Company number: 05587987

CONDOR GOLD PLC
Report and Accounts
Year ended 31 December 2018

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

CONDOR GOLD PLC

HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2018

- Dual listing on the Toronto Stock Exchange in January 2018;
- Appointment of Andrew Cheatle as a non-executive Director based in Canada with 30 years' industry experience, strengthens the Board;
- Amendment to the application for the Environmental Permit to construct and operate a 2,800 tonnes per day ("tpd") processing plant with capacity to produce 100,000 ounces ("oz") gold per annum filed in January 2018;
- Final site visit inspection completed by the "Inter-Institutional Committee" which comprises of three Ministries and representatives from the local Mayors' offices;
- Additional technical studies completed and submitted to Nicaragua Ministry of Natural Resources ("MARENA") following the site visit inspection;
- £2.5 million raised through a private placement in March 2018;
- Positive rock chip assay results and detailed geological mapping progress the plan to define a major Gold District at the La India Project;
- MARENA completed a positive review of the technical aspects of the Environmental and Social Impact Assessment, including amendments, and formally notified the Company to proceed to a Public Consultation on 13 July 2018;
- A total of 499 people registered and attended the Public Consultation at which the technical, environment and social aspects of a new mine were presented and discussed in a transparent manner. During presentations of the Project to community groups and house-to-house visits the Company received over 600 expressions of interest in/applications for new jobs;
- On 6 August 2018, the Company announced that MARENA had granted the Company the key Environmental Permit for the development, construction and operation of a processing plant with capacity to process up to 2,800 tpd. Gold production is expected to be between 80,000 and 100,000 oz gold per annum from a single open pit, with the La India Project representing a US$120 million investment and creating an estimated 1,000 new jobs; and
  In December 2018, the Government of Nicaragua granted Condor the 142.6 km² Las Cruces concession for a 25 year period, which expands the La India Project area by 45 per cent to 455 km².

POST PERIOD HIGHLIGHTS

- In January 2019, Condor announced a Mineral Resource update on La India Project totalling 9.85 million tonnes ("Mt") at 3.6 grammes per tonne ("g/t") gold for 1,140,000 oz gold in the Indicated category and 8.48Mt at 4.3g/t gold for 1,179,000 oz gold in the Inferred category;
- Total open pit Mineral Resource of 8.58 Mt at a grade of 3.3 g/t gold, for 902,000 oz gold in the Indicated category and 3.01 Mt at a grade of 3.0 g/t gold, for 290,000 oz gold in the Inferred category. Total underground Mineral Resources of 1.27 Mt at a grade of 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47 Mt at a grade of 5.1 g/t gold, for 889,000 oz gold in the Inferred category;
- Of note is the new open pit Mineral Resource on Mestiza of 92 Kt at a grade of 12.1 g/t for 36,000 oz contained gold in the Indicated category and 341 Kt at a grade of 7.7 g/t gold for 85,000 oz contained gold in the Inferred category. The four satellite open pits outside the main, permitted La India open pit have combined open pit resources of 206Kt at 9.9 g/t gold for 66,000 oz gold in the Indicated category and 2,127 Kt at 3.23 g/t gold for 221,000 oz gold in the Inferred category;
- The Company raised £1.75 million by way of a private placement of new Ordinary Shares in February 2019; and
  In March 2019, the Company announced it was permitting the Mestiza and America satellite feeder pits, which has the potential to increase production to 120,000 oz gold per annum for a seven year life of mine. The Mestiza and America open pits have, in aggregate, 206 Kt at a grade of 9.9 g/t (66,000 oz contained gold) in the Indicated category and 1,018 Kt at 4.6 g/t (152,000 oz contained gold) in the Inferred category.

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

Dear Shareholder,

I am pleased to announce Condor Gold Plc's ("Condor", the "Company" or the "Group", www.condorgold.com) annual report for the 12-month financial year to 31 December 2018. Following the release in December 2014 of a NI 43-101 technical report detailing a Pre-Feasibility Study ("PFS") and two Preliminary Economic Assessments ("PEAs"), the Company spent 2015 to 2018 executing a twin strategy of permitting the construction and operation of a base case processing plant with capacity of up to 2,800 tonnes per day ("tpd") capable of producing approximately 100,000 oz of gold per annum and proving a major Gold District at the 455km² La India Project, in Nicaragua. The highlight of 2018 came in August when Condor succeeded in a key component of its strategy and announced that the Ministry of the Environment and Natural Resources, Nicaragua ("MARENA") had granted the Company an Environmental Permit for the development, construction and operation of an open pit mine and associated infrastructure at the La India Project, thus materially de-risking the Project.

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

The general feedback from MEM, MARENA and local stakeholders was that permitting would be much easier with a mine that has been redesigned to proceed without resettling 1,000 people. Condor's technical team redesigned the La India open pit and believe it is both technically viable and economically attractive, should future funding be received, to proceed with a redesigned open pit that does not require community resettlement. It includes the relocation of the processing plant approximately 1,200 metres from the village. A five to 10 metre high berm is planned between the redesigned open pit and the village to reduce noise and dust pollution. Mine scheduling studies are on-going, further details will be provided in due course. Condor does not anticipate a material change in the total ounces of gold expected to be recoverable from the redesigned open pit compared to the open pit disclosed in the PFS. The PFS details an open pit gold Mineral Reserve in the Probable category of 6.9 Mt at 3.0 g/t gold for 675,000 oz gold, producing 80,000 oz gold per annum for seven years.

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

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

In June 2018, MARENA approved the technical studies in the ESIA and provided written notification to Condor detailing the procedural requirements and the date for the Public Consultation (a public hearing in the village of La Cruz de La India). The Company provided due notice of the Public Consultation by placing advertisements in the national newspapers and on the local radio stations. Condor's social team conducted 287 individual house-to-house visits explaining the Project to villagers at La Cruz de La India and three nearby villages and handed out leaflets detailing the re-designed mine infrastructure and benefits of the mine. Furthermore, group meetings covered 411 people including landowners and artisanal miners. Banners advertising the Public Consultation were posted in the village a week prior to the Public Consultation. A considerable amount of information about the Project is available at an Information Office, manned by Condor's social team and established four years ago in the village of La Cruz de La India.

On 13 July 2018, the Company held its Public Consultation Meeting in the village of La Cruz de La India. The Public Consultation is a key step in the ESIA permitting process. The meeting was attended by representatives from MARENA, MEM, the National Forestry Institute ("INAFOR") and a variety of businesses, municipal authorities, a non-governmental organisation, local judicial and political party representatives, as well as members of the public. The Public Consultation was attended by 499 people, who signed the attendance sheet and who voiced overwhelming support for a new mine. Over 600 people have registered to be considered for new jobs to work in the mine.

In August 2018, Condor announced that MARENA had granted the Company an Environmental Permit for the development, construction and operation of an open pit mine, a 2,800 tpd or 1.0 Mt per annum CIL processing plant and associated infrastructure at the La India Project. Following the grant of the Environmental Permit the Company's objective is to progress the redesigned mine site infrastructure for the La India Open Pit to a bankable level of Feasibility Study ("BFS"). In addition, under the conditions of the Environmental Permit, the Company has to submit to MARENA final engineered designs for several key components of the mine prior to construction. For example, the final design and operations manual for the Tailings Storage Facility. Subject to financing, completion of a BFS and completion of the final engineering designs, construction is expected to commence within 18 months of the grant of the Environmental Permit. The construction period is expected to take 18 to 24 months.

I have mentioned that the Company's strategy is to build a "base case" 2,800 tpd processing plant. The objective is to materially increase production by supplementing the mill feed from the La India open pit with mill feed from satellite open pits and eventually bring the underground mineral resource into production. With this in mind, a considerable part of management time in the second half 2018 was spent working on a mineral resource update for the La India Project.

In January 2019, Condor announced a Mineral Resource update on the La India Project totalling 9.85 Mt at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48 Mt at 4.3 g/t gold for 1,179,000 oz gold in the Inferred category and is a timely reminder of the high grade nature of this gold deposit. The Mineral Resource update includes 8,222 metres drilling completed since the previous Mineral Resource update in September 2014. The Mineral Resource Estimate 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). Total open pit Mineral Resource is 8.58 Mt at a grade of 3.3 g/t gold, for 902,000 oz gold in the Indicated category and 3.01 Mt at a grade of 3.0 g/t gold, for 290,000 oz gold in the Inferred category. Total underground Mineral Resources are 1.27 Mt at a grade of 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47 Mt at a grade of 5.1 g/t gold, for 889,000 oz gold in the Inferred category.

Of note is the new open pit Mineral Resource on Mestiza of 92 Kt at a grade of 12.1 g/t for 36,000 oz contained gold in the Indicated category and 341 Kt at a grade of 7.7 g/t gold for 85,000 oz contained gold in the Inferred category. The four satellite open pits outside the main, permitted La India open pit have combined open pit resources of 206 Kt at 9.9 g/t gold for 66,000 oz gold in the Indicated category and 2,127 Kt at 3.23 g/t gold for 221,000 oz gold in the Inferred category. The Company is conducting mining studies to determine the possibility of adding the contained gold within the satellite pits to a mine schedule to supplement the ore feed from the permitted La India open pit to the processing plant. This has the possibility to either increase annual production and/or extend the life of mine.
During 2017, SRK completed two scoping level studies each aimed at examining the likely production scenarios in the event that the mineral resource in the three main vein sets of La India, America and Mestiza is increased from 2.1 Moz gold to 3.0 Moz gold. The studies conclude that the three vein sets could be mined simultaneously from a combination of open pit and underground mining methods and possibly double the annual production rate.

Condor has been working on a land acquisition programme for over five years and plans to acquire approximately 850 hectares of rural land required for the mine site infrastructure for the permitted La India open pit.

Exploration activities during 2018 took second place to the key objective of permitting the mine. Nonetheless, during 2018 our geologists continued their efforts to prove a 5.0 Moz Gold District. The re-log of 207 drill holes at La India and America was completed to help understand the shape of oreshoots and identify new ones. New wireframes have been created, and new drill targets generated. These are both down dip of known oreshoots and lateral. An exciting new target has been identified in the hanging wall of the America vein set.

Secondly, Cacao (about 6.0 km east of La India) is a top priority for drilling. It has the best potential to add ounces to the global resource. Mapping and drilling demonstrate it has a long strike length (> 3.0 km) and that the entire epithermal system is preserved. Drill intercepts reported in 2017 include 7.85 m at 3.75 g/t gold, 7.85 m at 2.95 g/t gold and 17.1 m at 1.74 g/t gold. The vein becomes more like La India vein at depth and is as thick, or thicker.

Thirdly, the Andrea East target (about 8.0 km north of La India) is now drill ready and shows excellent grades at surface. It is a high priority for drilling. Trenches along it demonstrate significant width and grades. Best intercepts are observed at LICT15 (4.0 m at 1.79 g/t gold), LICT20 (5.6 m at 1.65 g/t gold) and LICT21 (3.0 m at 3.6 g/t gold). Grab samples give up to 9.7 g/t gold. Vein textures are very similar to La India and very encouraging.

Lastly, Condor sampled an average grade of over 13.5 g/t gold from 41 artisanal mining sites on the America and Mestiza vein sets which is a further reminder that the La India Project is a high-grade gold deposit. There are so many veins in the district that the Company is effectively 'drowning' in targets and a major issue is how to prioritise exploration. As the land package, mapping and sampling coverage grow, it allows us to understand the big picture. We can then focus on those targets with the best chance of adding ounces to the permitted mine schedule.

In December 2018, the Government of Nicaragua granted Condor a major exploration and exploitation concession adjacent to the La India Project. This confirms that the country is pro-mining and open for business. The 142.6 km^2 Las Cruces concession expands the La India Project area by 45 per cent. Las Cruces was granted by the government under a 25 year exploration and exploitation concession. Condor's geologists have identified a major north-northeast-striking basement feeder zone through the Project (the "La India Corridor"), which hosts 90 per cent of Condor's 2.4 Moz gold resource. The feeder zone can be projected south-east into Las Cruces. Mapping and early prospecting/sampling show that Las Cruces lies inside a volcanic caldera and has extensive clay alteration and rare vuggy silica. This alteration appears to be a 'lithocap', which raises the possibility of underlying porphyry-style mineralisation (copper and/or gold). This porphyry is potentially the 'heat engine' and metal source that caused gold mineralisation across the entire La India Gold District. We are particularly keen to follow up on anomalous samples of up to 0.1 per cent copper.

As a British company, Condor believes in, and promotes, constructive dialogue for a peaceful resolution of the current political uncertainty in Nicaragua. It is encouraging that the national dialogue restarted on 27 February 2019 after being suspended for seven months. In spite of the political upheaval and civil unrest in Nicaragua in 2018, Condor had very constructive meetings with key Ministries responsible for granting the Environmental Permit and was successfully granted the permit to construct and operate the mine and granted the 142.6 km^2 Las Cruces concession, which expands the La India Project area by 45 per cent to 455 km^2. During 2018, the Company has focused on supporting its 70 direct and indirect employees, and their families, who confirmed their desire to continue to work and maintain stability within their communities as much as possible. Condor has been operating in Nicaragua since 2006 and, as a responsible gold exploration and development company, continues to add value to the local communities and environment by generating sustainable socio-economic and environmental benefits. The new mine would create approximately 1,000 jobs during the construction period with priority given to the local community. The upfront capital cost of approximately US$120 million would have a significant positive impact on the economy. The Government and local communities would benefit significantly from future royalties and taxes.

In January 2018, Mr Andrew Cheatle joined Condor as a non-executive Director. Andrew previously held a high profile position as the Executive Director of Prospectors and Developers Association of Canada ("PDAC"), the trade body representing both exploration companies and producers. He has lived in Canada for 19 years and worked in senior positions at Goldcorp, AMEC plc, Treasury Metals, and Unigold Inc. In January 2018 Roger Davey retired from the Board and in June 2018, Peter Flindell retired from the Board. I thank them for their contribution to the Company during their tenure.

Turning to the financial results for the year 2018, the Group's loss for the year was £2,299,329 (2017: £3,023,615). The Company raised £2.5 million during the financial period. The net cash balance of the Group at 31 December 2018 was £220,975 (2017: £946,261). The Company raised £1,750,000 by way of a private placement of new Ordinary Shares in February 2019.

Following the grant of the key Environmental Permit to construct and operate an open pit mine at La India, I think 2019 will be a transformational year for the Company. Production from the permitted La India open pit is expected to be approximately 600,000 oz gold. The Company will advance the La India open pit from PFS to BFS. Simultaneously, the Company is conducting technical mining studies to see if it is possible to generate production much earlier by mining a "mini pit" within the permitted La India open pit and trucking the mineralised ore to a nearby processing plant to be processed. There are significant benefits of transitioning Condor from an exploration and development company to a gold producer in the near future. The most obvious for shareholders is the generation of revenues and cashflow and the experience Condor will gain from managing contract miners together with bulk metallurgical tests and an advanced understanding of the geology. However, maintaining a social licence to operate is highly important. The historic mine at Mina La India closed in 1956 resulting in a high level of poverty in the village of La Cruz de la India. The commencement of production by toll refining will result in further investment in the communities and much needed new jobs. Both the Government and local communities will benefit from a three per cent royalty payable on gold produced from the La India Project. The Company has begun the permitting process for the Mestiza and America satellite feeder open pits, which has the potential to increase production to 120,000 oz gold per annum for a seven year life of mine. The Mestiza and America open pits have, in aggregate, 206 Kt at a grade of 9.9 g/t (66,000 oz contained gold) in the Indicated category and 1,018 Kt at 4.6 g/t (152,000 oz contained gold) in the Inferred category. Adding a higher average open pit grade of 5.5 g/t gold from the satellite feeder pits to the mill feed from the permitted La India open pit of 3.0 g/t gold will enhance the Project NPV, IRRs, reduce the payback period and reduce the already low All In Sustaining Cash Cost of US$690 per oz gold as detailed in the PFS.

