



Condor Gold PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

TWELVE MONTHS ENDED DECEMBER 31, 2020

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Background

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations is prepared as at March 31, 2021 and should be read in conjunction with the audited Consolidated Financial Statements of Condor Gold plc (the "**Company**" or "**Condor**") as at 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and International Accounting Standards as issued by the IASB.

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

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

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

Technical Information

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

Company Overview and Discussion of Operations

Company Overview

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

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

Condor published a PFS on its wholly owned La India Project in Nicaragua in December 2014, as summarised in the Technical Report (entitled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", dated November 13, 2017 with an effective date of December 21, 2014 (the "**Technical Report**"), prepared in accordance with NI 43-101. The Technical Report was prepared by or under the supervision of Dr Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Principal Consultant (Mining), Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, and Neil Lincoln of Lycopodium Minerals Canada Ltd., each of whom is an independent Qualified Person as such term is defined in NI 43-101.

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

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

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

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

SRK MINERAL RESOURCE STATEMENT as of 25 January 2019 (4), (5), (6)								
Category	Area Name	Vein Name	Cut-Off	Gold			Silver	
				Tonnes (kt)	Au Grade (g/t)	Au (Koz)	Ag Grade (g/t)	Ag (Koz) (7)
Indicated	Grand total	All veins	0.5g/t (OP) (1)	8,583	3.3	902	5.6	1,535
			2.0 g/t (UG) (2)	1,267	5.8	238	8.5	345
			Subtotal Indicated	9,850	3.6	1,140	5.9	1,880
Inferred	Grand total	All veins	0.5g/t (OP) (1)	3,014	3.0	290	6.0	341
			2.0 g/t (UG) (2)	3,714	5.1	609	9.6	860
			1.5 g/t (3)	1,751	5.0	280		
			Subtotal Inferred	8,479	4.3	1,179	8.2	1,201

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

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

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

(4) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The concession is wholly owned by and exploration is operated by Condor Gold plc.

(5) The MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) (the "CIM Standards").

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

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

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

SUMMARY OF CURRENT PERMITTED OPEN PITS – LA INDIA PROJECT¹

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

¹ See Company RNS dated 6 May, 2020

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

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

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

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

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

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

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

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

The methods applied to conducting the geological modelling and estimation for the MRE have not changed from those described in the Technical Report. Given that there has been no material change to the MRE, the Mineral Resource Estimate as disclosed in the Technical Report was not materially impacted by this update. More information relating to the updated MRE is supported by the press release titled “Mineral Resource Update on La India Project, Nicaragua, including initial declaration of new open pit Mineral Resource at Mestiza” dated 28 January 2019 which is available on SEDAR under the Company’s issuer profile. The MRE was prepared by SRK Consulting (UK) Limited (“SRK”) and uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014). The MRE update was reviewed and approved by Andrew Cheatle, P. Geo., a qualified person within the meaning of NI 43-101.

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

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

As of the date of this document, a total of 60,843 metres had been drilled by the Company at the La India Project. A total of approximately 79,376 metres of drilling has been completed on La India Project by Condor and previous explorers.

Discussion of Operations

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

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

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

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

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

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

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

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

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

Exploration activities during much of 2020 were focussed on conducting further analysis of drill core from La India, including tests for magnetic susceptibility. Samples from artisanal workings were also taken at the Estrella concession and reconnaissance geological mapping initiated at the Los Cerritos concession.

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

Resources for potential upgrade to an Indicated Mineral Resource and potential inclusion in the mine plan.

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

Developments in the twelve months ended December 31, 2020

On January 10, 2020, the Company announced the appointment of SP Angel Corporate Finance LLP as broker to the Company.

On January 28, 2020, the Company provided an update on permitting for the La India Project. This included an extension granted until 27 July 2021 to complete the conditions of the key La India Environmental Permit.

On February 28 2020, the Company held Public Consultations in the local community as part of the environmental permitting process for the Mestiza and America open pits.

On March 4, 2020, the Company announced a high-grade open pit mining scenario of a total diluted mill feed of 1,637Kt at a 4.65g/t gold diluted head grade containing 245,000 oz gold while leaving the bulk of the La India open pit intact. This can either feed a smaller 1,000tpd processing plant or be available for toll milling.

On March 17, 2020, the Company announced that it had issued 500,000 new, Ordinary Shares in the Company further to the exercise of an equivalent number of warrants at a price of 31 pence per Warrant to raise £155,000.

The award of the environmental permit for the Mestiza open pit was announced by the Company on April 29, 2020.

The award of the environmental permit for the America open pit was announced by the Company on May 6, 2020.

