039	(3,090)
At 31 December 2017	224,086	163,385	43,128	192,860	86,863	710,322
Accumulated depreciation and impairment:						
At 1 January 2016	(40,789)	(59,998)	(26,303)	(73,163)	(54,499)	(254,752)
Charge for period	(33,964)	(28,139)	(5,173)	(22,125)	(8,266)	(97,667)
Disposals	-	429	2,869	-	2,848	6,146
Exchange difference	464	(1,302)	(1,704)	837	(2,375)	(4,080)
At 31 December 2016	(74,289)	(89,010)	(30,311)	(94,451)	(62,292)	(350,353)
Charge for period	(26,589)	(26,796)	(1,485)	(26,325)	(7,604)	(88,799)
Disposals	-	-	-	-	-	-
Exchange difference	946	5	(860)	1,200	(1,142)	149
At 31 December 2017	(99,932)	(115,801)	(32,656)	(119,576)	(71,038)	(439,003)
Net Book Value:						
At 31 December 2016	129,929	68,501	3,219	22,018	10,723	234,390
At 31 December 2017	124,154	47,584	10,472	73,284	15,825	271,319

The current year depreciation charge for the subsidiaries of £87,604 (2016: £96,125) is included within the addition to exploration costs in the year.

10. PROPERTY, PLANT AND EQUIPMENT – continued

Company	Fixtures & fittings £	Computer Equipment £	Totals £
Cost:			
At 1 January 2016	2,601	15,443	18,044
Additions	121	2,784	2,905
At 1 January 2017	2,722	18,228	20,949
Additions	-	-	-
At 31 December 2017	2,722	18,228	20,950
Depreciation:			
At 1 January 2016	(2,068)	(14,672)	(16,740)
Charge for the year	(527)	(1,015)	(1,542)
At 1 January 2017	(2,595)	(15,687)	(18,282)
Charge for the year	(52)	(1,144)	(1,196)
At 31 December 2017	(2,647)	(16,831)	(19,478)
Net Book Value:			
At 31 December 2016	127	2,540	2,667
Net book Value:			
At 31 December 2017	75	1,397	1,472

11. INTANGIBLE ASSETS

	Exploration costs	Mineral resources	Licences	Total
	£	£	£	£
Group				
Cost or valuation:				
At 1 January 2016	17,818,008	3,183,700	472,036	21,473,744
Additions	1,633,171	259,521	-	1,892,692
Disposals	-	-	-	-
Exchange difference	(250,881)	-	-	(250,881)
At 31 December 2016	19,200,298	3,443,221	472,036	23,115,555
Additions	3,239,665	184,218	-	3,423,883
Disposals	-	-	-	-
Exchange difference	(420,109)	-	-	(420,109)
At 31 December 2017	22,019,854	3,627,439	472,036	26,119,329
Accumulated depreciation and impairment:				
At 1 January 2016	(1,964,113)	(663,510)	(472,036)	(3,099,659)
Impairment for year	(1,877,346)	(2,214,356)	-	(4,091,702)
At 31 December 2016	(3,841,459)	(2,877,866)	(472,036)	(7,191,361)
Impairment for year	-	-	-	-
At 31 December 2017	(3,841,459)	(2,877,866)	(472,036)	(7,191,361)
Net Book Value:				
At 31 December 2016	15,358,839	565,355	-	15,924,194
At 31 December 2017	18,178,395	749,573	-	18,927,968

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

In arriving at its assessment as to whether an impairment review is required in relation to its Nicaragua assets, which amounted to £18,743,750 (2016: £15,924,194) at the balance sheet date, the following factors were considered:

- The exploration assets are in good standing;
- Substantive expenditure is planned on further exploration for and evaluation of mineral resources in Nicaragua project areas;
- Results from exploration for evaluation of mineral resources to date lead the directors to believe that the projects can be developed into significant commercial reserves;
- Sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale.
- The Company published a Technical Report entitled "*Technical Report 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 National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Technical Report included a Pre-Feasibility Study ("PFS"), the financial results and conclusions of which clearly indicated the economic viability of the La India Project, should capital be raised in order to proceed with the development of the project. The Directors undertook an assessment of impairment through evaluating the results of the PFS, which is still applicable and relevant throughout 2017 and judged that no impairment was required with regards to the La India Project.
- The directors have also considered sensitivity analysis on the key assumptions used in the PFS, which are production volumes, discount rates, material prices, and operating costs.