Mark Child

M L Child
Chairman & CEO

Date: 22 March 2019

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Group's financial performance for the year was in line with Directors' expectations. The Group's total losses before taxation amounted to £2,299,329 (2017: £3,023,615). The Group's administrative expenses for the year were £2,067,414 (2017: £3,023,953). No dividends were paid during the year (2017: £nil). The Group has reviewed the future budget and cashflows.

The Group, at the end of the financial period has 100% ownership of eleven concessions in La India Mining District and a further three in three additional project areas in Nicaragua. During the current year, the Group capitalised a further £1,566,015 on exploration and evaluation activities of the projects. During the year, the Group purchased options to acquire the land required to develop the mine in Nicaragua. These options have been included within the amount capitalised in exploration and evaluation activities during the year. The Company is currently investing in the La India Project, which is discussed in greater detail in the 'Chairman's Statement', 'Review of Operations' and 'Projects Overview', and note 10 of the financial statements.

KEY PERFORMANCE INDICATORS

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

Resource and Reserve estimates
The Group's reported mineral resources and reserves are only estimates. No assurance can be given that the estimated mineral resources will be recovered or that they will be recovered at the rates estimated. Mineral Resource and Mineral Reserve estimates have been prepared using 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) and Canadian NI 43-101but nonetheless remain uncertain because the samples used may not be fully representative of the full mineral resource. Further, these mineral resource and reserve estimates may require revision (either up or down) in future periods based on additional drilling or actual production experience.

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

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

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

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

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

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

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

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

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

The Group's exploration work involves participation in soil surveys, trenching and drilling. Interpretations of the results of these programmes are dependent on judgements and assessments of qualified geoscientists. These interpretations are applied in designing further exploration work programmes as well as mining, processing and other studies which rely upon the judgement and assessment of qualified engineers and other specialists and which may contain errors or inaccuracies and to which the Group can commit significant fiscal resources.

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

The Group operates in countries where political, economic, legal, regulatory and social uncertainties are potential risk factors. The risk committee carefully monitors the project areas in Nicaragua, and actively work to mitigate any foreseen risks to the project. Furthermore, the Group seeks to minimise risk through purchasing of a variety of insurance policies.

GOING CONCERN

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date the group had £220,975 of cash. A further amount of £1.75million has been raised through an equity placing since the year-end. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date. These conditions may cast doubt on the Group and Company's ability to continue as a going concern.

The Directors have prepared a cash flow forecast for the going concern period demonstrating the austerity measures which can be implemented to reduce the Group and Company's cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits. Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL RISK MANAGEMENT

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

1. Credit risk

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

The Group and the Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The credit risk on trade and other receivables is limited to the Group's receivable of £219,077. The exposure of the Group and the Company to credit risk arises from default of its counterparty, with maximum exposure equal to the carrying amount of cash and cash equivalents in the Group's Statement of Financial Position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

The Group does not hold any collateral as security.

2. Liquidity risk

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

3. Market risks

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

(i) Pricing risk

The Directors consider there to be price risk to the business. Price risk to the business relates to the international price of gold and to the price of gold-related equities.

(ii) Interest rate cash flow risk

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

(iii) Foreign exchange risk

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

FINANCIAL RISK MANAGEMENT – continued

4. Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to Shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 31 December 2017. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the Consolidated Statement of Changes in Equity.

ON BEHALF OF THE BOARD:

M L Child
Chairman

Date: 22 March 2019

CURRENT CONCESSION HOLDINGS

Nicaragua Projects

Project	Concession	Ownership	Expiry Date	Area (km²)
La India Project	La India	100% Owned	January 2027	68.50
	Espinito Mendoza	100% Owned	November 2026	2.00
	Cacao	100% Owned	January 2032	11.90
	Santa Barbara	100% Owned	April 2034	16.20
	Real de la Cruz	100% Owned	January 2035	7.66
	Rodeo	100% Owned	January 2035	60.40
	La Mojarra	100% Owned	June 2029	27.00
	La Cuchilla	100% Owned	August 2035	86.39
	El Zacatoso	100% Owned	October 2039	1.00
	Tierra Blanca	100% Owned	June 2040	32.21
	Las Cruces	100% Owned	November 2043	142.3
	Subtotal			***455.56***
Boaco	Rio Luna	100% Owned	June 2035	43.00
RAAN	Estrella	100% Owned	April 2035	18.00
Nueva Segovia	Potrerillos	100% Owned	December 2031	12.00
TOTAL				**528.56**

All concessions in Nicaragua are combined exploration and exploitation concessions.

CURRENT LA INDIA PROJECT CIM CODE & NI 43-101 MINERAL RESOURCE

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

Table 1. 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

Table 2. Summary of La India Project Mineral Resource Statement as of 25 January 2019 for Indicated and Inferred Categories split per vein and 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 SPLIT PER VEIN 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)
Indicated	La India veinset	La India/ California(1)	0.5 g/t (OP)	8,377	3.1	837	5.4	1,459
		La India/ California(2)	2.0 g/t (UG)	678	4.9	107	10.6	231
	America veinset	America Mine(1)	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine(2)	2.0 g/t (UG)	470	7.3	110	4.7	71
	Mestiza veinset	Tatiana	0.5 g/t (OP)	92	12.1	36	19.5	57
		Tatiana	2.0 g/t (UG)	118	5.5	21	11.3	43
Inferred	La India veinset	La India/ California(1)	0.5 g/t (OP)	883	2.4	68	4.4	124
		Teresa(3)	0.5 g/t (OP)	3	6.5	1		
		La India/ California(2)	2.0 g/t (UG)	1,165	5.6	209	12.4	464
		Teresa(2)	2.0 g/t (UG)	82	11.0	29		
		Arizona(3)	1.5 g/t	430	4.2	58		
		Agua Caliente(3)	1.5 g/t	40	9.0	13		
	America veinset	America Mine(1)	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine(2)	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol(3)	1.5 g/t	751	4.8	116		
	Mestiza veinset	Tatiana(1)	0.5 g/t (OP)	220	6.6	47	13.6	97
		Tatiana(2)	2.0 g/t (UG)	615	3.9	77	8.8	174
		Buenos Aires(1)	0.5 g/t (OP)	120	9.8	38		
		Buenos Aires(2)	2.0 g/t (UG)	188	7.1	43		
		Espenito(2)	2.0 g/t (UG)	181	8.4	49		
	Central Breccia	Central Breccia(1)	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas(3)	1.5 g/t	330	5.6	59		
	Cristalito-Tatescame	Cristalito-Tatescame(3)	1.5 g/t	200	5.3	34		
	El Cacao	El Cacao(1)	0.5 g/t (OP)	188	2.3	14		
		El Cacao(2)	2.0 g/t (UG)	474	3.0	46		

(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, USD4.55/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 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) The Mineral Resource is inclusive of the Mineral Reserve

CURRENT LA INDIA PROJECT CIM CODE AND NI 43-101 MINERAL RESERVE

Table 3. La India Open Pit Mineral Reserve Estimate for La India Project Mineral Resource Statement as of 21 December 2014 and prepared in accordance with CIM and Canadian NI 43-101 (SRK Consulting (UK) Ltd.).

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

Note

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

CONDOR GOLD PLC

REVIEW OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2018

NICARAGUA – OPERATIONS REPORT

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

Introduction

La India Project is a 456 km² concession package covering an estimated 98% of the historic La India Gold Mining District and comprises 11 concessions, see Figure 1. The District supported production of up to 41k oz gold per annum at over 11.0 g/t head grade from underground mining between 1938 and 1956. An estimated total of 575,000 ounces of gold were mined during this period. The Project area currently contains 9.85M tonnes at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48M tonnes at 4.3g/t gold for 1,179,000 oz gold in the Inferred category. Total open pit Mineral Resource of 8.58Mt at a grade of 3.3 g/t gold, for 902,000 oz gold in the Indicated category and 3.01Mt at a grade of 3.0 g/t gold, for 290,000 oz gold in the Inferred category. Total underground Mineral Resources of 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

Following completion of a Pre-Feasibility Study ("PFS") on La India in December 2014 (see below), the Company's focus shifted to permitting a processing plant with capacity to produce 100,000 oz gold per annum and demonstrating that La India Project hosts a district scale gold deposit, while minimising environmental and social risks.

In August 2018 Condor received an Environmental Permit for the development, construction and operation of a processing plant with a capacity of up to 2,800 tonnes per day and associated mine site infrastructure at La India.

Following the grant of the Environmental Permit the Company's objective is to progress the redesigned mine site infrastructure for La India Open Pit to a bankable level of Feasibility Study ("BFS"). In addition, under the conditions of the Environmental Permit, the Company has to submit to MARENA final engineering designs for several key components of the mine prior to construction. Subject to financing, completion of a BFS and completion of the final engineering designs, construction is expected to commence within 18 months of the grant of the Environmental Permit. The construction period is expected to take 18 to 24 months.

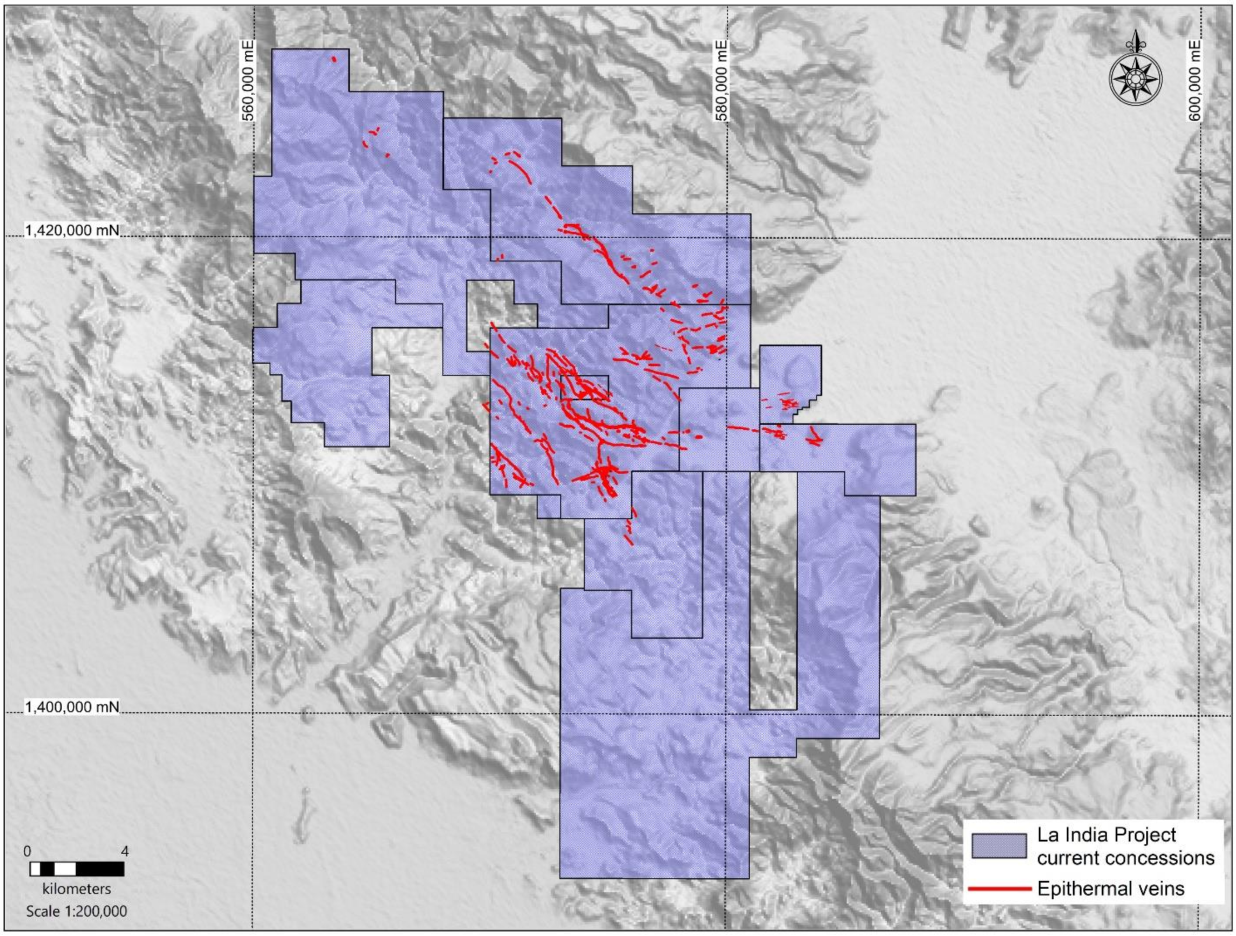

Figure 1. Location of Condor Gold´s 455 km² concession package at La India Project showing extent of epithermal veins identified to date.

A Pre-Feasibility Study on open-pit mining at La India and two supplementary Expansion Scenarios which explored the possibility of including two additional satellite open pits, and underground mining beneath the La India and America open pits, as summarised in the Technical Report, were released with an effective date of 21st December 2014 and re-issued in December 2017. The study defined the first mineral reserve on the Project since mining ceased in 1956, with an open pit Probable Mineral Reserve of 6.9Mt ore at 3.0g/t gold and 5.3g/t silver for a total of 675,000oz gold and 1,185,000oz silver on the principal La India Vein.

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

Mining Studies

Mining and engineering activity for 2018 has focused on support and clarification of technical issues surrounding the amended EIA submission as described in the Condor press release of February 28, 2018. In addition, Condor conducts ongoing additional studies into improvements in safety, strategic planning and economics on La India project.

Requests from the permitting agencies in Nicaragua for the Amended EIA required that additional engineering detail be provided to describe the changes to the original PFS study, namely:

- The mine footprint was reduced to avoid village relocation and maintain a 100 metre minimum distance from the mine excavation;
- A safety berm was designed to reduce noise and dust impact from operations;
- The tailings storage facility ("TSF") –additional detailed drawing of the dam and liner. The TSF has not been moved;
- Explosives storage – the explosive storage location has been moved to a location north of the highway to reduce land requirements and eliminate a highway crossing;
- Information on blasting practices;
- Surface water management – pumping and routing diagrams;
- Plant relocation - the processing plant was moved 1.5km to the northeast to reduce noise impacts. Plant capacity has not been changed; and
- Elimination of the NIC-26 highway relocation;

The majority of this work was performed by local consultants familiar with the permitting process in Nicaragua. The decision to reduce the size of the open pit to exclude the La India village prompted an analysis to demonstrate material impact, if any, on mineral resources and mineral reserves as well as project economics. This work included a revised pit design conforming to the PFS pit slopes, which included fully designed pits, phases and production schedules. Both the initial assessment and subsequent design refinements show that the revised pit design, mine plan and block model will not materially affect either metal production or economics from PFS expectations, or the Project's mineral reserves and mineral resources.

Condor notes that the mineral resources excluded in the revised open pit mine plan remain an underground development target for future study.

In addition to the mine redesign, Condor requested that the vendor conduct a review of the geotechnical pit slope parameters defined within the PFS. This analysis resulted in no changes to the SRK geotechnical recommendations that were contained within the 2014 PFS.

Condor has also undertaken a number of studies to determine and support contract mining estimates from the PFS and update those estimates with quotes from local contract mining vendors. These vendors have provided estimates that support the contract mining estimates included with the 2014 PFS.

The IFC requested consideration of dewatered tailings as an alternative to the conventional TSF envisioned in the PFS. Considerations of such an option is standard practice for developing operations. A conceptual study of the technique was completed in late 2018. The results indicated that the method may work but would incur additional costs and would require further study.