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

On May 29, 2020 the Company announced that pursuant to receipt of notices for the exercise of warrants, it issued 2,984,986 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company, comprising 312,499 at a subscription price of 31p per and 2,672,487 at a subscription price of 25p for which the Company had respectively received gross proceeds of £96,875 and £668,122, or £764,997 in total (the "**May 2020 Warrant Exercise**").

On June 1, 2020 the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 25p per warrant, it issued 817,927 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £204,482.

On July 10, 2020 the Company announced the purchase by Jim Mellon, a Director, of 400,000 Ordinary Shares in the Company at a price of 38p per ordinary share.

On July 29, 2020 the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 31p per warrant, it issued 260,416 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £80,730.

On August 3, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 17,902 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £7,161.

On August 13, 2020 the Company announced that it had acquired circa 85% of the land in and around the permitted La India open pit mine site area thereby getting close to completing one of the main conditions of the Environmental Permit, and furthermore provided an update on various engineering studies.

On August 18, 2020 the Company announced the purchase by Jim Mellon, a Director, of 125,000 Ordinary Shares in the Company at a price of 50.5p per ordinary share.

On August 19, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 20,548 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £8,219.

On August 24, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 120,891 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £48,356.

On August 25, 2020 the Company announced the purchase by Jim Mellon, a Director, of 75,000 Ordinary Shares in the Company at a price of 50.25p per ordinary share.

On August 27, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 54,794 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £21,918.

On September 4, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 75,342 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £30,137.

On September 21, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 40p per warrant, it issued 112,283 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £44,913.

On September 24, 2020 the Company announced the purchase by Jim Mellon, a Director, of 100,000 Ordinary Shares in the Company at a price of 43p per ordinary share.

On September 25, 2020, the Company announced that pursuant to receipt of notices for the exercise of warrants with an exercise price of 31p per warrant, it issued 200,000 new, Ordinary Shares with a nominal value of 20p each in the capital of the Company. The Company had received gross proceeds of £62,000.

On October 27, 2020 the commencement of a ground investigation programme on the tailings storage facility, water retention reservoir and plant location was announced by the Company. This comprises 20 geotechnical drill holes and 58 test pits and is a component of the MARENA permit conditions for La India Open Pit.

On December 7, 2020 the Company announced the commencement of a 4,000 metre in-fill diamond drilling programme at the La India open pit.

On December 16, 2020 the Company announced that it had initiated site preparation activities at the location of the processing plant at La India.

Events subsequent to December 31, 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Status, Plans and Expenditures at the La India Project

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

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

The Company had also prioritised the advancement of the permitting process for two satellite feeder pits at La India, including the Satellite Pit ESIA's and on April 29 and May 6, 2020 announced the award by MARENA of the Mestiza and America Environmental Permits respectively. See “*Company Overview and Discussion of Operations – Discussion of Operations*” and “*Developments in the three and nine months ended September 30, 2020*” for additional information.

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

- A Mineral Resource expansion drilling programme of approximately 20,000 metres and focusing on the Mestiza, America and La India vein sets. The target of this drilling is to expand and upgrade the Mineral Resource on these three vein sets. The cost of this programme, including incremental Company operating costs would amount to approximately U.S.\$5 million. In the first instance the Company has initiated in late 2020 a drill programme comprising 4,000 metres at La India.
- An in-fill and exploration drilling programme of approximately 20,000 meters to be conducted on two to three potential feeder pits (e.g. Cacao and Central Breccia) with the intention of adding feeder pits into a mine plan early on in the mine life. The cost of this programme, including incremental Company operating costs would amount to approximately U.S. \$5 million. The Company has commenced an initial 5,000 metre diamond drill campaign at Cacao during the first quarter of 2021.

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

There have been no actual or anticipated changes which would adversely affect the financial condition or performance of the Company, nor industry or economic factors that would adversely affect the Company's performance. Indeed, record gold prices are likely to make it easier to finance the construction of the Project.

Capitalised expenditure by the Company up to end-December 2020 on the La India Project amounted to circa £22 million on a cumulative basis.

Achievement of plans and milestones in 2020

The principal plans of the Company in the twelve months ended December 31, 2020 have been:

- To advance the applications made in late-2019 for environmental permits to extract gold from the America and Mestiza satellite feeder pits at La India Project, including holding two successful public consultations in the local community;
- To continue with acquisitions of land at the La India Project, including that required for mine site infrastructure.
- To comply with the terms of the La India Environmental Permit, including completion of additional technical and engineering studies and purchase of land for mine site infrastructure (see "*Company Overview and Discussion of Operations – Discussion of Operations*" and "*Status, Plans and Expenditures at the La India Project*").

