

Company number: 05587987

CONDOR GOLD PLC
Interim Accounts
For the Three and Nine Months Ended 30 September 2019

CONDOR GOLD PLC

Highlights for the third quarter of 2019

- In July, the Company raised £4,038,504 by way of a private placement of new ordinary shares. The principal use of proceeds is to meet conditions of the Environmental Permit to construct and operate a mine for La India open pit. Proceeds are being used to buy land required for the mine site infrastructure, complete engineering studies ahead of a construction decision and complete 18 technical studies required for Environmental and Social Impact Assessments (“ESIAs”) for 2 high grade satellite feeder pits.
- Significant advancement with 18 technical studies required for ESIAs for 2 high grade satellite feeder pits
- Nicaragua Milling Company Limited became a new 10.4% shareholder in the Company. Randy Martin, the majority owner, has built 3 gold mines in Nicaragua, which are currently in operation.
- Approximately 300 hectares of land has been purchased at the La India Project on and surrounding the mine site infrastructure.
- Government of Nicaragua granted Condor Gold the 132.1 km² Los Cerritos exploration and exploitation concession, which expands the La India Project concession area by 29% to a total of 587.7 km²

Post Period Highlights

- The engineering studies for the Tailings Storage Facility and Water Management System for the mine have been awarded to Tierra Group Inc, based in Denver, USA
- The ESIAs required for the application for the Environmental Permits to extract gold from 2 high grade satellite feeder pits are almost completed.

Mark Child, Chairman and Chief Executive of Condor Gold, commented:

“During Q3 2019, Condor Gold continued to make solid progress by de-risking the La India Project ahead of a construction decision. Offers have been made to all landowners to purchase the freehold land within the area of the mine site infrastructure. The majority of the technical and engineering studies required prior to construction by the Ministry of the Environment and Natural Resources (“MARENA”) have been initiated. The engineering studies for the Tailings Storage Facility and Water Management System for the mine have been awarded to Tierra Group Inc, based in Denver, USA. The mine and waste dump schedules have been completed, while the sewage and water system designs for the office and accommodation blocks at the mine have been approved.

The Company will submit two Environmental and Social Impact Assessments to MARENA within the near future, which apply for Environmental Permits to extract gold from the high grade Mestiza and America satellite feeder pits. These have the potential to increase annual production from open pit material by 50% to 120,000 oz gold p.a. for a seven year life of mine, as compared to the PFS study and will result in over 1 million ounces gold being permitted for extraction.”