Nicaragua staff continued the refinement of preliminary contract mining estimates for use in pit optimizations. This effort has focused on refinement of the haulage profiles to incorporate new potential waste dump locations that minimize impacts on the areas adjacent to highway NIC-26.

With the updated cost information and drilling results from Mestiza from the 2017 campaign, Condor contracted SRK to develop updated mining shells (approximate pits) on the 'satellite' or 'feeder' pits at the America, Central Breccia and Mestiza areas. While still on-going, this analysis suggests that there is potential for additional resource ounces and / or more surface-accessible resources, and these aspects will be one of the focus points of future development. Condor staff continue to evaluate several high-level production scenarios to investigate the potential impact of the satellite pits on production schedule options.

Dave Crawford
Chief Technical Officer

Exploration Activities

Exploration activities at La India during 2018 focused on:

1. Evaluation of geological models for known resources, including detailed mapping, relogging and modelling of mineralised structures, faults and stratigraphy.
2. Regional exploration via geological mapping and rock chip sampling with a small amount of trenching.

Condor continues to prove up a major gold district and expand mineral resources within the three core areas of La India, America and Mestiza.

Upon completion of drilling at Mestiza in mid-2017, Condor's geologists completed detailed geological mapping of epithermal veins and 150 meters of trenching aimed at identifying the northwest extension of the Mestiza Vein Set. A high-grade 'shoot' in the Tatiana vein was identified at a bend in the vein after completing the Mestiza campaign in August 2017. This prompted additional detailed mapping in 2018 of the America and Guapinol veins with the specific aim of identifying similar high-grade drill targets. Parallel to this work, relogging of all drill core from the America, Guapinol and La India veins was completed and significantly improved the Company's knowledge of geological stratigraphy, structures and logging of mine voids and veins. This activity was concluded in January 2018 and was followed by modelling of stratigraphy, veins and faults of America and La India veins using the newly acquired data.

With the new data collected in the relogging exercise (completed in January 2018), a complete revision and interpretation of the La India vein sections was carried out by Dr. Warren Pratt, who proposed a comprehensive drill programme focused on testing lateral and downdip extensions of known and newly postulated 'high-grade zones' and fortifying areas of geological uncertainty. Similar drill programmes were also designed for America, La Mestiza and Cacao, using new drill data and relogging results.

After encouraging drill results (5 m @ 2.6 g/t gold) from the easternmost drill hole at Andrea LIDC 341, completed February 2017 (Figure 2), the projected eastern extension of the vein was a focus for mapping and surface sampling. Likewise, good drill results from Cacao (Figure 3) were followed up with mapping and sampling. A total of 67 rock chips were collected from these areas.

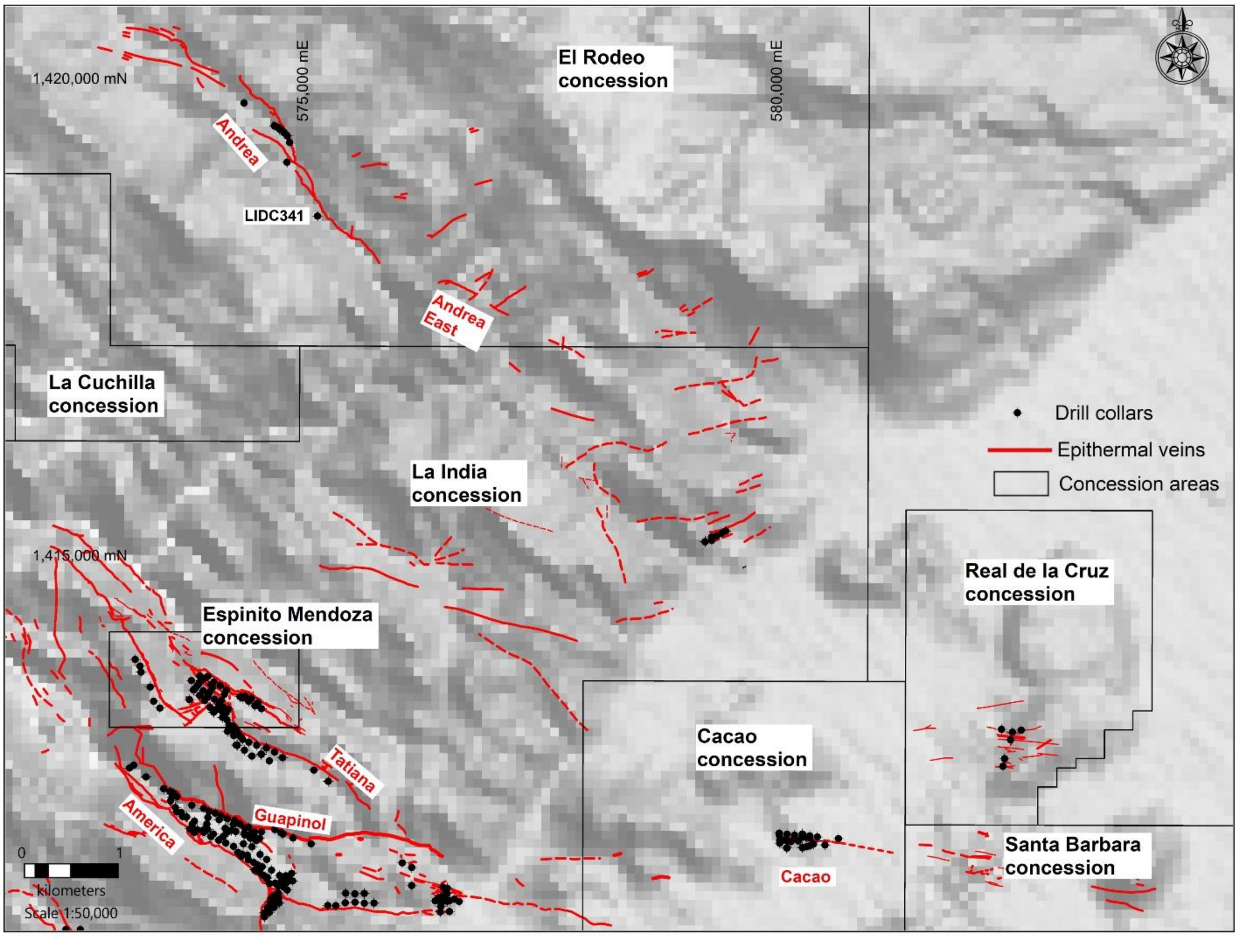

Figure 2. Map showing location of Andrea and Cacao veins.

At the Andrea extension, a series of eight channel samples were taken (Figure 3). Significant mineralization was observed at LICT15 (4 m @ 1.79 g/t Au), LICT20 (5.6 m @ 1.65 g/t Au) and LICT21 (3.0 m @ 3.6 g/t Au). The variety of epithermal vein textures, including bladed calcite replaced by quartz, chalcedony, hydrothermal breccias and amethyst, is very encouraging. Informal miners are currently exploiting the shallow parts. This is now a priority drill target and a program has been designed. Follow-up mapping identified possible extensions of this mineralisation to the southeast.

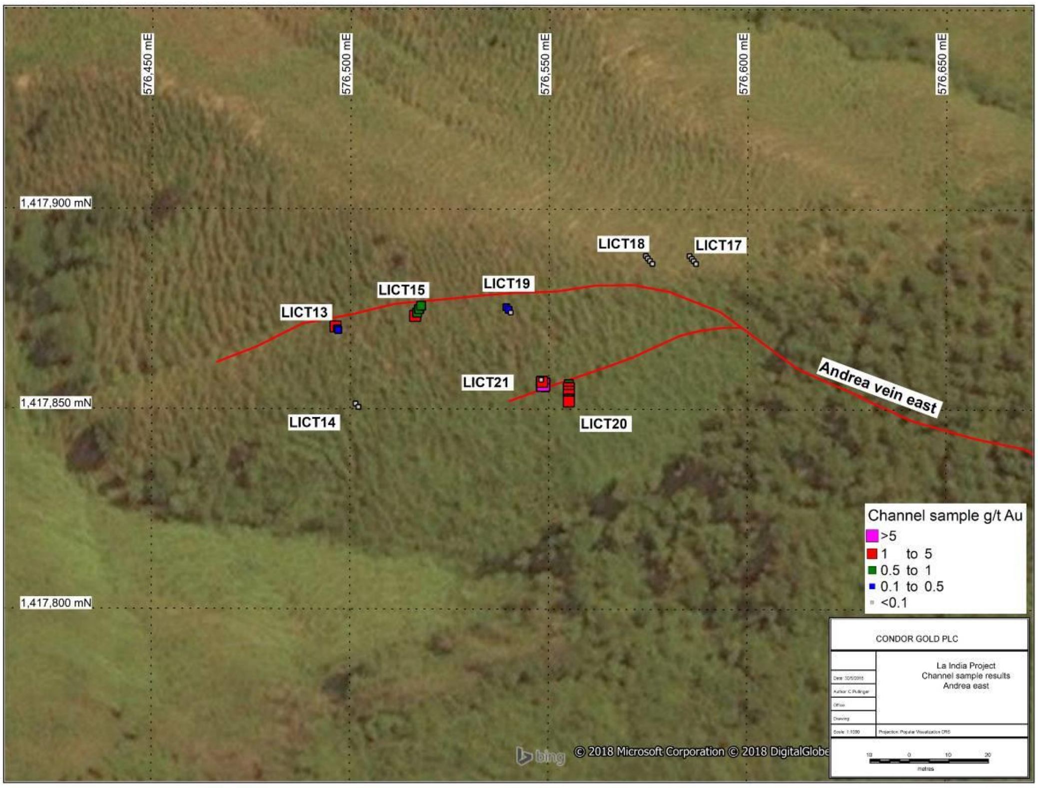

Figure 3. Channel sample results from Andrea East, El Rodeo concession.

At Cacao a channel sample was collected of quartz stockwork along the eastern projection of the main Cacao structure, next to artisanal workings with significant mineralisation. Sample results indicate that the vein here has a pinch and swell character, consequently additional sampling is planned, especially since rock sampling in the artisanal workings has returned samples over 7 g/t gold.

A major focus of 2018 was reconnaissance mapping and prospecting in several new areas, including northern La Cuchilla concession, Tierra Blanca concession and Las Cruces - a new area of interest to the southeast of La India vein. (Figure 4).

Several linear radiogenic potassium anomalies with magnetite depletion and soil anomalies that include Cu, Mo, As, Tl, Ag have been identified in the northern part of La Cuchilla, which lies along strike of the Andrea- Los Limones corridor (Figure 4). Rock chip samples with gold grades of up to 3.5 g/t, abundant quartz vein material with anomalous gold values and extensive areas of sulphide and argillic alteration confirm that the geophysical and geochemical anomalies indicate the potential for hidden mineral deposits.

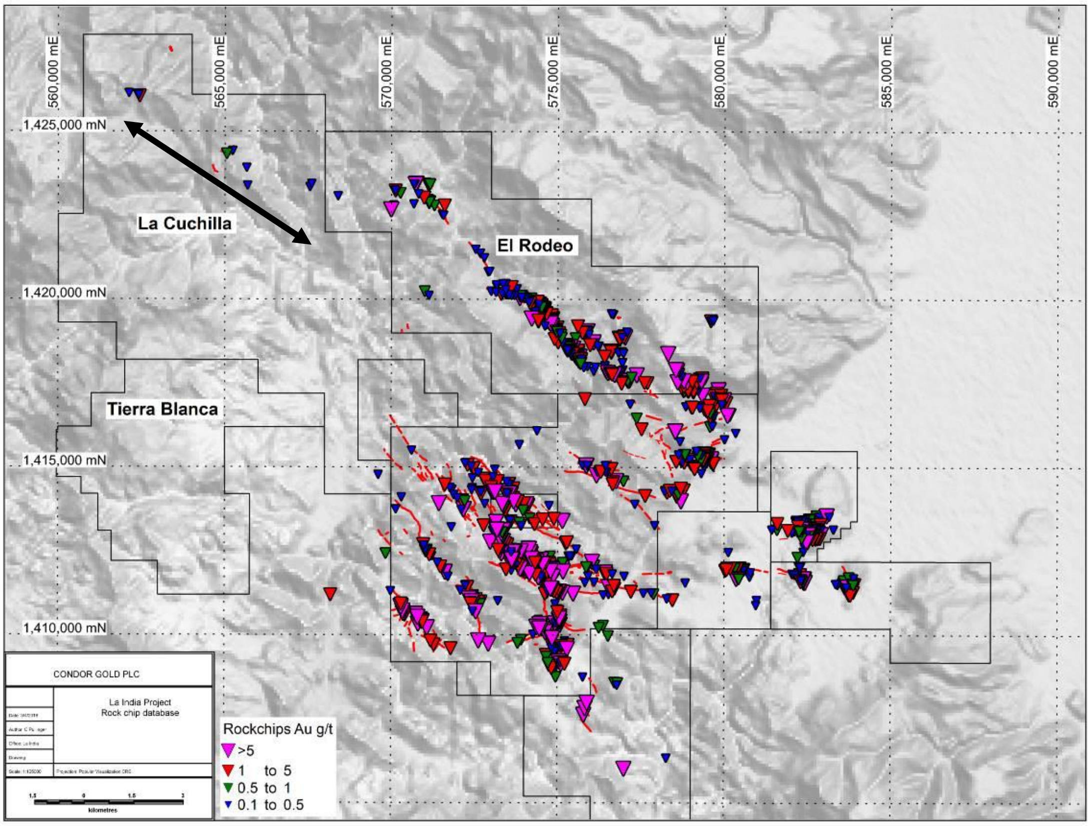

Figure 4. Rock chip assay results above 0.1 g/t Au. Black arrow identifies new anomalous Au rock chips along a NW striking trend in the northern part of La Cuchilla concession.

Geological mapping was also carried out in the Tierra Blanca concession, (Figure 5) where silicified fossil reeds were identified during soil sampling in 2017. A silica sinter deposit has been discovered. Sinters are the product of hot springs and commonly found close to, or directly above, epithermal veins e.g. McLaughlin (California), Cerro Blanco (Bluestone Resources, Guatemala), importantly, they suggest that the entire potentially mineralised epithermal is preserved below surface and available for exploration.