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

- Under the terms of the Environment Permit, the Company has to purchase or have legal agreements in place for the land required for the mine site infrastructure. Offers have been made to all land owners. The Company has now purchased 95% of the land in and around the permitted La India open pit mine site area thereby getting close to completing one of the main conditions of the Environmental Permit and significantly de-risking the Project. The Company has purchased land totalling 689 hectares in and around the permitted La India open pit mine site infrastructure. In addition, the Company can also demonstrate physical possession for approximately 18 years on the land covering the Mestiza open pit, has purchased the majority of this land and has claimed ownership over 303 hectares in this area. The Company has ownership of 96 hectares of land in the area of the America open pit. The Company has spent approximately US\$4 million on buying land during the last 5 years.
- The Tailings Storage Facility ("TSF") and 2 water retention ponds are being fully designed and engineered with drawings one step short of "issued for construction". Tierra Group Inc, Denver, Colorado has completed site visits and is conducting the engineering studies. 23 geotechnical drill holes and 55 geotechnical test pits have been completed. Good progress has been made, with 70% of the work completed. A Feasibility Study on the TSF is due to be completed in June 2020.
- The design of the site wide water balance ("SWWB"), including a surface water management plan was awarded during 2020 to SRK Consulting (UK) Limited ("SRK"). SRK's work includes the area of the permitted La India, America and Mestiza open pits. The ultimate objective of the exercise is to produce engineering plans for the installation of the physical components of a management system, including the piping, pumping and structural requirements that will satisfy Nicaraguan authorities and at the same time meet the design standards for a feasibility study. The SWWB will include consideration of the pit dewatering contributions i.e. subsurface hydrology. SRK's remit includes an emphasis on training and capacity building for the local Condor team to ensure full ownership and facilitate implementation and sustainability of the SWWB. A hydrologist from SRK has recently completed a 4 week site visit. A Feasibility Level study is due to be completed over the summer.
- Preliminary designs for the layout of the mine site infrastructure including, in some detail, the designs for the location of the processing plant have been completed. Site preparation for 11 hectares around the location of the processing plant commenced in December 2020.

- Mine and waste dump schedules for a number of mining scenarios have been completed to a level that can be submitted to MARENA, once the capacity of the processing plant is finalised.
- The processing plant designs will be finalised following the purchase of a second hand or new processing plant.
- The power studies have been progressed as far as possible but final designs are only possible once the processing plant size has been finalised and the power requirement known. Several meetings have been held with the Ministry of Energy and Mines. National grid electricity pylons are located 700 meters from the processing plant. Government is building a new electricity sub-station 12km from the processing plant; designs for supplying grid power via the new sub-station are underway.
- MARENA has written to the Company confirming that the final designs for the domestic wastewater treatment system for the offices and accommodation blocks at Mina La India comply with MARENA's technical and environmental requirements and the final designs are approved.
- An updated forestry inventory has been completed. The compensation plan under the local law is to replace every tree removed with 10 new trees. Condor has a tree nursery which currently has approximately 6,200 trees.

For further discussion of the above, see also “*Company Overview and Discussion of Operations – Developments in the twelve months ended December 31, 2020*” and “*Events Subsequent to December 31, 2020*” and “*Status, Plans and Expenditures at the La India Project*”.

Risks and Uncertainties

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

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

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

Analysis of Financial and Operating Performance

Summary of Overall Financial Performance

The Company reports in U.K. pounds sterling. The functional currency of the La India Project is Nicaraguan Cordobas, which is pegged to the USD with a 5% annual depreciation to the USD. The presentational currency of the Company is U.K. pounds sterling. The financial statements of the Company for the three and nine months ended September 30, 2020 are prepared in accordance with IFRS as issued by the IASB.

	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019
	(£)	(£)
Total comprehensive income/(loss)	(2,925,160)	(3,231,505)
Cash and cash equivalents	4,159,391	2,903,556
Exploration assets	22,089,314	20,909,637
Net assets	29,164,099	23,785,320

The total comprehensive income/(loss) for the Company of £(2,925,160) for the twelve months ended December 31, 2020 (twelve months ended December 31, 2019: £(3,231,505)) was after the following principal items:

- General and Administrative (“G&A”) costs of £(1,750,395) for the twelve months ended December 31, 2020 (twelve months ended December 31, 2019: £(1,529,348)).
- In addition to G&A costs there is a non-cash charge for share options granted.
- One-off gain on disposal of the Potrerillos concession of £439,228 for the twelve months ended December 31, 2020 (see news release of the Company of December 17, 2019), payment for which was received in 2019, with the profit on sale recorded in the profit and loss account of the Company upon approval of the transfer of the licence in the first quarter of 2020.
- Currency translation differences of £(1,615,168) for the twelve months ended December 31, 2020 (twelve months ended December, 2019: £(1,706,724)), driven by movements in the United States Dollar and the Nicaraguan Cordoba relative to the U.K. pound sterling, resulting in unrealised currency translation differences.

