Company number: 05587987

CONDOR GOLD PLC
Report and Accounts
Year ended 31 December 2019

CONTENTS OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

CONDOR GOLD PLC

HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2019

- In January 2019, Condor announced a Mineral Resource update on La India Project totalling 9.85 million tonnes ("Mt") at 3.6 grams 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;
- This includes an 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, together with an 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 thousand tonnes ("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 Mt at 3.23 g/t gold for 221,000 oz gold in the Inferred category;
- In February 2019, the Company raised £1.75 million by way of a private placement of new Ordinary Shares;
- In March 2019, the Company announced it was permitting the Mestiza and America satellite feeder pits, which have 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;
- In July 2019, a 132km², 25-year exploration and exploitation concession, the "Cerro Los Cerritos concession" was awarded. It is adjacent to current La India concession package and potentially hosts the strike extension of the gold mineralisation at La India. It expands La India Project concession area to 588 km^2;
- Additional private placement closed in July of 20,192,520 new shares at a price of 20p per share to raise £4,038,504 including a Directors and CFO subscription for 6,350,000 shares and 9,842,520 shares subscribed by Nicaragua Milling Company Ltd.
- Additional positive metallurgical test results on La India and satellite deposits announced in November;
- In November 2019, Condor submitted Environmental and Social Impact Assessments ("ESIAs") to the Ministry of Environment and Natural Resources ("MARENA") for the Environmental Permits for the development and extraction of contained gold from the America and Mestiza open pits;
- In December 2019, Condor sold the non-core Potrerillos exploration and exploitation concession to Nicoz Resources S.A., a wholly-owned subsidiary of Mako Mining Corp. (TSX-V: MKO) for a gross cash consideration of US$ 600,000.

POST PERIOD HIGHLIGHTS

- In January 2020, appointed SP Angel Corporate Finance LLP as sole Broker to the Company;
- Extension granted until 27 July 2021 to complete the conditions of the key Environmental Permit to develop and extract ore from La India open pit;
- In March 2020, the Company announced a high-grade open pit mining scenario as part of on-going mining dilution studies.

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

Dear Shareholder,

I am pleased to present Condor Gold Plc's ("Condor", the "Company" or the "Group", www.condorgold.com) annual report for the 12-month financial year to 31 December 2019. The Company's twin strategy remains 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, increasing this production capacity, and proving a major Gold District at the 588km² La India Project, in Nicaragua.

The Company's main focus during 2019 has been on fulfilling the conditions of an Environmental Permit granted in August 2018 by the Ministry of the Environment and Natural Resources ("MARENA") 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, Nicaragua. The permitted La India open pit is estimated to produce between 80,000 oz to 100,000 oz gold per annum or a total of 600,000 oz gold over a 6 to 7-year period.

In January 2019 Condor announced an updated Mineral Resource 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. The Mineral Resource update includes 8,222 m of drilling since the Mineral Resource update in September 2014. The new 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). The 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 also 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 Mt at 3.23 g/t gold for 221,000 oz gold in the Inferred category.

Considerable progress has been made completing the conditions of the Environmental Permit for the development of La India open pit. The mine schedule, waste dump schedule, water and sewage management studies for the processing plant offices and accommodation have been completed. Tierra Group Inc of Denver, USA are fully engineering the Tailing Storage Facility and completing designs for the surface water management system required for the operation of the mine. Condor has doubled the land acquisition team; four in-house lawyers and several members of the social team are working on acquiring the land required for the mine site infrastructure. Offers have been made to all landowners, over 50% have accepted. Designs for the fuel service station for back-up power to support the processing plant are almost finalised. National grid electricity pylons are located 700 meters from the processing plant. The national electricity company has confirmed that the Government is building a new electricity sub-station 12km from the processing plant; designs for supplying grid power via the new sub-station are underway. An updated forestry inventory has been completed. The compensation plan under the local law is to replace every tree removed with 10 new trees - this study has also been completed. In the last 12 months, Condor initiated a tree nursery which currently has approximately 6,200 trees.

In April 2019, the Company announced it had conducted additional metallurgical tests. B2 Gold's personnel took two 23 kg samples from within the La India open pit and conducted metallurgical tests at the El Limon and La Libertad mine laboratories. The high-grade samples, producing an average head grade of 12.1 g/t gold, were taken from the principal La India Vein and produced exceptional gold recoveries of 95.4%. It is invaluable to conduct metallurgical test work at two nearby producing gold mines whose laboratories are set up to replicate the metallurgical recoveries at the mines. This assists Condor in deciding on a final mine design and metallurgical process as the La India Project progresses to the construction phase.