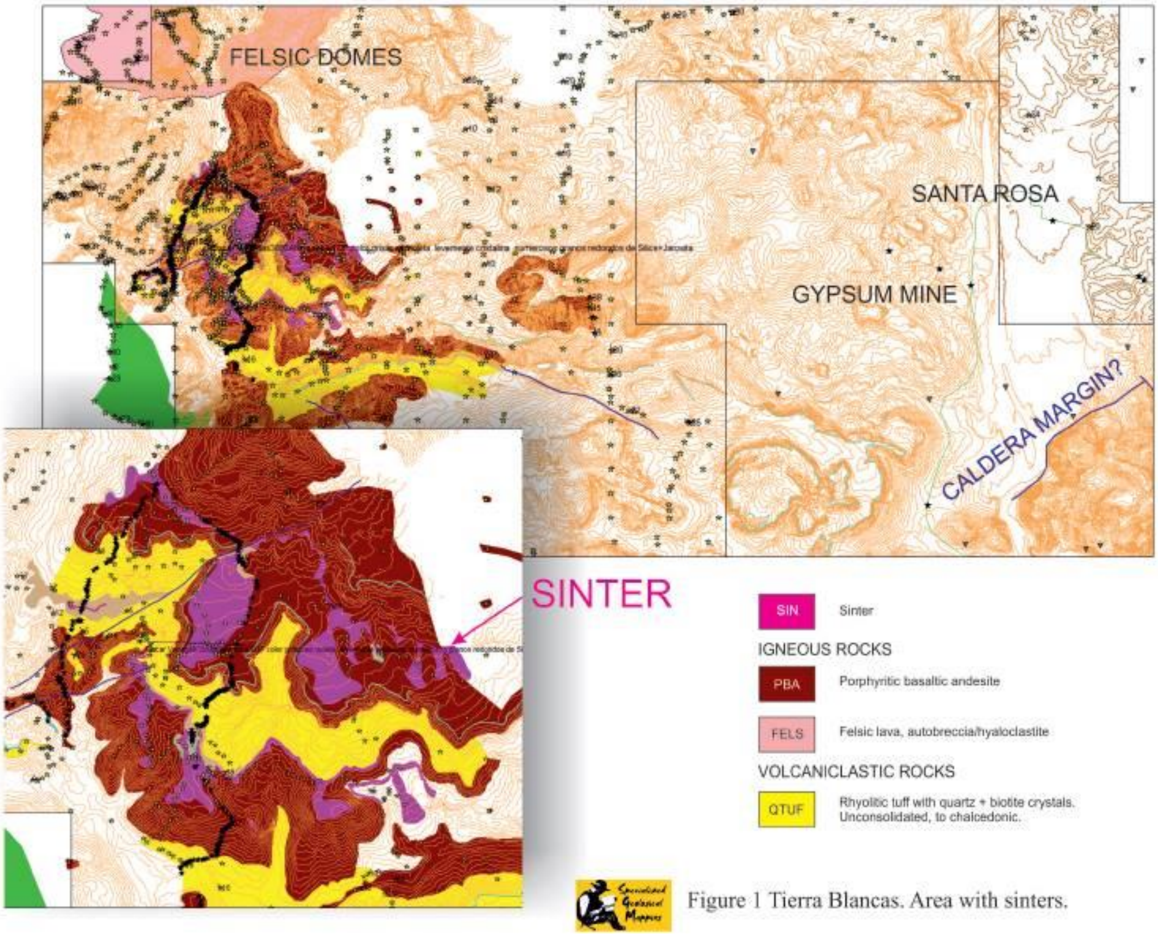

Figure 5. Map showing local geology and location of silica sinter deposit in south Tierra Blanca concession.

The Las Cruces concession (Figure 6) totals approximately 142 km² and was awarded to Condor Gold in November 2018 for 25 years. Las Cruces, approximately 11 km to the southeast of La India vein was visited several times by Condor´s geologists after a major ‚colour anomaly’ was identified in satellite imagery within a major Tertiary volcanic caldera, the Güisisil caldera (Figure 7) and upon rumours of artisanal gold mining in the area. Sampling of altered rock and reconnaissance mapping were carried out. The area has extensive argillic (clay) alteration and oxides, with discrete patches of vuggy silica and steam-heated alteration on hilltops. At lower elevations, along creeks, strongly altered and sulphide-rich (marcasite + pyrite) lapilli tuffs and andesites are found.

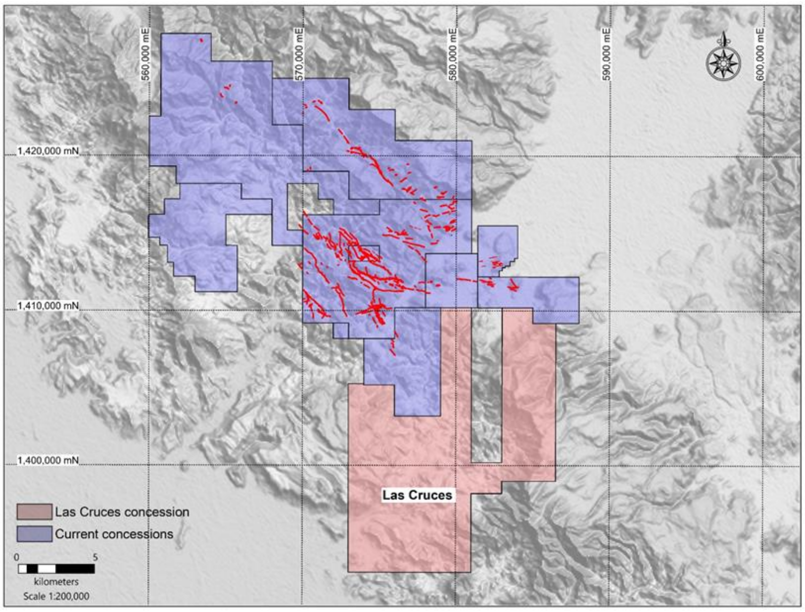

Figure 6. Map showing Las Cruces concession area as granted by MEM on November 2018.

Trace element concentrations, including anomalous samples of up to 0.1% copper, suggest the following possibilities:

1) an extensive fossil water table alteration related to low sulfidation epithermal veins (similar to La India);
2) a distal part of a high sulfidation gold/copper deposit, hosted by advanced argillic alteration (vuggy silica), or
3) a lithocap above a porphyry (gold, or copper/gold).

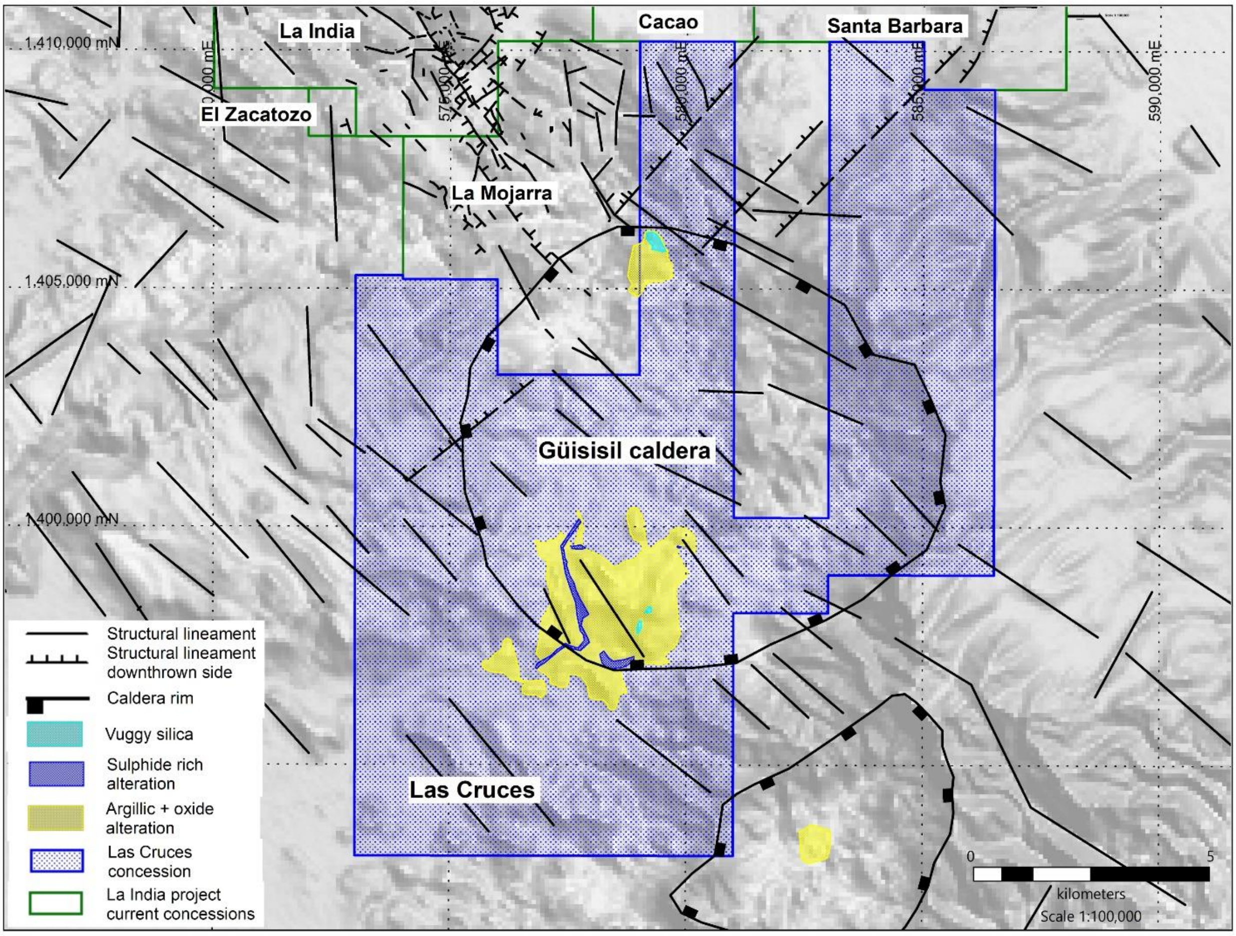

Figure 7. Map showing location of the Las Cruces concession with delimited areas of strong alteration.

After reviewing the data, Condor decided to apply to the Ministry of Energy and Mines for the Las Cruces concession (174.2 km^2). Notice of the grant of concession was received in November for 142.6 km^2 that excludes an area along the caldera rim declared as a hydrogeological reserve by the Municipality of Ciudad Darío.

Artisanal Miners

Artisanal miners in La India project are monitored by Condor personnel from the Social Team, who maintained a census of and sampled 70 active mining sites (Figure 8). Table 1 shows the average grade for samples from each prospect. On average, artisanal miners in the La India Project are producing 12.4 g/t Au, with isolated bonanza grades up to 100 g/t Au.

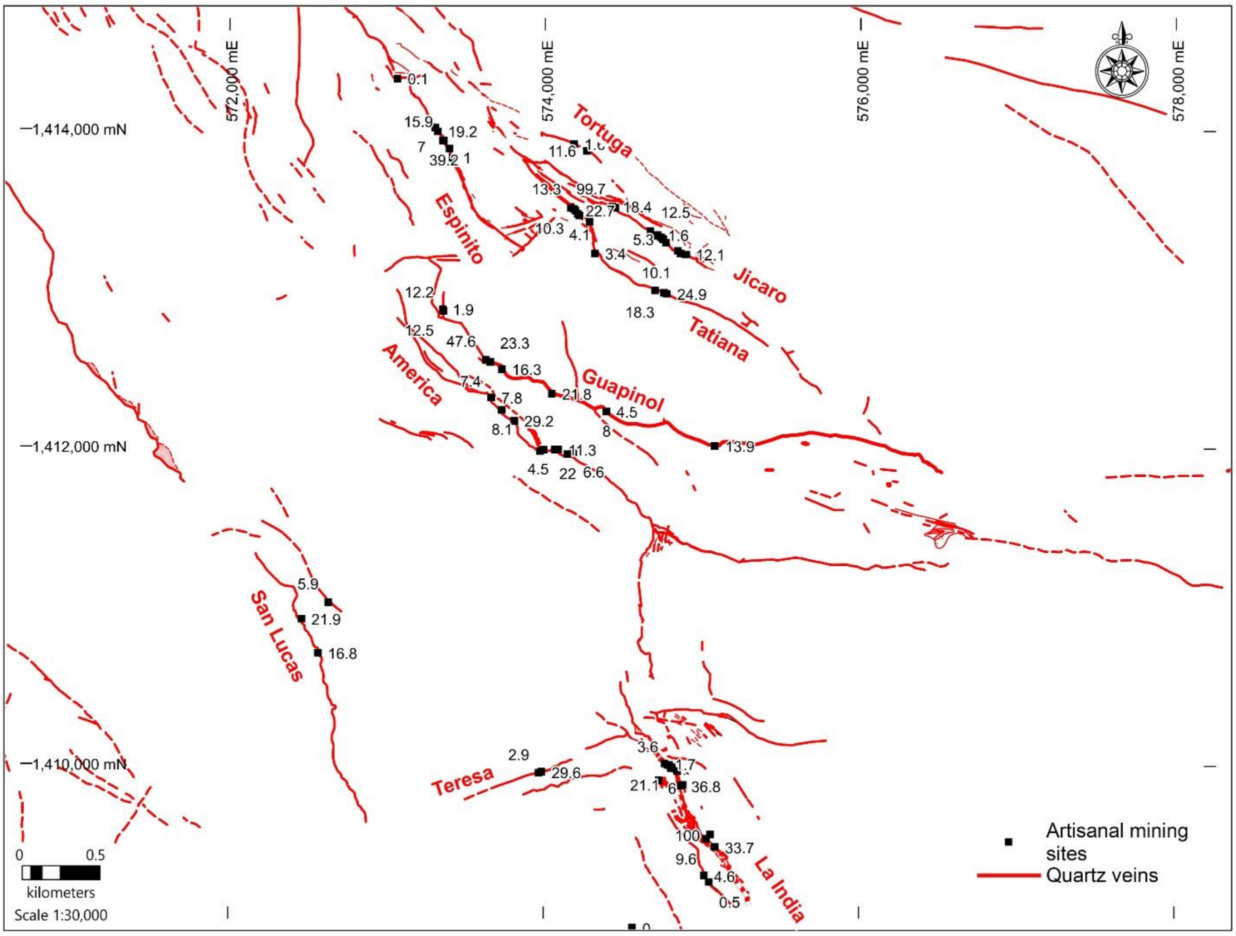

Figure 8. Map showing location of rock chip samples with grade (g/t Au), from active artisanal mine sites.

Table 1. Average grade Au (g/t) in each prospect sampled.

Prospect	Artisanal mining sites	No. Samples	Average grade g/t Au
La India	15	17	11.6 (doesn´t include a 100 g/t Au sample)
Teresa	2	2	16.2
San Lucas	3	3	14.9
America	10	13	11.8
Guapinol	8	11	15.4
Tatiana	10	12	11.2
Espinito	5	7	12.9
Jicaro	11	12	11.8 (doesn´t include a 99 g/t Au sample)
Tortuga	2	2	6.6
Real de la Cruz	1	1	14

Other Project Areas

Figure 9. Condor's current concessions in Nicaragua.

Rio Luna Concession

The Rio Luna Concession (Figure 9) covers an area of 43 km² in the Central Highlands of Nicaragua and contains a JORC Inferred Mineral Resource of 694 kt at 3.5 g/t for 80,000 oz gold and 280 kt at 56 g/t for 500,000 oz silver on five separate resource blocks, distributed between three separate vein sets. In total this equates to 87,000 oz gold equivalent at 3.9 g/t gold equivalent (using a gold:silver ratio of 1:60). The Mineral Resource estimate was calculated by Independent Geological Consultants SRK (UK) Ltd using exploration data from Canadian explorer First Point Minerals Corporation who completed an extensive programme of soil, auger, rock chip, trench and drill sampling between 2004 and 2006. That exploration included 58 exploratory diamond core drill holes for 6,262 m that tested a number of selected target zones along the three sub-parallel vein sets containing over 18km of gold-bearing epithermal quartz veins identified by surface exploration on the concession area. The current Mineral Resource is confined to five resource blocks where there is sufficient density of trench and drilling data to demonstrate continuity of gold mineralisation along strike and to depth. The resource blocks have a combined strike length of only 1,750 m to a depth of less than 150 m below surface, except on one cross section where drilling tested to a depth of 250 m below surface.

In 2018, several visits were made to update information on landowners and artisanal mining activities. Personnel from the Ministry of Energy and Mines ("MEM") visited the concession area to verify Condor´s activities and suggested an exploration plan for 2019 be submitted to MEM as soon as possible.