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS TO 30 SEPTEMBER 2019**

		Nine months to 30.09.19 unaudited £	Nine months to 30.09.18 unaudited £	Three months to 30.09.19 unaudited £	Three months to 30.09.18 unaudited £
Revenue		-	-	-	-
Share based payments		(147,479)	(501,530)	(46,871)	(35,225)
Administrative expenses		(823,867)	(1,112,147)	(271,283)	(289,963)
Operating loss	Note 3	<u>(971,346)</u>	<u>(1,613,677)</u>	<u>(318,154)</u>	<u>(325,188)</u>
Finance income		2,763	1,797	2,029	839
Loss before income tax		<u>(968,583)</u>	<u>(1,611,880)</u>	<u>(316,125)</u>	<u>(324,349)</u>
Income tax expense	Note 4	-	-	-	-
Loss for the period		<u>(968,583)</u>	<u>(1,611,880)</u>	<u>(316,125)</u>	<u>(324,349)</u>
Other comprehensive income/(loss):					
Currency translation differences		<u>(24,470)</u>	<u>182,041</u>	<u>421,135</u>	<u>(10,370)</u>
Other comprehensive income/(loss) for the period		<u>(24,470)</u>	<u>182,041</u>	<u>421,135</u>	<u>(10,370)</u>
Total comprehensive loss for the period		<u>(993,053)</u>	<u>(1,429,839)</u>	<u>105,010</u>	<u>(334,719)</u>
Loss attributable to:					
Non-controlling interest		-	-	-	-
Owners of the parent		<u>(968,583)</u>	<u>(1,611,880)</u>	<u>(316,125)</u>	<u>(324,349)</u>
		<u>(968,583)</u>	<u>(1,611,880)</u>	<u>(316,125)</u>	<u>(324,349)</u>
Total comprehensive loss attributable to:					
Non-controlling interest		-	-	-	-
Owners of the parent		<u>(993,053)</u>	<u>(1,429,839)</u>	<u>105,010</u>	<u>(334,719)</u>
		<u>(993,053)</u>	<u>(1,429,839)</u>	<u>105,010</u>	<u>(334,719)</u>
Loss per share expressed in pence per share:					
Basic and diluted (in pence)	Note 7	<u>(1.24)</u>	<u>(2.46)</u>	<u>(0.35)</u>	<u>(0.48)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	30.09.19 unaudited £	31.12.18 audited £	30.09.18 unaudited £
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	219,197	211,064	191,881
Intangible assets	21,917,014	20,644,243	20,431,673
	<u>22,136,211</u>	<u>20,855,307</u>	<u>20,623,554</u>
CURRENT ASSETS			
Trade and other receivables	368,789	219,077	312,626
Cash and cash equivalents	3,637,425	220,975	878,272
	<u>4,006,214</u>	<u>440,052</u>	<u>1,190,898</u>
TOTAL ASSETS	<u>26,142,425</u>	<u>21,295,359</u>	<u>21,814,452</u>
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	155,736	251,316	322,218
TOTAL LIABILITIES	<u>155,736</u>	<u>251,316</u>	<u>322,218</u>
NET CURRENT ASSETS	<u>3,850,478</u>	<u>188,726</u>	<u>868,680</u>
NET ASSETS	<u>25,986,689</u>	<u>21,044,043</u>	<u>21,492,234</u>
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	18,932,704	13,435,868	13,435,868
Share premium	33,953,693	33,662,309	33,662,309
Exchange difference reserve	935,321	959,791	763,616
Retained earnings	(27,835,029)	(27,013,925)	(26,369,559)
	<u>25,986,689</u>	<u>21,044,043</u>	<u>21,492,234</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2019**

	Share capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non controlling interest	Total equity
	£	£	£	£	£	£	£
At 1 January 2018	12,273,077	32,426,049	581,575	(25,174,153)	20,106,548	(85,056)	20,021,492
Comprehensive income:							
Loss for the period	-	-	-	(1,611,880)	(1,611,880)	-	(1,611,880)
Other comprehensive income:							
Transactions with non-controlling interest	-	-	-	(85,056)	(85,056)	85,056	-
Currency translation differences	-	-	182,041	-	182,041	-	182,041
Total comprehensive income	-	-	182,041	(1,696,936)	(1,514,895)	85,056	(1,429,839)
New shares issued	1,162,791	1,337,210	-	-	2,500,001	-	2,500,001
Issue costs	-	(100,950)	-	-	(100,950)	-	(100,950)
Share based payment	-	-	-	501,530	501,530	-	501,530
At 30 September 2018	13,435,868	33,662,309	763,616	(26,369,559)	21,492,234	-	21,492,234
At 1 January 2019	13,435,868	33,662,309	959,791	(27,013,925)	21,044,043	-	21,044,043
Comprehensive income:							
Loss for the period	-	-	-	(968,583)	(968,583)	-	(968,583)
Other comprehensive income:							
Transactions with non-controlling interest	-	-	-	-	-	-	-
Currency translation differences	-	-	(24,470)	-	(24,470)	-	(24,470)
Total comprehensive income	-	-	(24,470)	(968,583)	(993,053)	-	(993,053)
New shares issued	5,496,836	291,384			5,788,220		5,788,220
Issue costs							
Share based payment				147,479	147,479		147,479
At 30 September 2019	18,932,704	33,953,693	935,321	(27,835,029)	25,986,689	-	25,986,689