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

The cash levels of the Company as at December 31, 2020 and December 31, 2019 vary due to the timing and quantum of financing by the Company as well as the level of expenditures by the Company on exploration and administrative activities.

The movement in exploration assets between December 31, 2020 and December 31, 2019 is a function of exploration expenditure during the year, together with foreign exchange movements and any asset impairments or revaluations during the period. See “*Analysis of Intangible Assets*”.

Comparison of Financial Condition

The financial condition of the Company is primarily measured by the reserves of cash and cash equivalents, and the level of net assets. As of December 31, 2020, the Company held cash and cash equivalents of £4,159,391 (December 31, 2019: £2,903,556). As of December 31, 2020, the Company had net assets of £29,164,099 (December 31, 2019: £23,785,320). The May 2020 Placing and the May 2020 Warrant Exercise (see “*Developments in the twelve months ended December 31, 2020*”), offset by subsequent cash expenditures through to December 31, 2020 (see “*Summary of Cash Flows*”) are the primary drivers behind the variances in these two measures between December 31, 2019 and December 31, 2020. Net assets are also impacted by the operating performance of the Company (see “*Results from Operations*”).

Summary of Cash Flows

	Twelve months ended December 31, 2020	Twelve months ended December 31, 2019
	(£)	(£)
Net cash used in operating activities	(1,724,380)	(768,556)
Net cash used in investing activities	(5,041,540)	(2,337,083)
Net cash generated from financing activities	8,021,755	5,788,220
Net increase/(decrease) in cash and cash equivalents	1,255,835	2,682,581

The net cash flows used in operating activities for the twelve months ended December 31, 2020 and December 31, 2019 are driven by activities in the management of the La India Project. The change between December 31, 2020 and December 31, 2019 is primarily attributed to spend on corporate and administrative costs (see “*Results from Operations*”), together with variations arising from fluctuations in trade and other receivables and payables. Variations in trade and other receivables and payables totalled £(461,820) during the 12 months ended December 31, 2020 (12 months ended December 31, 2019: £581,584).

Cash used in investing activities increased to £(5,041,540) in the twelve months ended December 31, 2020 as compared to £(2,337,083) in the twelve months ended December 31, 2019. The higher spend in 2020 as compared to 2019 was principally driven by activities associated with purchase of land at La India.

Cash flows from financing activities in 2019 and 2020 arose from the February 2019 Placement and the July 2019 Placement and the May 2020 Placement and May 2020 Warrant Exercise during the twelve months ended December 31, 2019 & 2020 respectively (see “*Outstanding share data*” and “*Developments in the twelve months ended December 31, 2020*”).

Analysis of Selected Financial Information

	31 December 2020 (£)	31 December 2019 (£)	31 December 2018 (£)
Revenue	Nil	Nil	Nil
Gross Profit	Nil	Nil	Nil
Loss attributable to owners of the parent	(1,309,992)	(1,524,781)	(2,299,329)
Total comprehensive loss attributable to owners of the parent	(2,925,160)	(3,231,505)	(2,155,323)
Dividends / Distributions	Nil	Nil	Nil
Total Assets	29,430,511	24,542,422	21,295,359
Total non-current liabilities	Nil	Nil	Nil
Weighted average number of shares	108,460,840	81,889,122	65,873,187

Loss attributable to owners of the parent basic and diluted (pence per share)	(1.21)	(1.86)	(3.49)
Total comprehensive loss attributable to owners of the parent basic and diluted (pence per share)	(2.70)	(3.95)	(3.27)

For analysis of loss attributable to owners of the parent for the year ended December 31, 2020 of £(1,309,992) and for the year ended December 31, 2019 of £(1,524,781), see “*Results from operations.*” The loss attributable to owners of the parent for the year ended December 31, 2018 of £(2,299,329) was driven by administrative expenses.

Total comprehensive loss attributable to owners of the parent also include currency translation differences of £(1,615,168) for the twelve months ended December 31, 2020, £(1,706,724) for the twelve months ended December 31, 2019 and £144,006 for the twelve months ended December 31, 2018. These arose from the relative movements in U.K. pounds sterling in relation to the United States dollar and the Nicaraguan Cordoba, which impacted the values recorded in U.K pounds sterling of the Company’s foreign assets and liabilities. The Company’s intangible assets are primarily denominated in Cordobas.