Estrella Concession

The Estrella Concession (Figure 9) covers an 18 km² area in Nicaragua's historic 'Mining Triangle' in the northeast of the country. The concession is centred on the historic Estrella Gold Mine. No mine plans or production data are available for the Estrella Mine (also referred to as the Estrella de Venus Mine in old reports), however it is believed that the mine exploited two or more sub-parallel epithermal veins on two or three levels along a strike length of at least a 250 m and processed 20-50 tonnes per day. The mine was worked for only a few years before being destroyed in 1935 during civil unrest: abandoned steel mine trolleys and rail tracks are testament to this period of mechanised mining. The old workings can be traced for approximately 100m where the mineralised structure runs close to the bank of a small river and continue for an indeterminate distance beneath the crest of a ridge. The drift that runs next to the river has been reopened by artisanal miners. It is considered likely that the mining relied on gravity dewatering and did not extend below the level of the drainage adit at river level, no deeper than the 10-15m depth exploited by the artisanal miners.

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

In 2018, the Estrella concession was visited to update information on landowners and artisanal mining activity. Several new rock chip samples and a tailings sample in active artisanal sites were collected to better understand mining production in the area. Results from this rock chips indicates that informals are producing material averaging 5 g/t Au, with bonanza grade material of up to 100 g/t Au.

Potrerillos Concession

Condor maintains a strategic concession holding covering a 3.5 km strike length continuation of the gold mineralised system that hosts the historic San Albino mine workings which contains a CIM mineral resource of 348 kt at 8.47 g/t for 95,000 oz gold equivalent at the Indicated category and 3.371 kt at 7.43 g/t for 805,000 oz gold equivalent at the Inferred level of confidence (using a 1:60 Au:Ag ratio), as announced by concession holders TSX-listed Golden Reign Resources on 7 January 2013. The San Albino Resource is located less than 500m from the edge of the Potrerillos Concession (Figure 9). Channel sampling of trenches and old mine adits on the Potrerillos Concession carried out by Condor between 2007 and 2009 returned intersections of up to 1m at 29.5 g/t gold.

Social Matters

Condor Gold ended a successful year in which it consolidated the “social license to operate” for La India mine project through extensive social interaction programs and communication to villagers in the direct and indirect area of influence. This work commenced in 2016 to align the Company with IFC performance standards.

The social team’s principal focus was working closely in La India village through six involvement programmes directed towards the components of the community: elderly, local businesses, artisanal miners’ cooperative members, independent artisanal miners, APROSAIC (local association for development initiatives), and the water committee. These communal entities comprise almost 70% of the population of La India village.

The company has been working closely with these local organizations, planning activities aimed at meeting villagers’ needs. A notable result was the completion by 85 villagers of various training courses. Furthermore, 14 young villagers completed 30-month technical apprenticeships, graduating as construction foremen. A total of 190 villagers have benefited from training courses since the Company started the training project in 2016. Furthermore, 16 elderly villagers, having participated in a training course, established a small business producing pinatas (decorative objects). This is the first commercial initiative to have arisen directly from the social programme implemented by Condor Gold.

During this year, relevant initiatives were developed with artisanal miners and which contributed to their support for the La India mine project. The Company implemented a training campaign aimed at preventing collapses or landslides at artisanal miner extraction sites, thus reducing the risk for artisanal miners. 80% of the artisanal miners participated in the training campaign, with each miner receiving 45 metres of high quality rope.

In 2018, Condor Gold completed its second anniversary of implementation of the purified water programme, aimed at alleviating water scarcity within the community by providing purified water on a weekly basis to each family in the surrounding communities. A total of 337 families are enrolled in this programme.

In compliance with Condor´s HSEC policy and IFC Performance Standards, Condor implemented two communication campaigns before the 2018 public consultation for La India mine project and one communication campaign after the granting of the environmental permit. All communication campaigns had as their principal objective the disclosure of detailed information regarding each component of the mining project.

Condor held several meetings with key institutions from the Nicaraguan private sector, as well as certain national figures in order to disclose the economic impacts and social benefits of the La India mine project. Two media tours were also held with journalists to establish an official communication channel between media and Company. The Company has also been active through its digital strategy, establishing a local website (www.minalaindia.com.ni) aimed at the local and national audience, together with a YouTube channel.

Victor Martinez
Social Manager

Environmental

Condor continues to improve and implement the procedures and programmes created for the Environmental and Social Management System, which includes Environment, Community, Health and Safety and Human Resources. Implementation focus has been on environmental awareness, environmental education, waste management (composting and recycling), a participatory water monitoring programme, water management and soil and biodiversity conservation through reforestation and the new tree nursery. Environmental awareness activities are implemented with villagers and Condor´s employees through talks, training, meetings and workshops. In compliance with IFC commitments, Condor presented on 2 March 2018, its AMR 2017 report and has presented IFC with Quarterly Reports during this period as well as Environmental Quarterly Reports per concession to government institutions.

As part of the remediation and biodiversity conservation, Condor created a tree nursery in its La India concession, which holds 5,179 trees. This has provided not only a tree growing area for the reforestation plans, but also a place for environmental education and awareness for the communities and co-workers. A water reservoir was also constructed in the Espinito-Mendoza concession; 883 trees were planted in Espinito-Mendoza through replanting, together with 1,400 trees in Real de la Cruz to complete the reforested area as required in the exploration permit; maintenance has begun, and provision by the Company of parcels of land as compensation will follow. Revegetation of areas affected by the previous exploration campaign in La India and Espinito-Mendoza concessions were also completed. On 2 May 2018, as part of its Participatory Water Monitoring Programme, Condor conducted water sampling at 12 sites with the participation of representatives from seven communities, government institutions and Condor´s environmental team.

Permitting

In January 2018, Condor submitted to MARENA a modified version of its EIA on La India project, a 130-page document which eliminated the need for resettlement of La India village. A technical inspection by the Inter-institutional Commission was carried on 13 March. On 16 April, MARENA requested further information, including several studies on hydrology, hydrogeology, geotechnical, fuel station design, explosives magazine design, preliminary water management studies, updated forestry inventory and compensation, as well as information related to artisanal mining in the area. Condor submitted a 450-page document with all required studies on 27 June. The EIA on La India project passed the technical review and proceeded to the public consultation process, which included a public disclosure of the document beginning on 9 July and ending with a public hearing on 13 July. The public hearing took place in Mina La India village, where local communities and relevant stakeholders including government institutions, NGOs, universities, local leaders and local structures attended. A total of 499 people participated, including the Inter-Institutional Commission. On 27 July, Condor was granted the Environmental permit for its La India project.

As part of the next steps, Condor prepared an Action Plan for the complementary permits and licenses required for the next stages of La India mining project. A total of 15 permits and licenses will be required before and after construction; timelines and procedures required for each one have been registered and structured within the timeline of the project. These permits/licenses include *inter alia* water, tree felling, construction, explosives, cyanide and fuel storage, import licenses, soil usage change registration, exclusive energy line and a sanitary licence.

Furthermore the Company has prepared a Gap Analysis to identify the environmental and social studies that need to be completed to achieve an ESIA in accordance with international standards. This included a preliminary cost estimate, a timeline and details of the studies required.

In October and November 2018, based on the future drilling and production plans, an internal review of the existing environmental permits and future permits requirements in each concession was completed.

Irene Chow
Environmental Manager

STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

In particular, this document contains forward-looking statements pertaining to the following:

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

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

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

STATEMENT REGARDING FORWARD-LOOKING INFORMATION (CONTD.)

- dilution risk; and
- payment of dividends; and
- other risks and uncertainties described under the heading "*Risk Factors*" in the Company's long form prospectus dated December 21, 2017, available under the Company's profile at www.sedar.com.

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

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

TECHNICAL INFORMATION

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

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 million tonnes ("M tonnes" or "Mt") at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48M tonnes at 4.3g/t gold for 1,179,000 oz gold in the Inferred category. The MRE did not show a material change in the number of ounces of gold reported in the Indicated Category or Inferred Category. 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. GEP, a qualified person within the meaning of NI 43-101.

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

Qualified Person: Andrew Cheatle has supervised the preparation of the geological information in this report. He has circa 30 years of relevant experience in mineral exploration and development and provides consulting services in that field to various companies in the gold exploration and/or development sectors.

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

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2018.

DIRECTORS

The Directors shown below have held office during the year and up to the date of approval of these financial statements:

M Child
J Mellon
R Davey (resigned 18 January 2018)
P Flindell (resigned 11 June 2018)
K Harcourt
A Cheatle (appointed 18 January 2018)

DIVIDENDS

The Directors do not recommend payment of a dividend (2017: £nil).

SUBSTANTIAL SHAREHOLDERS

On 22 March 2019 the Company was aware of the following interests in 3% or more of the Company's issued share capital:

Shareholders	Number of ordinary shares	Holding %
Mr J Mellon	7,828,105	10.5
Mr R Beaty	5,316,903	7.1
Mr M Child	4,094,167	5.5
Oracle Investments	4,077,038	5.5
City Financial Investment Company	3,486,376	4.7
IFC	3,425,000	4.6

DIRECTORS' INTERESTS

The Directors in office during the year under review and their interests in ordinary shares and unlisted options of the Company at 31 December 2018 were:

		31 December 2018		31 December 2017	
Directors	Holding	Number of shares	Number of options	Number of shares	Number of options
M Child	Direct	3,963,750	3,400,000	3,873,750	3,200,000
	Indirect	88,750	-	88,750	-
R Davey	Direct	-	600,000	52,500	750,000
	Indirect	-	-	-	-
J Mellon	Direct	2,889,183	750,000	1,356,108	750,000
	Indirect	1,813,222	-	1,813,222	-
A Cheatle	Direct	34,884	225,000	-	-
	Indirect	-	-	-	-
P Flindell	Direct	-	600,000		662,500
	Indirect	-	-		-
K Harcourt	Direct	-	500,000	-	350,000
	Indirect	-	-	-	-

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

	Exercise price (p)	Latest exercise date	As at 1 January 2018	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2018
DIRECTORS							
M L Child	100	1 July 2018	600,000	-	-	(600,000)	-
	100	23 July 2019	600,000	-	-	-	600,000
	67	7 July 2020	600,000	-	-	-	600,000
	80	26 Sept 2021	600,000	-	-	-	600,000
	62	6 July 2022	800,000	-	-	-	800,000
	42	23 Sept 2023	-	800,000	-	-	800,000
J Mellon	100	1 July 2018	150,000	-	-	(100,000)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
	42	23 Sept 2023	-	150,000	-	-	150,000
R Davey	100	1 July 2018	150,000	-	-	(150,000)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
P Flindell	160	1 July 2018	62,500	-	-	(62,500)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 Jul 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
K Harcourt	67	7 Jul 2020	50,000	-	-	-	50,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
	42	23 Sept 2023	-	150,000	-	-	150,000
A Cheatle	65	24 January 2023	-	150,000	-	-	150,000
	42	23 Sept 2023	-	75,000	-	-	75,000

Directors held 1,287,103 warrants as at 31 December 2018 (2017: 627,956), to subscribe for ordinary shares of the company. 346,666 warrants held by the directors expired during the year (2017: Nil) and 1,005,813 warrants were issued to or acquired by Directors during the year. Mr Davey retired as a Director on 18 January 2019 and Mr Cheatle was appointed as a director on 18 January 2018. Mr Flindell retired as a Director on 11 June 2018.

CORPORATE GOVERNANCE

To the extent applicable, the Group has adopted the Quoted Companies Alliance Corporate Governance Code. Details of how the Group complies with the Code, and the reasons for any non-compliance, are set out on page 34, together with the principles contained within the Code.

Corporate policies

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

Health and safety

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

Environment

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

Community

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

Financial Risk Management

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

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

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

Board of Directors

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

The Board meets regularly throughout the year, for both committee Board meetings and full operational Board meetings. During the year to 31 December 2018 the Board met for a total of 6 meetings and passed resolutions in writing on two occasions. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance.

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

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

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

Committees

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

i. Audit committee

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

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

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

ii. Remuneration committee

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

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

iii. Risk Committee

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

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

Service Contracts

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

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

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

	Annual salary £'000	Consultancy payments £'000	Date of Contract	Unexpired term	Notice period
M L Child	109[(1)]	66	13 July 2011	-	6 months
J Mellon	-	25	6 April 2011	-	2 months
A Cheatle	-	25	18 January 2018	-	2 months
K Harcourt	25	-	2 March 2015	-	2 months

(1) ML Child additionally receives £ 3,451 of other benefits

Subject to the notice requirements described above, there is no provision in the service agreements for compensation to be payable on early termination of the contract.

Annual general meeting

Details of the ordinary and special business to be conducted and the resolutions to be proposed at the 2019 Annual General Meeting to be held on 16 May 2019 will be sent to all shareholders and will be made available on the Company's website in due course.

Directors Insurance

During the year the Company paid £16,835 (2017: £19,767) in respect of Directors professional indemnity insurance.

SUBSEQUENT EVENTS

On 28 January 2019 the Company announced an updated mineral resource estimate at La India ("**MRE**"). The MRE as at 25 January 2019 is 9.85 million tonnes ("M tonnes" or "Mt") at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48M tonnes at 4.3g/t gold for 1,179,000 oz gold in the Inferred category. 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).

On 1 February 2019, the Company announced a private placement (the "February 2019 Placement") of 7,291,667 shares at a price of 24p per share (the "February 2019 Placing Price"), including a Directors & CFO subscription of 3,221,667 shares, to raise in aggregate gross proceeds of £1.75 million. The February 2019 Placement Price of 24 pence per share represented a discount of 6.7% to the closing price of the Ordinary Shares on AIM of 25.8 pence per share on 31 January 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 as 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. Shares 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 31 January 2021 while the 1,562,500 warrants issued with the Mellon Subscription expire on 25 February 2021.

On 5 March 2019 the Company announced that it had commenced a permitting process for two high grade satellite feeder pits at La India which have the potential, according to management's studies, to increase open pit production by 50% to 120,000 oz gold per annum.

CONDOR GOLD PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the Annual General Meeting to be held on 16 May 2019 in accordance with Section 489 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

ON BEHALF OF THE BOARD:

Mark Child

M L Child
Chairman
Date: 22 March 2019

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Board of Condor Gold plc ("the Company") has adopted the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com.

The Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Board applies each of the principles, including where applicable any deviation from those principles:

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the continued application of its strategy of continuing to advance the La India project in Nicaragua. This can be summarised as follows:

- To carry out a Feasibility Study into and to construct and operate a base case processing plant with capacity of up 2,800tpd to produce an average of 80,000 ounces of gold per annum for the first five years of an eight year mine life from a single open pit at the La India Project.
- To continue with the successful exploration strategy of expanding Mineral Resources by one to two million ounces of gold and demonstrating a major gold district, using a multi- disciplined approach of detailed geological mapping, geochemistry soil surveys, structural modelling, which together build on the geophysics survey, combined with trenching and exploration drilling.
- The Company continues to explore production growth opportunities beyond the base case scenario, and which are contingent upon exploration success.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.condorgold.com, and via Mark Child, the Executive Chairman who is available to answer investor relations enquiries.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key relationships. For example, the Executive Chairman conducts regular visits to Nicaragua and encourages a full and open dialogue process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and in particular has an active social engagement, support and development programme in place within the local communities and which is managed by a dedicated team. The Company also has regular and direct interaction with various levels of government and provides these stakeholders with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out the principal risks and identifies their ownership and the controls that are in place to mitigate them. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. N.B. A more complete schedule of risk factors is set out in the Annual Report of the Company.

Activity	**Risk**	**Impact**	**Control(s)**
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company

Principle Four - continued

Risk Management - continued

Activity	Risk	Impact	Control(s)
Environmental/ Social	Meeting permit conditions, leading to project schedule delays	Inability to develop	Effective relations & communications with stakeholders, community and government
Exploration	Lack of exploration success	Lack of expansion of mineral resource estimates	Retention of geological expertise
Political	Political uncertainty and turmoil in Nicaragua, elections	Delays in permits and approvals	Meetings with all stakeholders to ensure benefits of mine are understood and the design controls in place
Financial	Liquidity, market and credit risk	Inability to continue as going concern	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Appropriate authority and investment levels as set by Treasury and Investment Policies
			Audit Committee

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Executive Chairman. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Chief Financial Officer of the Company and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board comprised, the Executive Chairman Mark Child and three non- executive Directors, Mr Jim Mellon, Ms Kate Harcourt and Mr Andrew Cheatle. Biographical details of the current Directors are set out on the Company’s website under the heading “About / Directors and Management”. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years.