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

In 2016 the Company had conducted an impairment review of its El Salvadorian assets. In arriving at its assessment as to whether an impairment was required in relation those assets, which amounted to £4,057,728 as at 31 December 2016, the Board made a decision to impair all assets in El Salvador.

12. INVESTMENTS

Company	Equity in subsidiary undertakings	Capital contribution	Total
	£	£	£
Cost:			
1 January 2016	3,189,101	991,261	4,180,362
Addition relating to share-based payment	254,120	-	254,120
31 December 2016	3,443,221	991,261	4,434,482
Addition relating to share-based payment	184,217	-	184,217
Share capital in subsidiary	2,405	-	2,405
At 31 December 2017	3,629,843	991,261	4,621,104
Provision for impairment:			
Charge at 1 January 2016	(663,510)	-	(663,510)
Charge for the year	(2,214,356)	(991,261)	(3,205,617)
At 31 December 2016	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2017	(2,877,866)	(991,261)	(3,869,127)
Net Book Value:			
At 31 December 2016	565,355	-	565,355
At 31 December 2017	751,977	-	751,977

In assessing whether an impairment is required for the carrying value of an asset, reference has been made to the underlying intangible assets discussed in Note 11.

In 2017 the non-cash charge in relation to share-based payments was absorbed by the parent. The capital contribution relating to share based payments in 2017 relates to 481,000 share options granted by the Company to employees of a subsidiary undertaking in the Group during a previous year. Refer to Note 17 for further details of share options.

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

Name	Country of incorporation	Interest %	Class of shares	Nature of the business	Share capital and reserves	Loss for the year
					£	£
Minerales Morazan S.A. de C.V.	El Salvador	90	Ordinary	Gold and silver exploration	(850,545)	nil
Condor S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(1,391,389)	(26,980)
La India Gold S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(2,314,263)	(382,084)
La India Inversiones S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(22,208)	(24,612)

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Current:				
Trade and Other receivables	143,638	498,363	71,392	9,167
Prepayments	177,336	46,888	-	22,211
	320,974	545,251	71,392	31,378
Non-current:				
Amounts owed by Group undertakings	-	-	22,329,897	22,378,401
Provision	-	-	-	(3,783,639)
	-	-	22,329,897	18,594,762
	320,974	545,251	22,401,289	18,626,140

In assessing whether an impairment is required for the carrying value of the amounts owed by Group undertakings to the Company, reference has been made to the underlying intangible assets discussed in Note 11. The reconciliation of amounts owed by Group undertakings is included in note 18.

14. FINANCIAL INSTRUMENTS

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

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

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

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

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

14.1 Financial instruments by category

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Assets as per balance sheet				
Loans and receivables:				
Other receivables	320,974	545,251	71,392	31,378
Receivable from subsidiaries	-	-	22,329,897	18,594,762
Cash and cash equivalents	946,261	583,610	913,257	543,198
Total	1,267,235	1,128,861	23,314,546	19,169,338

14. FINANCIAL INSTRUMENTS – continued

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Liabilities as per balance sheet				
Loans and receivables:				
Trade and other payables	174,474	125,988	155,930	114,169
Accrued expenses	270,557	225,563	146,356	72,063
Total	445,031	351,551	302,286	186,232

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

14.2 Financial risk management objectives and policies

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

(a) Foreign currency exchange risks

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

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

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2017	2016	2017	2016
GBP/USD	0.7759	0.7405	0.7402	0.8127
GBP/NIO	0.0257	0.0255	0.0325	0.0279

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

The Nicaraguan Cordoba (NIO) is set on a crawling peg to the US Dollar, with a fixed 5% devaluation per annum. Therefore the Directors do not currently consider any change in the relative strength of the Cordoba to be a risk to the Company. Should NIO break away from its crawling peg to the USD, the Directors will review this risk.