Total assets primarily comprise intangible assets, which are made up of the capitalised exploration and development costs attributed to the La India Project. Current assets comprise cash and cash equivalents together with trade and other receivables.

The financial statements for the Company for the twelve months ended December 31, 2020, 2019 and 2018 were prepared in accordance with IFRS as issued by the IASB.

Fourth Quarter

For the three-month period ended December 31, 2020, the Company had total comprehensive loss attributable to owners of the parent of £(2,241,589) and a net loss per share of (1.89) pence, compared to £(2,238,542) and a net loss per share of (2.37) pence in the three-month period ended December 31, 2019, a variance of £(3,047).

Significant factors in line items that caused the variance in net income for the three-month period ended December 31, 2020 as compared to the three-month period ended December 31, 2019 were as follows:

- Currency translation differences in the fourth quarter of 2020 of £(1,664,302) versus £(1,682,254) in the fourth quarter of 2019. These arose from the relative movements in U.K. pounds sterling in relation to the United States dollar and the Nicaraguan Cordoba and which impacted the values recorded in U.K pounds sterling of the Company’s foreign assets and liabilities, which are denominated in Nicaraguan Cordobas.

The net increase / (decrease) in cash and cash equivalents of £ (1,371,142) for the fourth quarter of 2020 was driven by operating and investing activities at the Company, offset by warrant and options exercises of £220,230 (see “*Outstanding Share Data*”). The equivalent measure for the fourth quarter of 2019 of £(733,869) was also driven by operating and investing activities, although there were no warrant exercises.

Quarterly Financial Information

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

Quarter Ended	December 31, 2020 (£)	September 30, 2020 (£)	June 30, 2020 (£)	March 31, 2020 (£)	December 31, 2019 (£)	September 30, 2019 (£)	June 30, 2019 (£)	March 31, 2019 (£)
Revenue	—	—	—	—	—	—	—	—
Profit/(loss) from continuing operations ⁽¹⁾	(577,287)	(377,286)	(447,896)	92,477	(556,198)	(316,125)	(299,905)	(352,553)
Total comprehensive income/(loss) attributable to owners of the parent	(2,241,589)	(1,651,426)	(561,278)	1,529,133	(2,238,452)	105,010	(70,450)	(1,027,613)
Profit/(loss) from continuing operations pence per share	(0.49)	(0.32)	(0.43)	0.10	(0.59)	(0.35)	(0.40)	(0.50)
Total comprehensive earnings/(loss) pence per share	(1.89)	(1.41)	(0.54)	1.61	(2.37)	0.10	(0.09)	(1.38)

Notes

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

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

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

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

12 months ended December 31, 2020	12 months ended December 31, 2019
£	£

Analysis of Operating Loss:

General and Administration Costs (including Share-based Payments)

Wages and salaries	(289,857)	(290,012)
Unwinding / (Charge) for share options granted (non-cash)	(282,184)	(184,562)
Travel / expenses	(83,863)	(128,212)
Exploration costs expensed	(24,878)	(8,413)
Professional fees	(533,059)	(438,373)
Legal fees	(63,921)	(36,189)
Overheads/Other	<u>(472,633)</u>	<u>(443,587)</u>

	12 months ended December 31, 2020 £	12 months ended December 31, 2019 £
General and Administration Costs	(1,750,395)	(1,529,348)
Gain on disposal of licence	439,228	-
Operating Loss	(1,311,167)	(1,529,348)
Finance income	1,175	4,567
Loss for the year	(1,309,992)	(1,524,781)
Non-controlling interest	-	-
Loss attributable to owners of the parent	(1,309,992)	(1,524,781)
Currency translation differences	(1,615,168)	(1,706,724)
Total comprehensive loss	(2,925,160)	(3,231,505)
Non-controlling interest	-	-
Total comprehensive loss attributable to owners of the parent	(2,925,160)	(3,231,505)

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

	12 months ended December 31, 2020 (£)	12 months ended December 31, 2019 (£)
Payroll	(449,267)	(472,144)
Operating Costs	(440,982)	(482,388)
Permitting	(461,300)	(261,414)
Direct field expenditure (Drilling / Sampling / Studies)	(1,121,112)	(649,449)
Cash expenditure on Exploration activities	(2,472,661)	(1,865,395)

Cash expenditure levels vary according to the timing and nature of these activities undertaken as the Company advances the La India Project. Exploratory drilling recommenced in December 2020 – there was none carried out in 2019 or 2020. A summary of the activities carried out in the year and how these relate to the development plans of the project are set out in “*Status, Plans and Expenditure at the La India Project*” and “*Achievement of Plans and Milestones in 2020*”.