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
AS AT 30 SEPTEMBER 2019

	Nine months to 30.09.19 unaudited £	Nine months to 30.09.18 unaudited £
Cash flows from operating activities		
Loss before tax	(968,583)	(1,611,880)
Share based payment	147,479	501,530
Depreciation charges	35,130	91,350
Impairment charge of intangible fixed assets	-	-
Finance income	(2,763)	(1,797)
	<u>(788,737)</u>	<u>(1,020,797)</u>
(Increase)/decrease in trade and other receivables	(149,712)	8,351
Increase/(decrease) in trade and other payables	(95,580)	(122,813)
	<u>(1,034,029)</u>	<u>(1,135,259)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,275,263)	(1,314,117)
Purchase of tangible fixed assets	(44,015)	(13,571)
Interest received	2,763	1,797
	<u>(1,316,515)</u>	<u>(1,325,891)</u>
Net cash absorbed in investing activities	<u>(1,316,515)</u>	<u>(1,325,891)</u>
Cash flows from financing activities		
Net proceeds from share issue	5,788,220	2,399,051
	<u>5,788,220</u>	<u>2,399,051</u>
Net cash generated in financing activities	<u>5,788,220</u>	<u>2,399,051</u>
Increase / (decrease) in cash and cash equivalents	3,437,676	(62,099)
Cash and cash equivalents at beginning of period	220,975	946,261
Exchange losses on cash and bank	(21,226)	(5,890)
	<u>3,637,425</u>	<u>878,272</u>

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS **FOR THE NINE MONTHS TO 30 SEPTEMBER 2019**

1. COMPLIANCE WITH ACCOUNTING STANDARDS

Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and also as issued by the International Accounting Standards Board (“IASB”). It has been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the annual financial statements for the year ended 31 December 2017 which have been prepared in accordance with IFRS as adopted by the EU and as issued by the IASB.

The interim results for the three and nine months to 30 September 2019 are unaudited and the accounts in this interim report do not therefore constitute statutory accounts in accordance with Section 434 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2018 have been filed with the Registrar of Companies and the auditor's report was unqualified and did not contain any statement under Section 498(2) or 498(3) of the Companies Act 2006. The statutory accounts contained a material uncertainty in respect of going concern which referred to the Group's need to raise further funding in order to progress exploration activity. There were no other matters drawn to the attention of the users of the financial statements in the auditor's report.

The interim financial information for the three and nine months ended 30 September 2019 was approved by the Board on 12 November 2019.

The directors do not propose an interim dividend.

While it is noted that the Company will require further finance within 12 months of the date of release of these financial statements, the Directors consider the going concern basis to be appropriate based on cash flow forecasts and projections and current levels of commitments, cash and cash equivalents, together with the ability of the Company to raise finance in March and July 2019. The comparative period presented is that of the three and nine months ended 30 September 2018.

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

2. ACCOUNTING POLICIES

The interim financial information for the three and nine months ended 30 September 2019 has been prepared on the basis of the accounting policies set out in the most recently published financial statements for the Group for the year ended 31 December 2018, which are available on the Company's website www.condorgold.com and on SEDAR at www.sedar.com, as the Company does not anticipate the addition of new standards to the Group's results for the year ended 31 December 2019 would materially impact the results.

3. REVENUE AND SEGMENTAL REPORTING

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

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

CONDOR GOLD PLC

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2019**

3. REVENUE AND SEGMENTAL REPORTING - continued

The Group's results by reportable segment for the nine month period ended 30 September 2019 are as follows:

	UK Nine months to 30.09.2019 £	Nicaragua Nine months to 30.09.2019 £	Consolidation Nine months to 30.09.2019 £
RESULTS			
Operating (loss)	(931,538)	(39,808)	(971,346)
Finance income	2,763	-	2,763
Income tax	-	-	-
Loss for period	(928,775)	(39,808)	(968,583)

The Group's results by reportable segment for the three month period ended 30 September 2019 are as follows:

	UK Three months to 30.09.2019 £	Nicaragua Three months to 30.09.2019 £	Consolidation Three months to 30.09.2019 £
RESULTS			
Operating (loss)	(293,089)	(25,065)	(318,154)
Finance income	2,029	-	2,029
Income tax	-	-	-
Loss for period	(291,060)	(25,065)	(316,125)

Assets

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

	UK 30.09.2019 £	Nicaragua 30.09.2019 £	Consolidation 30.09.2019 £
ASSETS			
Total assets	<u>4,200,161</u>	<u>21,942,264</u>	<u>26,142,425</u>
LIABILITIES			
Total liabilities	<u>(88,522)</u>	<u>(67,214)</u>	<u>(155,736)</u>