(b) Credit risk

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

(c) Liquidity risks

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

14. FINANCIAL INSTRUMENTS – continued

(d) Cash flow and fair value interest rate risks

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

The main financial risks for the Group are set out within the Strategic Report on pages 5-8.

At 31 December 2017 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows:

	31.12.17		31.12.16	
	£	Weighted average interest rate	£	Weighted average interest rate
Financial assets:				
GBP – cash and cash equivalents	913,257	0.20%	543,198	0.20%
USD – cash and cash equivalents	-	0.00%	-	0.00%
NIO – cash and cash equivalents	33,004	0.00%	40,412	0.00%
Total	946,261		583,610	

A decrease of 1% on the interest rates offered by the bank will not result in a material decrease in interest receivable.

(e) The Group prepares budgets and forecasts to project its future spend and manages the capital available accordingly.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Current:				
Social security and other taxes	21,279	19,465	4,719	8,517
Trade and Other payables	153,195	106,524	151,211	105,651
Accrued expenses	270,557	225,562	146,356	72,064
Total	445,031	351,551	302,286	186,232

The Company and the Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. The directors do not consider that is a material risk to the Group.

The application of the new impairment rules may have a material impact on the investments going forward. The impact is being investigated and will be shown in the interim financial statements.

16. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	Number of shares (thousands)	Ordinary shares £	Share premium £	Total £
At 31 December 2015	45,807	9,161,463	27,442,728	36,604,191
Proceeds from shares issued	7,103	1,420,666	1,432,333	2,852,999
At 31 December 2016	52,910	10,582,129	28,875,061	39,457,190
Proceeds from shares issued	8,455	1,690,948	3,550,988	5,241,936
At 31 December 2017	61,365	12,273,077	32,426,049	44,699,126

On 20 February 2017, 8,454,733 ordinary shares were issued at a price of 62p per share. Issued and outstanding shares as at 31 December 2017 totalled 61,365,380 (31 December 2016: 52,910,647).

The company has one class of ordinary shares which carry no right to fixed income nor have any restrictions attached.

17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

a) Share Options

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

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

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

Details of the share options outstanding during 2016 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2016 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2016	Date from which options are first exercisable	Lapse date
15/04/2011	1.80	470,000	-	-	(470,000)	-	16/04/2014	14/04/2016
25/06/2012	1.16	546,400	-	-	7,500	553,900	25/06/2013	24/06/2017
01/07/2013	1.00	1,140,100	-	-	-	1,140,100	01/07/2014	30/06/2018
23/07/2014	1.00	1,413,500	-	-	(12,000)	1,401,500	24/07/2015	22/07/2019
07/07/2015	0.67	1,367,000	-	-	(12,000)	1,355,000	07/07/2016	06/07/2020
26/06/2016	0.80	-	1,740,000	-	-	1,740,000	26/06/2017	25/06/2021
		4,937,000	1,740,000	-	(486,500)	6,190,500		

17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS - continued

Details of the share options outstanding during 2017 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2017 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2017	Date from which options are first exercisable	Lapse date
25/06/2012	1.16	553,900	-	-	(553,900)	-	25/06/2013	24/06/2017
01/07/2013	1.00	1,140,100	-	-	-	1,140,100	01/07/2014	30/06/2018
23/07/2014	1.00	1,401,500	-	-	-	1,401,500	24/07/2015	22/07/2019
07/07/2015	0.67	1,355,000	-	-	(100,000)	1,255,000	07/07/2016	06/07/2020
26/06/2016	0.80	1,740,000	-	-	(18,000)	1,722,000	26/06/2017	25/06/2021
06/07/2017	0.62	-	1,985,000	-	(52,000)	1,933,000	06/07/2018	05/07/2022
01/11/2017	0.62	-	50,000	-	-	50,000	01/11/2018	31/10/2022
14/12/2017	0.62	-	50,000	-	-	50,000	14/12/2018	13/12/2022
		6,190,500	2,085,000	-	(723,900)	7,551,600		

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

Options issued during the year:	£0.62
Options lapsed during the year:	£1.04
Options outstanding at 31 December 2017:	£0.80
Options exercisable at 31 December 2017:	£0.87

During the year 663,900 share options expired (2016: 462,500) and 60,000 were forfeited (2016: 24,000).