The Board meets at least six times per annum. It has established an Audit Committee, a Risk Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Executive Chairman works on a full time basis for the Company, while the non-executive Directors are considered to be part time. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. The non-executive Directors are considered to be independent. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board shall review further appointments as scale and complexity grows.

The role of Chairman of the Board shall be separated from the executive function, unless the Board determines that it can justify that the Chairman is an executive. Currently, the Board has determined that the executive role of Chairman, Mark Child, can be justified, given the following factors: (i) the stage of development of the Company i.e. the Company is at the development stage and not operational; as such, the role of the Executive Chairman is principally working with consultants and local partners to develop the Project, fundraising and determining strategic direction; (ii) the Company’s three non-executive directors have considerable public company experience and, the Board feels, can hold the Chairman to account in an effective manner (iii) the full and direct access that the Board has to all monthly management reports of the Company and the senior management of the Company, and; (iv) the frequency of Board meetings, during which the Chairman gives an account of his activities. The Company therefore believes that non- compliance with the Code in respect to the executive role of the Chairman is currently acceptable.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of four Directors and, in addition, the Company has employed the outsourced services of Ms. Kate Doody to act as the Company Secretary. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets. The professional experience of each of the Directors is set out on the Company's website. Furthermore, the Company has a non-board CFO, Mr Jeffrey Karoly, who provides oversight of the finance function and assists the Chairman on regulatory matters in the UK and Canada.

The Company also can call on the services of Dr. Warren Pratt and Mr. David Crawford, as technical advisors to the Group, in assisting with the technical development of the Company's projects.

The Board recognises that it currently has limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committee and individual Directors is undertaken on an ad hoc basis in the form of appraisal by the Chairman, who consults with the other Directors as appropriate regarding effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals off the directors shall identify the key targets and requirements that are relevant to each Director and as necessary, their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board. While the roles of Chairman and Chief Executive are not separated, the Board receives monthly reports regarding the principal areas of activity of the Company and has unrestricted access to management and employees of the Company. The Board also has the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Furthermore, the Executive Chairman maintains close dialogue with other Directors, both through the forum of Board meetings and through ad hoc communication on an individual level. The duties and responsibilities of the Board are set out in the Mandate of the Board as adopted on 2 November 2017 and available on the website of the Company under the heading "Investors / AIM Rule 26 / Responsibilities of the Board of Directors".

Principle Nine - continued

Audit Committee

As of the date of this document, the members of the Audit Committee of the Company are Mr Jim Mellon (Chairman), Ms Kate Harcourt and Mr Andrew Cheatle. Each of the members of the Audit Committee are independent. Each of the members of the Audit Committee are familiar with accounting principles, financial statements and financial reporting requirements and possess education or experience that is relevant to the performance of their duties as members of the Audit Committee of the Company. A description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member may be found above under the heading “Directors and Management” on the Company’s website.

The Audit Committee's primary responsibilities are to review the effectiveness of the company's systems of internal control; to review with the external auditors the nature and scope of their audit and the results of the audit; and to evaluate and select external auditors. The Audit Committee also reviews regular reports from management and the external auditors on accounting and internal control matters. When appropriate the Audit Committee monitors the progress of action taken in relation to such matters. The Charter of The Audit Committee is available on the Company’s website under the heading “Investors / AIM Rule 26 / Audit Committee.”

Remuneration Committee

The Remuneration Committee plans to meet at least twice in each year. Its members are Mr Jim Mellon (Chairman) and Mr Andrew Cheatle.

The company's policy is to remunerate senior executives fairly in such a manner as to facilitate the recruitment, retention and motivation of staff. The Remuneration Committee agrees with the Board, a framework for the remuneration of the chairman, the executive directors and the senior management of the company.

The principal objective of the committee is to ensure that members of the executive management of the company are provided incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company. Non-executive fees are considered and agreed by the Board as a whole.

Risk Committee

Other than the Audit and Remuneration Committees, the Company has a Risk Committee, comprising Mr Andrew Cheatle (Chairman) and Ms Kate Harcourt. The Risk Committee’s primary responsibilities are to review the risks that the Company faces and to review the safeguards in place to mitigate those risks. The Risk Committee aims to meet at least once in each year.

At least annually, the Board shall, with the assistance of the Risk Committee, review reports provided by management of principal risks associated with Condor’s business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company though its website, www.condorgold.com and via Mark Child, Executive Chairman, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CONDOR GOLD PLC FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Condor Gold Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the group financial statements, the group, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

- In our opinion the financial statements give a true and fair view of the financial position of the group as at 31 December 2018 and of its consolidated financial performance and its cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was £300,000, based on 1.5% of gross assets. The performance materiality was £180,000. The materiality applied to the parent company financial statements was £134,000, based on 10% of the loss before tax. The performance materiality was £80,400. For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Of the reporting components of the group, a full scope audit was performed on the complete financial information of 3 components.

2 of the 3 significant components are located in Nicaragua and were audited by a component auditor under our instruction. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion of the group and parent company financial statements.

Key audit matters

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

Key Audit Matter	How the scope of our audit responded to the key audit matter
Carrying value and assessment of impairment of intangible exploration and evaluation assets (refer note 10). The group has reported intangible assets of £20,644,243 in its Consolidated Statement of Financial Position as at 31 December 2018 which comprise exploration and evaluation assets. The carrying value and recoverability of these intangible assets are tested annually for impairment. The estimated recoverable amount of this balance is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	We tested the group's exploration licences and permits to confirm good title and standing. We reviewed and evaluated the impairment assessment prepared by management in relation to the La India Gold project. Our procedures included: • evaluating and challenging the key assumptions used in the cash flow forecasts; • comparing the key assumptions to externally derived data; • performing sensitivity analysis on the key assumptions within the cash flow forecast and assessing the extent to which a change in these assumptions would result in an impairment, considering the likelihood of such events occurring.
Going concern (refer note 1) The group and parent company raises finance for its exploration and evaluation activities in discrete tranches to finance activities for limited periods. There is a risk that the Group has insufficient funds and therefore is unable to continue as a going concern hence the financial statements are prepared using the wrong basis.	Our procedures included: • critically assessing the Directors' going concern assessment, challenging the forecast and key assumptions; • assessing the cash flow forecast for committed and contracted expenditure versus discretionary expenditure, compared to the level of available cash resources; • assessing the adequacy of disclosures in the financial statements.
Recoverability of Investment and Intragroup balances There is a risk that the company's investment in subsidiaries and the intragroup balances are not recoverable and that an impairment charge is required.	Our procedures included: • Consideration of the work performed on the intangible assets which is relevant because the recoverability of the net investment in the subsidiaries will be dependent on the ability of the subsidiaries to achieve and enter into commercial production; • Consideration of the net assets and performance of the subsidiaries compared to the carrying value of the investment; and • Consideration of the forecasts provided for the going concern assessment.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors'.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

David Thompson

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

22 March 2019

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107 (ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS) FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Condor Gold Plc and its subsidiaries (the "group") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IAASB").

In our opinion:

- the group financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2018 and 31 December 2017 and its financial performance and its cash flows for the years then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as issued by the IAASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the group financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

Key Audit Matter	**How the scope of our audit responded to the key audit matter**
Carrying value and assessment of impairment of intangible exploration and evaluation assets (refer note 10). The group has reported intangible assets of £20,644,243 in its Statement of Financial Position as at 31 December 2018 which comprise exploration and evaluation assets. The carrying value and recoverability of these intangible assets are tested annually for impairment. The estimated recoverable amount of this balance is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.	We tested the group's exploration licences and permits to confirm good title and standing. We reviewed and evaluated the impairment assessment prepared by management in relation to the La India Gold project. Our procedures included: • evaluating and challenging the key assumptions used in the cash flow forecasts; • comparing the key assumptions to externally derived data; • performing sensitivity analysis on the key assumptions within the cash flow forecast and assessing the extent to which a change in these assumptions would result in an impairment, considering the likelihood of such events occurring.
Going concern (refer note 1) The group and Company raises finance for its exploration and evaluation activities in discrete tranches to finance activities for limited periods.	Our procedures included: • critically assessing the Directors' going concern assessment, challenging the forecast and key assumptions; • assessing the cash flow forecast for committed and contracted expenditure versus discretionary expenditure, compared to the level of available cash resources; • assessing the adequacy of disclosures in the financial statements.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Recoverability of Investment and Intragroup balances There is a risk that the company's investment in subsidiaries and the intragroup balances are not recoverable and that an impairment charge is required.	Our procedures included: • Consideration of the work performed on the intangible assets which is relevant because the recoverability of the net investment in the subsidiaries will be dependent on the ability of the subsidiaries to achieve and enter into commercial production; • Consideration of the net assets and performance+ of the subsidiaries compared to the carrying value of the investment; and • Consideration of the forecasts provided for the going concern assessment.

Other information

The other information comprises the information included in the annual report and the management discussion and analysis, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the group's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

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

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

The partner in charge of the audit resulting in this independent auditors' report is David Thompson.

David Thompson

David Thompson (Engagement Partner)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

22 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year Ended 31.12.18 £	Year Ended 31.12.17 £
Administrative expenses		(2,067,413)	(3,023,953)
Loss on disposal of subsidiary	11	(234,210)	-
Operating loss	5	(2,301,623)	(3,023,953)
Finance income	4	2,294	338
Loss before income tax		(2,299,329)	(3,023,615)
Income tax expense	6	-	-
Loss for the year		**(2,299,329)**	**(3,023,615)**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation differences		144,006	(57,303)
Other comprehensive (loss) / income for the year		**144,006**	**(57,303)**
Total comprehensive loss for the year		**(2,155,323)**	**(3,080,918)**
Loss attributable to:			
Non-controlling interest		-	-
Owners of the parent		(2,299,329)	(3,023,615)
		(2,229,329)	**(3,023,615)**
Total comprehensive loss attributable to:			
Non-controlling interest		-	(6,352)
Owners of the parent		(2,155,323)	(3,074,566)
		(2,155,323)	**(3,080,918)**
Earnings per share expressed in pence per share:			
Basic and diluted (in pence)	8	(3.49)	(5.04)

The notes in pages 51 to 73 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31.12.18	31.12.17
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	211,064	271,319
Intangible assets	10	20,644,243	18,927,968
		20,855,307	19,199,287
CURRENT ASSETS			
Trade and other receivables	12	219,077	320,974
Cash and cash equivalents		220,975	946,261
		440,052	1,267,235
TOTAL ASSETS		**21,295,359**	**20,466,522**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	14	251,316	445,030
TOTAL LIABILITIES		**251,316**	**445,030**
NET CURRENT ASSETS		188,736	822,205
NET ASSETS		**21,044,043**	**20,021,492**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	15	13,435,868	12,273,077
Share premium		33,662,309	32,426,049
Exchange difference reserve		959,791	581,575
Retained earnings		(27,013,925)	(25,174,153)
		21,044,043	**20,106,548**
Non-controlling interest		-	(85,056)
TOTAL EQUITY		**21,044,043**	**20,021,492**

The financial statements were approved and authorised for issue by the Board of directors on 22 March 2019 and were signed on its behalf by:

M L Child - Chairman
Company No: 05587987

The notes in pages 51 to 73 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share Capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non Controlling Interest	Total Equity
	£	£	£	£	£	£	£
At 1 January 2017	10,582,129	28,875,061	632,526	(23,075,118)	17,014,598	(78,704)	16,935,894
Comprehensive income:							
Loss for the year	-	-	-	(3,023,615)	(3,023,615)	-	(3,023,615)
Other comprehensive income:							
Currency translation differences	-	-	(50,951)	-	(50,951)	(6,352)	(57,303)
Total comprehensive income	-	-	(50,951)	(3,023,615)	(3,074,566)	(6,352)	(3,080,918)
Adjustment							
New shares issued	1,690,948	3,550,988	-	-	5,241,936	-	5,241,936
Share based payment	-	-	-	924,580	924,580	-	924,580
Total transactions with owners, recognised directly in equity	1,690,948	3,550,988	-	924,580	6,166,516	-	6,166,516
At 31 December 2017	12,273,077	32,426,049	581,575	(25,174,153)	20,106,548	(85,056)	20,021,492
Comprehensive income:							
Loss for the year	-	-		(2,299,329)	(2,299,329)	-	(2,299,329)
Other comprehensive income:							
Currency translation differences	-	-	144,006	-	144,006	-	144,006
Total comprehensive income	-	-	144,006	(2,299,329)	(2,155,323)	-	(2,155,523)
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	-	-	-	544,613	544,613	-	544,613
Recycle through profit or loss on disposal of subsidiary	-	-	234,210	-	234,210	-	234,210
Transactions with non-controlling interest	-	-	-	(85,056)	(85,056)	85,056	-
Total transactions with owners, recognised directly in equity	1,162,791	1,236,260	234,210	459,557	3,092,818	85,056	3,177,874
At 31 December 2018	13,435,868	33,662,309	959,791	(27,013,925)	21,044,043	-	21,044,043

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

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

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

The notes in pages 51 to 73 form an integral part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31.12.18	31.12.17
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	515	1,472
Investments	11	751,977	751,977
Other receivables	12	24,394,310	22,329,897
		25,146,802	23,083,346
CURRENT ASSETS			
Other receivables	12	22,324	71,392
Cash and cash equivalents		191,166	913,257
		213,490	984,649
TOTAL ASSETS		**25,360,292**	**24,067,995**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	14	182,561	302,286
TOTAL LIABILITIES		**182,561**	**302,286**
NET CURRENT ASSETS		30,929	682,363
NET ASSETS		**25,177,731**	**23,765,709**
SHAREHOLDERS' EQUITY			
Called up share capital	15	13,435,868	12,273,077
Share premium		33,662,309	32,426,049
Retained earnings		(21,920,446)	(20,933,417)
TOTAL EQUITY		**25,177,731**	**23,765,709**

The loss for the financial year dealt with in the financial statement of the parent company was £1,531,642 (2017: £1,951,935).