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

G&A costs have increased for the twelve months ended December 31, 2020 as compared to the prior period, from £(1,529,348) to £(1,750,395). The main drivers behind these changes are as follows:

Within General and Administration costs:

- Wages and salaries have decreased from £(290,012) to £(289,857) due to timing of payments and adjustment in payment method.
- Professional fees have increased in 2020 versus the prior year, rising from £(438,373) in to £(533,059) due primarily to an increased level of advisory activity in conjunction with the May 2020 Financing.
- Overheads have increased in 2020 versus prior year, rising from £(443,587) to £(472,633) due to realised foreign exchange movements in relation to funds remitted to and expensed by local operating subsidiaries, which incur costs in United States dollars and/or Nicaraguan Cordobas. Gains or losses between realised exchange rates on remittance and exchange rates on date of transaction can also result in volatility in this measure.

Additional movements:

One-off gain on disposal of Potrerillos licence of £439,228 for the twelve months ended December 31, 2020 (see news release of the Company of December 17, 2019), payment for which was received in 2019, with the profit on sale recorded in the profit and loss account of the Company upon approval of the transfer of the licence in the first quarter of 2020.

Currency translation differences of £(1,615,168) for the twelve months ended December 31, 2020 (twelve months ended December 31, 2019: £(1,706,724)) arose from the relative movements in U.K. pounds sterling in relation to the United States dollar, the Nicaraguan Cordoba and which impacted the values recorded in U.K pounds sterling of the Company's foreign assets and liabilities.

Analysis of Intangible Assets

	Exploration Costs (£)	Mineral Resources (£)	Total (£)
Net Book Value			
As at January 1, 2019	19,894,670	749,573	20,644,243
Additions	1,865,396	-	1,865,396
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	(1,600,002)	-	(1,600,002)
At December 31, 2019	20,160,064	749,573	20,909,637
Additions	2,472,661	-	2,472,661
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	(1,292,984)	-	(1,292,984)
Net book value at December 31, 2020	21,339,741	749,573	22,089,314

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

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

Outstanding Share Data

	As of December 31, 2020 (000's)	As of December 31, 2020 (£)	As of December 31, 2019 (000's)	As of December 31, 2019 (£)
Issued and fully paid				
Ordinary Shares of 20 pence each				
At 1 January	94,664	18,932,704	67,179	13,435,868
Issue of Ordinary Shares	23,999	4,799,822	27,485	5,494,836
At December 31	118,663	23,732,526	94,664	18,932,704

For details concerning the May 2020 Placing, see “Developments in the twelve months ended December 31, 2020”.

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

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

On February 1, 2019, the Company announced a private placement (the “**February 2019 Placement**”) of 7,291,667 Units at a price of 24p per Unit (the “**February 2019 Placing Price**”), including a Directors & CFO subscription of 3,221,667 Units, to raise in aggregate gross proceeds of £1.75 million. The February 2019 Placement Price of 24 pence per unit represented a discount of 6.7% to the closing price of the Ordinary Shares on AIM of 26.5 pence per share on January 31, 2019.

The February 2019 Placement occurred in two tranches: the Initial Placement of 4,166,667 new, Ordinary Shares (the “**Initial Placement**”), which closed on February 1, 2019; and a second placement comprising a subscription by Mr. Jim Mellon, a Director of the Company (“**the Mellon Subscription**”) for 3,125,000 new, Ordinary Shares, the closing of which was announced by the Company on February 25, 2019. Units issued as part of the February 2019 Placement have attached to them one half of a warrant with an exercise price of 31p per warrant and a validity of 2 years from issue. Those 2,083,331 warrants issued with the Initial Placement expire on January 31, 2021 while the 1,562,500 warrants issued with the Mellon Subscription expire on February 25, 2021.

The Company announced on July 8, 2019 a private placing (the “**July 2019 Placing**”) of 20,192,520 Units (as defined below), including 9,842,520 Units subscribed for by Nicaragua Milling Company Ltd, at a price of 20p per Unit to raise £4,038,504. The subscription price of the July 2019 Placing was at a premium of 6% to the 30-day volume-weighted average price on AIM of 18.82 pence. Each Unit comprised one ordinary share of 20p each in the Company and one third of one share purchase warrant of the Company (a “**July 2019 Warrant**”). Each July 2019 Warrant, which is unlisted and fully transferable, entitles the holder thereof to purchase one ordinary share at a price of 25p for a period of 36 months from the date on which the shares issued pursuant to the Placing are admitted to trading on AIM (the “**Closing Date**”). 50% of the July 2019 Warrants are subject to an accelerated exercise period if the closing mid-market price of the Ordinary Shares on AIM is more than £0.30 for 10 consecutive trading days. All of the securities comprising the Units are subject to resale restrictions into Canada which will expire four months and one day from the date of issuance. The July 2019 placing closed in two tranches, with 10,350,000 shares being admitted to trading on AIM and the TSX on July 15, 2019 and the balance of 9,842,520 being admitted to trading on AIM and the TSX on August 2, 2019.