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2019**

3. REVENUE AND SEGMENTAL REPORTING - continued

The Group's results by reportable segment for the nine month period ended 30 September 2018 are as follows:

	UK Nine months to 30.09.2018 £	Nicaragua Nine months to 30.09.2018 £	Consolidation Nine months to 30.09.2018 £
RESULTS			
Operating (loss)	(1,582,038)	(31,639)	(1,613,677)
Finance income	1,797	-	1,797
Income tax			
Loss for period	(1,580,241)	(31,639)	(1,611,880)

The Group's results by reportable segment for the three month period ended 30 September 2018 are as follows:

	UK Three months to 30.09.2018 £	Nicaragua Three months to 30.09.2018 £	Consolidation Three months to 30.09.2018 £
RESULTS			
Operating (loss)	(316,429)	(8,759)	(325,188)
Finance income	839	-	839
Income tax	-	-	-
Loss for period	(315,590)	(8,759)	(324,349)

Assets

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

	UK 30.09.2018 £	Nicaragua 30.09.2018 £	Consolidation 30.09.2018 £
ASSETS			
Total assets	<u>1,605,394</u>	<u>20,209,058</u>	<u>21,814,452</u>

	UK 30.09.2018 £	Nicaragua 30.09.2018 £	Consolidation 30.09.2018 £
LIABILITIES			
Total liabilities	<u>(127,127)</u>	<u>(195,091)</u>	<u>(322,218)</u>

4. TAXATION

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

CONDOR GOLD PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS TO 30 SEPTEMBER 2019

5. INTANGIBLE FIXED ASSETS

During the nine months ended 30 September 2019, the Group acquired intangible assets with a cost of £1,275,63 (nine months ended 30 September 2018: £1,314,117).

During the three months ended 30 September 2019, the Group acquired intangible assets with a cost of £571,376 (three months ended 30 September 2018: £469,055).

6. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

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

	Nine months to 30.09.19 unaudited £	Nine months to 30.09.18 unaudited £	Three months to 30.09.19 unaudited £	Three Months to 30.09.18 unaudited £
Warrants and options charge	(147,479)	(501,530)	(46,871)	(35,225)

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

	2019	2018
Share price	20p	35p
Exercise price	22p	42p
Expected volatility	31.2%	20.4%
Vesting period (yrs.)	2	2
Risk free rate	0.5%	0.5%
Expected dividend yield	-	-

7. EARNINGS PER SHARE

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

A reconciliation is set out below:

	Nine months to 30.09.19	Nine months to 30.09.18
Basic EPS		
(Loss) for the period	(968,583)	(1,611,880)
Weighted average number of shares	77,869,432	65,426,599
(Loss) per share (in pence)	<u>(1.24)</u>	<u>(2.46)</u>

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2019**

	Three months to 30.09.19	Three months to 30.09.18
Basic EPS		
(Loss) for the period	(316,125)	(324,349)
Weighted average number of shares	89,116,126	67,179,335
Loss per share (in pence)	(0.35)	(0.48)

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

8. CALLED-UP SHARE CAPITAL

	30.09.19 £	30.09.18 £
Allotted and fully paid		
Ordinary shares 94,663,522 of 20p each (30.09.18: 67,179,335 of 20p each)	18,932,704	13,435,868

On 1 February 2019, the Company completed a placing of 7,291,667 new, Ordinary shares at a price of 24 pence per share and on 26 July 2019 completed a placing of 20,192,520 new, Ordinary shares at a price of 20p per share. On 23 March 2018, 5,813,953 ordinary shares were issued at a price of 43p per share.

9. RELATED PARTY TRANSACTIONS

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

Company	Related party	Nine months to 30.09.2019 £	Nine months to 30.09.2018 £	Three months to 30.09.2019 £	Three months to 30.09.2018 £
Axial Associates Limited	Mark Child	47,250	57,750	15,750	26,250
Burnbrae Limited	Jim Mellon	18,750	18,750	6,250	6,250
	Peter Flindell	-	12,500	-	-
AMC Geological Advisory	Andrew Cheatle	21,375	26,833	7,375	14,583

No amounts were outstanding at the period end date (30 September 2018: £NIL).

10. SEASONALITY OF THE GROUP'S BUSINESS OPERATIONS

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

11. EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date.