The financial statements were approved and authorised for issue by the Board of directors on 22 March 2019 and were signed on its behalf by:

M L Child - Chairman
Company No: 05587987

The notes in pages 51 to 73 form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2017	10,582,129	28,875,061	(19,906,062)	19,551,128
Comprehensive income:				
Loss for the period	-	-	(1,951,935)	(1,951,935)
Total comprehensive income	-	-	(1,951,935)	(1,951,935)
New shares issued	1,690,948	3,550,988	-	5,241,936
Share based payment	-	-	924,580	924,580
Total transactions with owners recognised directly in equity	1,690,948	3,550,988	924,580	6,166,516
At 31 December 2017	12,273,077	32,426,049	(20,933,417)	23,765,709
Comprehensive income:				
Loss for the period	-	-	(1,531,642)	(1,531,642)
Total comprehensive income	-	-	(1,531,642)	(1,531,642)
New shares issued	1,162,791	1,337,210	-	2,500,001
Issue costs	-	(100,950)	-	(100,950)
Share based payment	-	-	544,613	544,613
Total transactions with owners recognised directly in equity	1,162,791	1,236,260	544,613	2,943,664
At 31 December 2018	13,435,868	33,662,309	(21,920,446)	25,177,731

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

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

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Year Ended 31.12.18 £	Year-Ended 31.12.17 £
Cash flows from operating activities		
Loss before tax	(2,299,329)	(3,023,615)
Share based payment	544,613	740,362
Recycle through profit or loss on disposal of subsidiary	234,210	-
Depreciation	77,739	88,800
Exchange differences	(8,318)	(54,365)
Finance income	(2,294)	(338)
	(1,453,379)	(2,249,156)
Decrease in trade and other receivables	101,900	224,274
(Decrease) / Increase in trade and other payables	(193,715)	93,480
Net cash used in operating activities	(1,545,194)	(1,931,402)
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,422)	(128,667)
Purchase of intangible fixed assets	(1,566,015)	(2,819,554)
Interest received	2,294	338
Net cash used in investing activities	(1,579,143)	(2,947,883)
Cash flows from financing activities		
Net proceeds from share issue	2,399,051	5,241,936
Net cash from financing activities	2,399,051	5,241,936
(Decrease)/Increase in cash and cash equivalents	(725,286)	362,651
Cash and cash equivalents at beginning of year	946,261	583,610
Exchange (loss)/gains in cash and bank	-	-
Cash and cash equivalents at end of year	220,975	946,261

The notes in pages 51 to 73 form an integral part of these financial statements

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Year Ended 31.12.18 £	Year Ended 31.12.17 £
Cash flows from operating activities		
Loss before tax	(1,531,642)	(1,951,935)
Share based payment	544,613	740,362
Depreciation	957	1,196
Finance income	(2,294)	(338)
	(988,366)	(1,210,715)
Decrease / (Increase) in trade and other receivables	49,068	(40,014)
(Decrease) / Increase in trade and other payables	(119,725)	116,054
Net cash used in operating activities	(1,059,023)	(1,134,675)
Cash flows from investing activities		
Interest received	2,294	338
Loans to subsidiaries	(2,064,413)	(3,735,135)
Purchase of fixed asset investments	-	(2,405)
Net cash used in investing activities	(2,062,119)	(3,737,202)
Cash flows from financing activities		
Proceeds from share issue	2,399,051	5,241,936
Net cash from financing activities	2,399,051	5,241,936
(Decrease) / Increase in cash and cash equivalents	(722,091)	370,059
Cash and cash equivalents at beginning of year	913,257	543,198
Cash and cash equivalents at end of year	191,166	913,257

The notes in pages 51 to 73 form an integral part of these financial statements

1. ACCOUNTING POLICIES

General information

These consolidated financial statements are for Condor Gold Plc and its subsidiary undertakings. The Company is a public company registered in England and Wales on 10 October 2005 and is listed on the AIM Market of the London Stock Exchange and the Toronto Stock Exchange in Canada. The Company is domiciled in the United Kingdom. The address of its registered office is 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX . The nature of the Group's operation is described in the Directors' report. For the subsidiaries, the registered offices of La India Gold S.A, Condor S.A. and La India Inversiones S.A. is: La Cruz de La India, Centro de Salud 50 vrs al Sur, Municipio de Santa Rosa del Peñon, Departamento de Leon.

Functional and presentation currency

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

Basis of preparation

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

The financial statements have been rounded to the nearest pound.

Interpretations and amendments to published standards effective in 2018

The following standards were adopted by the Group during the year:

- IFRS 9 (2014) - Financial instruments (effective 1 January 2018)
- Amendments to IFRS 2: Classification and measurement of Share-based Payment Transactions (effective 1 January 2018)
- Annual improvements to IFRS Standards 2014-2016 Cycle (effective 1 January 2018)
- IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Considerations (effective 1 January 2018)

Standards, amendments and interpretations to published standards not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

- IFRS 16 – Leases (effective 1 January 2019)
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle (1 January 2019)
- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)

Basis of consolidation

The Group financial statements consolidate the accounts of its subsidiaries; Condor S.A., La India Gold S.A. and La India Inversiones S.A. under the acquisition method. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

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

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

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of on entity and a financial liability or equity instrument of another.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4 The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables..

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. IFRS 9.3.2.6(a) IFRS 9.3.2.6(c) IFRS

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

9.3.2.4(b) Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. IFRS 9.5.5.1 ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. IFRS 9.4.2.1(a) Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

1. ACCOUNTING POLICIES - continued

Financial instruments – initial recognition and subsequent measurement

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

(c) Financial liabilities
Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

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

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, determined using tax rates that are expected to apply when the related deferred tax asset or liability is realised or settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1. ACCOUNTING POLICIES - continued

Intangible assets – exploration costs, licences and minerals resources

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

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

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

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

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

Intangible assets are not subject to amortisation and are tested annually for impairment. The recoverability of all exploration costs, licenses and mineral resources is dependent on the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production, or proceeds from the disposition thereof.

Property, Plant and Equipment

All property, plant and equipment is stated at historic cost less accumulated depreciation. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is charged on a straight-line basis so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Improvements to rental property	25%
Plant & machinery	25%
Fixture & fittings	25%
Motor vehicles	25%
Computer equipment & software	33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

1. ACCOUNTING POLICIES - continued

Foreign currencies

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

On consolidation of a foreign operation, assets and liabilities are translated at the closing rate at the date of the Statement of Financial Position, income and expenses for each Statement of Comprehensive Income presented are translated at average exchange rates. All resulting exchange differences shall be recognised in other comprehensive income and accumulated in equity.

Share based payments

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of employee services received in exchange for the grant of share options are recognised as an expense. The total expense to be apportioned over the vesting period is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the Group revises its estimate of the number of options that are expected to vest.

The Group recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.
The fair value of goods or services received in exchange for shares is recognised as an expense and included within administrative expenses.

Critical accounting estimates and judgements

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

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

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

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

Determining whether the intangible assets and/or investments and/or intercompany loan are impaired requires an estimation of the value in use of the cash generating units to which the intangible assets belong. Where impairment indicators are present, the Group is required to evaluate the future cash flows expected to arise from the cash-generating unit and the suitable discount rate in order to calculate the present value, as explained further in note 10.

The carrying value of Group's exploration and evaluation intangible assets at 31 December 2018 is £20,644,243 (2017: £18,927,968).

The Company's investment in, and loan to subsidiaries at 31 December 2018 is £25,146,287 (2017: £23,081,874).

b) Share based payments

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

The valuation of these options involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions are described in more detail in note 16.

The expense charged to the Statement of Comprehensive Income during the year in relation to share based payments was £544,613 (2017: £740,362).

1. ACCOUNTING POLICIES - continued

c) Going concern

The Group reviews its going concern status, via comparisons to budgets, cash flow forecasts, and access to further financing. At the balance sheet date the group had £220,975 of cash. A further amount of £1.75million has been raised through an equity placing since the year-end. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua followed by a Feasibility Study. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date. These conditions may cast doubt on the Group and Company's ability to continue as a going concern.

The Directors have prepared a cash flow forecast which assumes that the Group and Company is not able to raise additional funds within the going concern period and if that was the case, the forecasts demonstrate that austerity measures can be implemented to reduce the Group and Company's cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits. These forecasts assume that Directors and Key management personnel salaries are deferred and/or reduced as part of the austerity measures which would ensure that the Group and Company have available cash in order to continue into operational existence for at least 12 months from the date of approval of this report. Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements.

2. REVENUE AND SEGMENTAL REPORTING

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

The Group's operations are located in UK and Nicaragua. The Group undertakes only one business activity as described in the Director's Report.

Revenue and results

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

The segment results are the measures that are reported to the Groups' chairman, being the Chief Operating Decision Maker, in order to assess the segments' performance during the period.

The Group has not generated revenue during the year.

The Group's results by reportable segment for the year ended 31 December 2018 are as follows:

	UK	**Nicaragua**	**Group**
	£	**£**	**£**
RESULTS			
Operating loss	(1,974,697)	(326,926)	(2,301,623)
Interest income	2,294	-	2,294
Included in operating loss			
Depreciation	(957)	(76,782)	(77,739)

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

	UK	**Nicaragua**	**Group**
	£	**£**	**£**
RESULTS			
Operating loss	(1,951,935)	(1,072,018)	(3,023,953)
Interest income	338	-	338
Included in operating loss	(1,195)	(87,604)	(88,799)
Depreciation			

2. REVENUE AND SEGMENTAL REPORTING - continued

Assets - 2018

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

	UK	Nicaragua	Consolidation
	£	£	£
ASSETS			
Total assets	963,578	20,331,781	21,295,359
LIABILITIES			
Total liabilities	182,561	68,755	251,316

The group had intercompany debt owed to the UK at 31 December 2018 split segmentally as follows:

Due from Nicaragua £24,394,310

Assets - 2017

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

	UK	Nicaragua	Consolidation
	£	£	£
ASSETS			
Total assets	1,735,694	18,730,828	20,466,522

	UK	Nicaragua	Consolidation
	£	£	£
LIABILITIES			
Total liabilities	302,286	142,744	445,030

The Group had intercompany debt owed to the UK at 31 December 2017 split segmentally as follows:

Due from Nicaragua £22,329,897

3. STAFF COSTS

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Wages and salaries	625,959	648,142	211,620	149,996
Social security costs	379,794	182,969	25,453	13,990
Share options charge	544,613	924,580	544,613	879,447
	1,550,366	1,755,691	781,686	1,043,433

There were no pension costs incurred. Staff costs included within additions to exploration costs during the year were £625,559 (2017: £470,436).

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

	Group		Company	
	2018	2017	2018	2017
Directors	1	5	1	3
Employees	52	81	2	1
	53	86	3	4

Directors' remuneration, which form part of key management personnel is described below. Key personnel not described below comprise the Chief Financial Officer. The total employee benefits of the Chief Financial Officer were £65,000 (2017 £nil).

	Salary Payments		Related Party Payments *		Total	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
M L Child	112,451	100,000	66,000	58,333	178,451	158,333
K Harcourt	25,000	25,000	-	-	25,000	25,000
J Mellon	-	-	25,000	25,128	25,000	25,128
Andrew Cheatle[1]	-	-	28,333	-	28,333	-
R Davey[2]	-	24,996	-	-	-	24,996
P Flindell[3]	-	-	12,500	56,718	12,500	56,718
Total Remuneration of Directors	137,451	149,996	131,833	140,179	269,284	290,175
Total Remuneration of key management	65,000	-	-	-	65,000	-
Total Remuneration of Directors and key management	202,451	149,996	131,833	140,179	334,284	290,175

[1] Appointed 18 January 2018

[2] Resigned 18 January 2018

[3] Resigned 11 June 2018

* Refer to Note 17 for listing of related parties

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

3. STAFF COSTS - continued

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

	Exercise price (p)	Latest exercise date	As at 1 January 2018	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2018
DIRECTORS							
M L Child	100	1 July 2018	600,000	-	-	(600,000)	-
	100	23 July 2019	600,000	-	-	-	600,000
	67	7 July 2020	600,000	-	-	-	600,000
	80	26 Sept 2021	600,000	-	-	-	600,000
	62	6 July 2022	800,000	-	-	-	800,000
	42	23 Sept 2023	-	800,000	-	-	800,000
J Mellon	100	1 July 2018	150,000	-	-	(100,000)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
	42	23 Sept 2023	-	150,000	-	-	150,000
R Davey	100	1 July 2018	150,000	-	-	(150,000)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 July 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
P Flindell	160	1 July 2018	62,500	-	-	(62,500)	-
	100	23 July 2019	150,000	-	-	-	150,000
	67	7 Jul 2020	150,000	-	-	-	150,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
K Harcourt	67	7 Jul 2020	50,000	-	-	-	50,000
	80	26 Sept 2021	150,000	-	-	-	150,000
	62	6 July 2022	150,000	-	-	-	150,000
	42	23 Sept 2023	-	150,000	-	-	150,000
A Cheatle	65	24 January 2023	-	150,000	-	-	150,000
	42	23 Sept 2023	-	75,000	-	-	75,000

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

The market price of the shares at 31 December 2018 was 31.00 pence (2017: 40.50 pence).
The market price during the year ranged from 23.0 pence to 59.5 pence (2017: 30.5 pence to 73 pence).
Directors held 1,287,103 warrants as at 31 December 2018 (2017: 627,956), to subscribe for ordinary shares of the Company. 469,445 warrants held by the directors expired during the year (2017: Nil).

4. FINANCE INCOME

	31.12.18 £	31.12.17 £
Deposit account interest	2,294	338

5. LOSS BEFORE TAX

The loss before tax is stated after charging:

	31.12.18 £	31.12.17 £
Depreciation – owned assets	77,739	88,799
Fees payable to the company's auditor for the audit of parent company and consolidated financial statements	36,441	40,303
Foreign exchange differences	27,313	84
Rent – operating leases	189,020	159,814

6. TAXATION

Analysis of the tax charge	31.12.18 £	31.12.17 £
Current tax:		
Tax	-	-
Total tax charge in income statement	-	-

Reconciliation of the tax charge

	31.12.18 £	31.12.17 £
Group Loss before tax	(2,299,329)	(3,023,953)
Loss before tax multiplied by domestic tax rates applicable to losses in the respective countries	(528,846)	(695,509)
Effects of:		
Non-taxation income/(non-deductible expenses)	4,219	289
Losses on which no deferred tax is recognised	524,627	695,220
Total tax charge in income statement	-	-

The weighted average applicable tax rate was 23% (2017: 23%).

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to certain losses carried forward at the year end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised. The unrecognised deferred tax asset for the Group was approximately £4,445,000 (2017: £4,554,000). The unrecognised deferred tax asset relating to Nicaraguan tax losses, which expire after 3 years, and included above amounted to approximately £878,000 (2017: £1,274,000).

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £1,531,642 (2017: £1,951,935).

8. 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:

Basic earnings per share	31.12.18 £	31.12.17 £
Loss for the year	(2,299,329)	(3,023,615)
Weighted average number of shares	65,873,187	59,994,972
Loss per share (in pence)	(3.49)	(5.04)

Following the year-end the Company issued 7,291,667 ordinary shares, see note 21 for further details.

Diluted earnings per share

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

9. PROPERTY, PLANT AND EQUIPMENT

	Improvements to rental property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer equipment & software £	Totals £
Group						
Cost:						
At 1 January 2017	204,218	157,511	33,530	116,469	73,015	584,743
Additions	22,463	7,610	8,776	77,871	12,809	129,529
Disposals	-	(860)	-	-	-	(860)
Exchange difference	(2,595)	(876)	822	(1,480)	1,039	(3,090)
At 31 December 2017	224,086	163,385	43,128	192,860	86,863	710,322
Additions	2,157	1,254	1,457	-	10,554	15,422
Disposals	-	(13,026)	(14,037)	(18,259)	(20,082)	(65,404)
Exchange difference	1,714	1,150	202	1,474	369	4,909
At 31 December 2018	227,957	152,763	30,750	176,075	77,704	665,249
Accumulated depreciation and impairment:						
At 1 January 2017	(74,289)	(89,010)	(30,311)	(94,451)	(62,292)	(350,353)
Charge for period	(26,589)	(26,796)	(1,485)	(26,325)	(7,604)	(88,799)
Disposals	-	-	-	-	-	-
Exchange difference	946	5	(860)	1,200	(1,142)	149
At 31 December 2017	(99,932)	(115,801)	(32,656)	(119,576)	(71,038)	(439,003)
Charge for period	(30,095)	(12,087)	(2,820)	(20,884)	(11,853)	(77,739)
Disposals	-	13,026	14,037	18,259	20,082	65,404
Exchange difference	(764)	(786)	(122)	(914)	(261)	(2,847)
At 31 December 2018	(130,791)	(115,648)	(21,561)	(123,115)	(63,070)	(454,185)
Net Book Value:						
At 31 December 2017	124,154	47,584	10,472	73,284	15,825	271,319
At 31 December 2018	97,166	37,115	9,189	52,960	14,634	211,064

The current year depreciation charge for the subsidiaries of £76,782 (2017: £87,604) is included within the addition to exploration costs in the year.