Stock Options and Warrants in the Company

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

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

On February 1 and on February 22, 2019, 2,283,331 and 1,562,500 warrants were respectively issued as part of the February 2019 Placement. 9,041,090 warrants were issued as part of the May 2020 Placement.

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

A summary of outstanding warrants is set out below:

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

The exercise period for 50 per cent of the warrants issued on July 16, 2019 (“**July 2019 Accelerated Warrants**”) and 50 per cent of the warrants issued on May 28, 2020 (“**May 2020 Accelerated Warrants**”) shall be accelerated if the closing mid-market share price of the Company's Ordinary Shares on AIM is more than £0.30 or £0.55 respectively for 10 consecutive trading days (an “**Acceleration Trigger Date**”), further to which a notice (an “**Acceleration Notice**”) shall be delivered by the Company to holders of warrants (“**Warrant Holders**”) informing them that an Acceleration Trigger Date has occurred. Warrant Holders who wish to exercise the rights attaching to the Accelerated Warrants must

do so by the later of the date falling 10 Business Days after receipt of the Acceleration Notice by the Warrant Holders; or the date falling 10 Business Days after the end of a Closed Period, which means the period of 30 calendar days before the announcement of an interim financial report or year-end report (which includes preliminary financial results) which the Company is obliged to make public, as defined in Article 19(11) of the Market Abuse Regulation (regulation No 596/2014 of the European Parliament and of the Council); or such other date (which is more than 10 Business Days after receipt of the Acceleration Notice) as the Company may notify the Warrant Holders in the Acceleration Notice ("**Accelerated Warrants Expiry Date**"). Any warrant rights relating to the Accelerated Warrants that are not exercised by the Accelerated Warrants Expiry Date shall lapse and shall no longer be exercisable.

For information regarding exercise of warrants during the twelve months ended December 31, 2020, see "*Developments in the Twelve Months ended December 31, 2020*" and "*Events Subsequent to December 31, 2020*."

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Liquidity, Capital Resources and Financial Instruments

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

As at December 31, 2020 the Company had £4,159,391 in cash at bank and on deposit. As at December 31, 2019, cash at bank and on deposit amounted to £2,903,556. The Company does not enter into lease arrangements or debt facilities to cover working capital requirements – see "*Contractual Obligations*."

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

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

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

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

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

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

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

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

Contractual Obligations

£				
	<i>Total (£)</i>	<i>Less than 1 year (£)</i>	<i>2-5 years (£)</i>	<i>Greater than 5 years (£)</i>
Operating leases on offices	113,562	35,654	77,908	-
Material creditors	88,000	88,000	-	-

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

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

Transactions with Related Parties

The balances recorded as at December 31, 2020, and the prior year balance are as follows and cancel out upon consolidation:

	December 31, 2020 (£)	December 31, 2019 (£)
Condor S.A.		
Brought forward loan balance from December 31	7,586,684	7,047,116
Additional loans during the period	317,073	430,268
Management charges	104,700	109,300

	December 31, 2020 (£)	December 31, 2019 (£)
Condor S.A.		
Closing balance	8,008,457	7,586,684
	December 31, 2020 (£)	December 31, 2019 (£)
La India Gold S.A.		
Brought forward loan balance from December 31	18,762,420	17,144,334
Additional loans during the period	2,078,024	1,509,936
Management Charges	102,400	108,150
Closing balance	20,942,844	18,762,420
	December 31, 2020 (£)	December 31, 2019 (£)
La India Inversiones SA		
Brought forward loan balance from December 31	668,821	202,859
Additional loans during the period	2,641,022	465,822
Management Charges	-	-
Closing balance	3,309,843	668,821

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

During the twelve months ended December 31, 2020 the Company received consultancy advice from the following related parties:

Company	Related party	31.12.20 £	31.12.19 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,000	-
Axial Associates Limited	M L Child	36,750	63,000	-
AMC Geological Advisory Group	A Cheatle	34,000	34,042	-
Promaco	I Stalker	51,825	6,877	3,225