The weighted average exercise price per share is 80p (2016: 89p) and the average contractual life is 5 years (2016: 5 years).

The weighted average fair value of options granted during the year is 27p (2016: 56p).

The estimated fair value of the options granted in 2017 was £550,815 (2016: £971,316) and 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 inputs into the model were as follows:

	2017	2017	2017	2016
Number of options issued	50,000	50,000	1,985,000	1,740,000
Share price	41p	43p	54p	63p
Exercise price	50p	62p	62p	80p
Expected volatility	67%	67%	67%	150%
Expected life (yrs.)	5	5	5	5

A movement through reserves of £924,580 (2016: £2,500,053) was made during the year reflecting the movements on issued warrants and options during the year.

Expected volatility was determined with reference to the historical volatility of the Company's share price. With regard to options issued in 2017, calculation of volatility was based upon the 5 year life of the options. For calculation of the volatility of the options issued in 2016, the expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The weighted average remaining contractual life of the share options outstanding at the end of the period is 4 years (2016: 4 years).

17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS - continued

b) Warrants

During the year the Company did not issue any warrants to its consultants for services provided (2016: NIL). During the year 4,227,364 warrants were issued as part of share subscriptions (2016: 4,696,666).

The warrants all previously issued had a maximum life of two and a half years from the date they were issued, other than the 2014 warrants which have a 4 year life and the 2016 warrants which have a 2 year life. Should all warrants be exercised in full, the Company would receive £11,842,455 (2016: £7,910,997).

This fair value has been calculated using the Black-Scholes pricing model as detailed below:

	2017	2016
Number of warrants issued	4,227,364	4,696,666
Share price	54p	45p
Exercise price	62p	60p
Expected volatility	17%	150%
Expected life (yrs.)	2	2

Volatility of the warrants issued in 2017 was calculated by reference to the volatility of the share price of the Company over the 2 year period prior to issue, this being the expected life of the warrants. For calculation of the volatility of the warrants issued in 2016, the expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

18. RELATED PARTY TRANSACTIONS

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

Company	Related party	31.12.17 £	31.12.16 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,128	20,667	-
Axial Associates Limited	M L Child	58,333	53,312	8,333
N/A	P Flindell	56,718	31,988	-

Mr. Flindell received additional remuneration in his capacity as a non-executive director for providing services to the Company. All key management receives their remuneration from the subsidiary they work for. The remuneration of key management in the subsidiaries is capitalised within exploration costs.

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

Condor S.A.	31.12.17 £	31.12.16 £
Brought forward loan balance	4,739,753	3,868,008
Additional loans during the period	1,375,607	871,745
Management charges	319,000	-
Closing balance	6,434,360	4,739,753

Minerales Morazan S.A.	31.12.17 £	31.12.16 £
Brought forward loan balance	-	2,083,459
Additional loans during the period	-	44,167
Loan write off	-	(2,127,626)
Closing balance	-	-

La India Gold S.A.	31.12.17 £	31.12.16 £
Brought forward loan balance	13,855,009	12,600,557
Additional loans during the period	1,559,351	1,254,452
Management charges	319,000	-
Closing balance	15,733,360	13,855,009

18. RELATED PARTY TRANSACTIONS - continued

	31.12.17	31.12.16
La India Inversiones S.A.	£	£
Brought forward loan balance	-	-
Additional loans during the period	162,177	-
Closing balance	162,177	-

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

19. OPERATING LEASES

The Group has an operating lease for rent. The total value of minimum lease payments is £34,689 (2016: £16,670), and the amount due within one year is £ 19,497 (2016: £8,335).

20. CONTROLLING PARTY

There is no ultimate controlling party.

21. POST BALANCE SHEET EVENTS

On 15 January 2018 the Company’s shares were also listed on the Toronto Stock Exchange. On 15 January 2018 the company announced that Mr Roger Davey had retired as a director of the company and Mr Andrew Cheatle was appointed as a director of the company as at the same date.