9. PROPERTY, PLANT AND EQUIPMENT – continued

Company	Fixtures & fittings £	Computer Equipment £	Totals £
Cost:			
At 1 January 2017	2,722	18,228	20,950
Additions	-	-	-
At 31 December 2017	2,722	18,228	20,950
Additions	-	-	-
At 31 December 2018	2,722	18,228	20,950
Depreciation:			
At 1 January 2017	(2,595)	(15,687)	(18,282)
Charge for the year	(52)	(1,144)	(1,196)
At 31 December 2017	(2,647)	(16,831)	(19,478)
Charge for the year	(30)	(927)	(957)
At 31 December 2018	(2,677)	(17,758)	(20,435)
Net Book Value:			
At 31 December 2017	75	1,397	1,472
Net book Value:			
At 31 December 2018	45	470	515

10. INTANGIBLE ASSETS

	Exploration costs £	Mineral resources £	Licences £	Total £
Group				
Cost or valuation:				
At 1 January 2017	19,200,298	3,443,221	472,036	23,115,555
Additions	3,239,665	184,218	-	3,423,883
Disposals	-	-	-	-
Exchange difference	(420,109)	-	-	(420,109)
At 31 December 2017	22,019,854	3,627,439	472,036	26,119,329
Additions	1,566,015	-	-	1,566,015
Disposals	(2,756,728)	(2,877,866)	(472,036)	(6,106,630)
Exchange difference	150,260	-	-	150,260
At 31 December 2018	20,979,401	749,573	-	21,728,974
Accumulated amortisation and impairment:				
At 1 January 2017	(3,841,459)	(2,877,866)	(472,036)	(7,191,361)
Impairment for year	-	-	-	-
At 31 December 2017	(3,841,459)	(2,877,866)	(472,036)	(7,191,361)
Impairment for year	-	-	-	-
Disposal	2,756,728	2,877,866	472,036	6,106,630
At 31 December 2018	(1,084,731)	-	-	(1,084,731)
Net Book Value:				
At 31 December 2017	18,178,395	749,573	-	18,927,968
At 31 December 2018	19,894,670	749,573	-	20,644,243

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

The disposal reflected in 2018 from cost and amortisation of intangible assets of £3,139,566 reflects the removal from the balance sheet of previously written off assets relating to the Company's historic activities in El Salvador. The Company no longer holds a subsidiary entity in that country.

In arriving at its assessment as to whether an impairment review is required in relation to its Nicaragua assets, which amounted to £20,644,243 (2017: £18,743,750) at the balance sheet date, the following factors were considered:

- The exploration assets are in good standing;
- Substantive expenditure is planned on further exploration for and evaluation of mineral resources in Nicaragua project areas;
- Results from exploration for evaluation of mineral resources to date lead the directors to believe that the projects can be developed into significant commercial reserves;
- Sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale.
- The Company published a Technical Report entitled "*Technical Report on the La India Gold Project, Nicaragua, December 2014*", dated November 13, 2017 with an effective date of December 21, 2014 (the "Technical Report"), prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Technical Report included a Pre-Feasibility Study ("PFS"), the financial results and conclusions of which clearly indicated the economic viability of the La India Project, should capital be raised in order to proceed with the development of the project. The Directors undertook an assessment of impairment through evaluating the results of the PFS, which is still applicable and relevant throughout 2018 and judged that no impairment was required with regards to the La India Project;
- The directors have also considered sensitivity analysis on the key assumptions used in the PFS, which are production volumes, discount rates, material prices, and operating costs. The headroom ismost sensitive to changes in material prices and discount rates; and
- The PFS and The Technical Report can be found at www.condorgold.com and includes further details of the assumptions used, the method of estimation used and the possible range of outcomes.

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

11. INVESTMENTS

Company	Equity in subsidiary undertakings	Capital contribution	Total
	£	£	£
Cost:			
1 January 2017	3,443,221	991,261	4,434,482
Addition relating to share-based payment	184,217	-	184,217
Share capital in subsidiary	2,405	-	2,405
31 December 2017	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
At 31 December 2018	3,629,843	991,261	4,621,104
Provision for impairment:			
Charge at 1 January 2017	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2017	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2018	(2,877,866)	(991,261)	(3,869,127)
Net Book Value:			
At 31 December 2017	751,977	-	751,977
At 31 December 2018	751,977	-	751,977

In assessing whether an impairment is required for the carrying value of an asset, reference has been made to the underlying intangible assets discussed in Note 10.

In 2017 an amount of £184,218 was treated as an investment addition in relation to the share based payment charge for share options granted by the Company to employees of a subsidiary undertaking.

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

Name	Country of incorporation	Interest %	Class of shares	Nature of the business	Share capital and reserves	Loss for the year
					£	£
Condor S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(1,726,489)	17,844
La India Gold S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(948,637)	52,046
La India Inversiones S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(47,044)	22,827

During the year the Group lost control of Minerales Morazan S.A de C.V following commencing proceedings to liquidate the Company. This resulted in a loss on disposal of £234,210.

The registered office of the subsidiary undertakings is disclosed in Note 1.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Current:				
Trade and Other receivables	36,726	143,638	22,324	71,392
Prepayments	182,351	177,336	-	-
	219,077	320,974	22,324	71,392
Non-current:				
Amounts owed by Group undertakings	-	-	24,394,310	22,329,897
	-	-	24,394,310	22,329,897
	219,077	320,974	24,416,634	22,401,289

In assessing whether an impairment is required for the carrying value of the amounts owed by Group undertakings to the Company, reference has been made to the underlying intangible assets discussed in Note 10. The reconciliation of amounts owed by Group undertakings is included in note 17.

13. FINANCIAL INSTRUMENTS

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

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

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

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

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

13.1 Financial instruments by category

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Financial assets measured at amortised cost				
Loans and receivables:				
Trade and Other receivables	36,726	143,638	22,324	71,392
Receivable from subsidiaries	-	-	24,394,310	22,329,897
Cash and cash equivalents	220,975	946,261	191,166	913,257
Total	257,701	1,089,899	24,607,800	23,314,546

13. FINANCIAL INSTRUMENTS – continued

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Financial liabilities measured at amortised cost				
Loans and payables :				
Trade and other payables	98,397	174,474	84,925	155,930
Total	98,397	174,474	84,925	155,930

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

13.2 Financial risk management objectives and policies

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

(a) Foreign currency exchange risks

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

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

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2018	2017	2018	2017
GBP/USD	0.7491	0.7759	0.7831	0.7402
GBP/NIO	0.0242	0.0257	0.0241	0.0325

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

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

(b) Credit risk

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

(c) Liquidity risks

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

13. FINANCIAL INSTRUMENTS – continued

(d) Cash flow and fair value interest rate risks

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

The main financial risks for the Group are set out within the Strategic Report on pages 6-9.

At 31 December 2018 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows:

	31.12.18		31.12.17	
	£	Weighted average interest rate	£	Weighted average interest rate
Financial assets:				
GBP – cash and cash equivalents	191,166	0.20%	913,257	0.20%
USD – cash and cash equivalents	-	0.00%	-	0.00%
NIO – cash and cash equivalents	29,809	0.00%	33,004	0.00%
Total	220,975		946,261	

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

(e) Capital Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated Statement of Financial Position, plus net debt.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Current:				
Social security and other taxes	24,022	21,279	11,838	4,719
Trade and Other payables	74,375	153,195	73,087	151,211
Accrued expenses	152,919	270,557	97,636	146,356
Total	251,316	445,031	182,561	302,286

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

15. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	Number of shares * (thousands)	Ordinary shares £	Share premium £	Total £
At 31 December 2016	52,910	10,582,129	28,875,061	39,457,190
Proceeds from shares issued	8,455	1,690,948	3,550,988	5,241,936
At 31 December 2017	61,365	12,273,077	32,426,049	44,699,126
Proceeds from shares issued	5,814	1,162,791	1,337,210	2,500,001
Issue costs	-	-	(100,950)	(100,950)
At 31 December 2018	67,179	13,435,868	33,662,309	47,098,177

** Nominal value 20 pence each*

The authorised share capital of the company comprises 67.179 million Ordinary shares. All issued ordinary shares are fully paid.

On 23 March 2018, 5,813,953 ordinary shares were issued at a price of 43p per share. Issued and outstanding shares as at 31 December 2018 totalled 67,179,335 (31 December 2017: 61,365,380).

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

16. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS

a) Share Options

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

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

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

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

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

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

Details of the share options outstanding during 2018 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2018 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2018	Date from which options are first exercisable	Lapse date
01/07/2013	1.00	1,140,100	-	-	(1,140,100)	-	01/07/2014	30/06/2018
23/07/2014	1.00	1,401,500	-	-	(29,000)	1,372,500	24/07/2015	22/07/2019
07/07/2015	0.67	1,255,000	-	-	(32,000)	1,223,000	07/07/2016	06/07/2020
26/06/2016	0.80	1,722,000	-	-	(116,000)	1,606,000	26/06/2017	25/06/2021
06/07/2017	0.62	1,933,000	-	-	(100,000)	1,833,000	06/07/2018	05/07/2022
01/11/2017	0.62	50,000	-	-	-	50,000	01/11/2018	31/10/2022
14/12/2017	0.5	50,000	-	-	-	50,000	14/12/2018	13/12/2022
25/01/2018	0.65	-	200,000	-	-	200,000	25/01/2019	24/01/2023
01/06/2018	0.50	-	20,000	-	-	20,000	01/06/2019	31/05/2023
15/07/2018	0.50	-	30,000	-	-	30,000	15/07/2019	14/07/2023
24/09/2018	0.42	-	1,755,000	-	-	1,755,000	24/09/2019	23/09/2023
		7,551,600	2,005,000	-	(1,417,100)	8,139,500		

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

Options issued during the year:	£0.44
Options forfeited/lapsed during the year:	£0.95
Options outstanding at 31 December 2018:	£0.68
Options exercisable at 31 December 2018:	£0.76

During the year 1,140,100 share options expired (2017: 663,900) and 277,000 were forfeited (2017: 60,000). 5,168,000 options were exercisable at the end of the year (2017: 4,261,600).

The weighted average exercise price per share option is 59p (2017: 80p) and the average contractual life is 5 years (2017: 5 years).

The weighted average fair value of options granted during the year is £0.44 (2017: £0.62).

The total expense recognised in the State of Comprehensive Income during the year was £544,613 (2017: £740,362) and has been fully recognised within administrative expenses. This fair value has been calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	2018	2018	2018	2017	2017
Number of options issued	1,755,000	50,000	200,000	50,000	50,000
Share price	35p	37p	43p	41p	43p
Exercise price	42p	50p	65p	50p	62p
Expected volatility	20.4%	20.2%	54.2%	67%	67%
Expected life (yrs.)	5	5	5	5	5
Continuous growth rate	0.5%	0.5%	0.5%	0.5%	0.5%
Dividend yield	0%	0%	0%	0%	0%

A movement through reserves of £544,623 (2017: £924,580) was made during the year reflecting the share options charge on issued options (2017: options and warrants).

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

Expected volatility was determined with reference to the historical volatility of the Company's share price. With regard to options issued in 2018, calculation of volatility was based upon the 2 year vesting period of the options. For calculation of the volatility of the options issued in 2017, the 5 year life of the options was applied.

The weighted average remaining contractual life of the share options outstanding at the end of the period is 4 years (2017: 4 years).

b) Warrants

During the year 2,906,975 warrants were issued as part of share subscriptions (2017: 4,227,364) with expiry date of 28 March 2020 and an exercise price of 65 pence per warrant.

The warrants all previously issued had a maximum life of two and a half years from the date they were issued, other than the 2014 warrants which have a 4 year life and the 2016 warrants which have a 2 year life. Should all warrants be exercised in full, the Company would receive £10,948,979 (2017: £11,842,455).

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

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

Volatility of the warrants issued in 2017 and 2018 was calculated by reference to the volatility of the share price of the Company over the 2 year period prior to issue, this being the expected life of the warrants.

17. RELATED PARTY TRANSACTIONS

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

Company	Related party	31.12.18 £	31.12.17 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,128	-
Axial Associates Limited	M L Child	66,041	58,333	-
N/A	P Flindell	12,500	56,718	-
AMC Geological Advisory Group	A Cheatle	28,333	-	2,083

Mr. Flindell received additional remuneration of £ Nil (2017: £31,718) in his capacity as a non-executive director for providing services to the Company. He resigned as a Director on 23 June 2018. All key management receives their remuneration from the subsidiary they work for. The remuneration of key management in the subsidiaries is capitalised within exploration costs.

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

Condor S.A.	31.12.18 £	31.12.17 £
Brought forward loan balance	6,434,360	4,739,753
Additional loans during the period	388,756	1,375,607
Management charges	224,000	319,000
Closing balance	7,047,116	6,434,360

La India Gold S.A.	31.12.18 £	31.12.17 £
Brought forward loan balance	15,733,360	13,855,009
Additional loans during the period	1,191,974	1,559,351
Management charges	219,000	319,000
Closing balance	17,144,334	15,733,360

17. RELATED PARTY TRANSACTIONS - continued

	31.12.18	31.12.17
La India Inversiones S.A.	£	£
Brought forward loan balance	162,177	-
Additional loans during the period	40,682	162,177
Closing balance	202,859	162,177

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

18. OPERATING LEASES

The Group leases premises under cancellable and non-cancellable operating lease arrangements. The cancellable leases can be terminated by payment of up to one month's rental as a cancellation fee. The total value of lease payments recognised in the profit and loss is £42,591 (2017: £37,188).

Future minimum lease payments under non-cancellable operating leases are as follows:
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	31.12.18	31.12.17
Group	£	£
No later than 1 year	16,304	19,497
Later than 1 year and no later than 5	2,613	15,192
Later than 5 years	-	-
	18,917	34,689

19. CONTINGENT LIABILITIES

In August 2011, the Group entered into a purchase agreement with La Mestiza to purchase the rights of the Espinito Mendoza concession, which now forms part of the La India Gold project. The contract included a 2.25% net smelter royalty on gold production from the concession. The royalty will become payable when gold production commences from the concession.

Under local laws in Nicaragua there is a requirement for the Group to pay the government a 3% royalty on all gold sales from the La India Gold project. The royalty will become payable when gold production commences from the La India Gold project.

The Directors are unable to accurately determine the timing of production or quantify the potential liability at 31 December 2018.

20. CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

21. POST BALANCE SHEET EVENTS

On 28 January 2019 the Company announced an updated mineral resource estimate at La India ("**MRE**"). The MRE as at 25 January 2019 is 9.85 million tonnes at 3.6 g/t gold for 1,140,000 oz gold in the Indicated category and 8.48 million tonnes at 4.3g/t gold for 1,179,000 oz gold in the Inferred category. 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 did not show a material change in the number of ounces of gold reported in the Indicated Category or Inferred Category.

On 1 February 2019, the Company announced a private placement (the "February 2019 Placement") of 7,291,667 shares at a price of 24p per share (the "February 2019 Placing Price"), including a Directors & CFO subscription of 3,221,667 shares, to raise in aggregate gross proceeds of £1.75 million. The February 2019 Placement Price of 24 pence per share represented a discount of 6.7% to the closing price of the Ordinary Shares on AIM of 46.5 pence per share on 31 January 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. Shares 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 31 January 2021 while the 1,562,500 warrants issued with the Mellon Subscription expire on 25 February 2021.

On 5 March 2019 the Company announced that it had commenced a permitting process for two high grade satellite feeder pits at La India which have the potential, according to management's studies, to increase open pit production by 50% to 120,000 oz gold per annum.