K Harcourt	5,625	-	-
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Jim Mellon, Ian Stalker, Andrew Cheatle and Kate Harcourt are Non-Executive Directors of the Company. Ms. Harcourt received additional remuneration of £5,625 in the 12 months ended December 31, 2020 (12 months ended December 31, 2019: £nil). Ms Harcourt furthermore receives an annual salary of £25,000 in each of 2019 and 2020. Mr. Cheatle received additional remuneration of £9,000 in the 12 months ended December 31, 2020 (12 months ended December 31, 2019: £9,042 respectively) for providing services to the Company. Mr. Stalker received additional remuneration of £26,825 in the 12 months ended December 31, 2020 and £4,793 in the 12 months ended December 31, 2019. Mr Stalker was appointed to the Board of the Company on November 21, 2019.

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

Critical Accounting Policies and Estimates

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

Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities at the date of the financial statements and the reported amounts of expenditures during the period reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. While actual results could differ materially from these estimates, no specific sources of estimation uncertainty have been identified by management that are believed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amount of the Company's assets and liabilities as recorded as at December 31, 2020.

Significant items subject to such estimates include:

Valuation of Intangible Assets

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

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

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

of the Company have reviewed the estimated value of each project prepared by management and consider them to be reasonable.

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

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

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

Foreign currencies

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

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

Changes in accounting policies

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

Management's Report on Internal Controls and Procedures

Disclosure controls and procedures

Disclosure controls and procedures ("**DCP**") have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under supervision of the Chief Executive Officer, is responsible for the design and operation of disclosure controls and procedures and has evaluated the effectiveness of the Company's DCP and has concluded that they were effective as at December 31, 2020.

Internal control over financial reporting

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

As at December 31, 2020, an evaluation was carried out, under the supervision of the Chief Executive Officer, of the design and operating effectiveness of Condor's internal controls over financial reporting. Based on this evaluation, the Chief Executive Officer concluded that the internal controls over financial

reporting were effective as at December 31, 2020, using the criteria, having taken account of the size and nature of Condor, put forward by the Financial Reporting Council in their revised guidance for Directors on internal controls for UK listed companies (issued 2005).

Changes in internal controls over financial reporting

There have been no changes in the Company's ICFR during the twelve months ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, its ICFR.

Approval

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

Additional Information

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

Statement Regarding Forward-Looking Information

Certain statements contained in this MD&A constitute forward-looking information under applicable Canadian securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "objectives", "strategies", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in its document should not be unduly relied upon.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Mineral Resource and Mineral Reserve estimates;
- targeting additional Mineral Resources and expansion of deposits;
- the Company's expectations, strategies and plans for the La India Project, including the Company's planned exploration and development activities;
- the results of future exploration and drilling and estimated completion dates for certain milestones;
- successfully adding or upgrading Mineral Resources and successfully developing new deposits;
- the timing, receipt and satisfying the conditions of approvals, licences and permits from the Nicaraguan government and from any other applicable government, regulator or administrative body, including, but not limited to, the environmental permits;
- production and processing estimates;
- future financial or operating performance and condition of the Company and its business, operations and properties; and
- any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

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

- mineral exploration, development and operating risks;
- estimation of mineralisation, mineral resources and mineral reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;
- permitting and licencing risks;
- operational risks;
- public health risks including risks associated with the on-going Covid-19 global pandemic
- negative cash flow;
- liquidity and financing risks;
- funding risk;
- material contract risks;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- exercise of statutory rights and remedies;
- risks of operating in Nicaragua;
- government policy changes;
- ownership risks;
- artisanal miners and community relations;
- difficulty in enforcement of judgments;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- reliance on key personnel;
- dilution risk;
- payment of dividends;
- other factors discussed under “*Risks and Uncertainties*”, and
- other risks and uncertainties described under the heading “Risk Factors” in the Company’s long form prospectus dated December 21, 2017, available under the Company’s SEDAR profile at www.sedar.com.

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

Although the forward-looking statements contained in this document are based upon assumptions which the Company believes to be reasonable, the Company cannot assure holders of Ordinary Shares that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, the Company has made assumptions regarding: future

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

CIM Definition Standards

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

The following definitions are reproduced from the CIM Definition Standards:

"Mineral Resource" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"Inferred Mineral Resource" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource (as defined herein) and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"Indicated Mineral Resource" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined herein) as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (as defined herein) and may only be converted to a Probable Mineral Reserve (as defined herein).

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

"Mineral Reserve" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material

is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

“Probable Mineral Reserve” means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

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

“Pre-Feasibility Study” means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

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

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