In November 2019, Condor announced that it had received the final results of further metallurgical tests on La India, Mestiza and America deposits from SGS Laboratories, Lakefield, Ontario. Condor has been actively pursuing the addition of the open-pit portions of the America and Mestiza deposits (the "Satellite Pits") to the existing planned and permitted production from the La India open pit. During August 2019, Condor assembled six new master composites from La India, America and Mestiza deposits for grindability and leaching tests. Additionally, four variability composites from La India were selected to refine the understanding of the power consumption and abrasion characteristics of the La India ores. In summary, the results were:

- The new SGS results corroborate the initial findings on the abrasion, ball mill and SAG mill work indices as presented in the 2014 prefeasibility study ("PFS") that was conducted by Inspectorate (subsequently acquired by Bureau Veritas). The SGS results, while slightly different than the 2014 PFS values, are within the same statistical range.
- Gold extraction from the La India samples confirm the results of the PFS study, demonstrating that the estimated average gold recovery of 91% from the PFS remain valid for the La India deposit.
- Gold extraction from the America and Mestiza samples are similarly comparable to the original metallurgical results, and clearly show that the satellite pits will be amenable to treatment through the proposed CIL or CIP flowsheet.
- The Abrasion / SAG mill / Bond ball mill work indices suggest that the open pit ores from America and Mestiza, while still hard, are not as hard or as abrasive as the La India ores.

The additional metallurgical tests include grinding and abrasion studies for the America and Mestiza satellite pits that were not included in the metallurgical tests which formed part of the PFS on La India open pit. The studies are essential as we finalise the size of the processing plant ahead of a construction decision. Both satellite pit ores are less abrasive than the La India ore, which could be reflected in lower costs for wear materials when processing these ores. The most recent iteration of metallurgical studies represents the latest of Condor's efforts to expand the district-wide potential of our concession package, while further de-risking the Project. The consistent amenability of the district ores to the planned CIP processing plant lends further evidence that the Project can achieve higher throughput for a longer period of time than has been considered in our previous studies.

On 21 November 2019, Condor submitted Environmental and Social Impact Assessments ("ESIAs") to MARENA for the Environmental Permits for the development and extraction of contained gold from the America and Mestiza open pits. The ESIAs are very detailed, containing 18 technical, environmental and social studies and are each approximately 600 pages. Permitting the high-grade Mestiza and America satellite feeder pits has the potential to increase annual production from open pit material by 50% (compared to the PFS) to 120,000 oz gold p.a. for a seven year life of mine. The feeder pits have in aggregate 206 thousand tonnes ("Kt") at a grade of 9.9 g/t (66,000 oz contained metal) in the Indicated category and 1,018Kt at 4.6 g/t (152,000 oz contained gold in the Inferred category). The addition of the feeder pits will mean over 1 million oz gold mineral resource will be permitted for production. The feeder pits complement the main, fully permitted La India open pit with Mineral Reserves of 6.9 million tonnes ("M tonnes" or "Mt") at 3.0 g/t for 675,000 oz gold, which demonstrates annual production of 79,300 oz gold and lower quartile all-in-sustaining cash costs ("AISC") of US$690 per oz gold. The higher grade feeder pits have the potential to materially enhance the Project NPV, IRRs, reduce the payback period and reduce the already low AISC as detailed in the PFS.

The intention is to permit the underground Mineral Resource after open pit mining begins. Total underground Mineral Resources are 1.27 Mt at 5.8 g/t gold, for 238,000 oz gold in the Indicated category and 5.47 Mt at 5.1 g/t gold, for 889,000 oz gold in the Inferred category.

Exploration activities during 2019 took second place to the key objective of completing the technical studies which are a condition of the Environmental Permit for La India open pit. Nonetheless, during 2019 our geologists continued their efforts to prove a 5.0 Moz gold district. It is worth noting that the re-log of 207 drill holes at La India and America was completed to help understand the shape of ore shoots and identify new ones. New wireframes have been constructed, and new drill targets generated. These are both down dip of known high grade 'shoots' and 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 July 2019, the Government of Nicaragua granted Condor Gold the 132.1 km^2 Cerro Los Cerritos concession, a major exploration and exploitation concession adjacent to the La India Project. This confirms that the government of the country is pro-mining, open for business and supportive of Condor. It follows the grant of the 142.6 km^2 Las Cruces concession in December 2018. The Cerro Los Cerritos concession expands the La India Project area by 29%. Cerro Los Cerritos was available for grant by the government under a 25-year exploration and exploitation concession. We remain convinced that the La India Project is a major gold district with the potential to host over 5 million ounces of gold. Condor's geologists have identified two major north-northwest-striking mineralised basement feeder zones traversing the Project, the "La India Corridor", which hosts 90% of Condor's gold mineral resource and the "Andrea Los Limones Corridor". Both mineralised basement feeder zones can be projected north-northwest into Cerro Los Cerritos. Numerous geophysics, soil geochemistry and surface rock chips indicate the possibility for further mineralisation along strike.

As a British company, Condor believes in, and promotes, constructive dialogue for a peaceful resolution of the current political uncertainty in Nicaragua. Condor continues to have very constructive meetings with key Ministries that granted the Environmental Permit for La India open pit and are overseeing the application for the Environmental Permit for the development and extraction of ore from the Mestiza and America open pits. During 2019, the Company has focused on supporting its 80 direct and indirect employees, and their families, who confirmed their desire to continue to work and maintain stability within their communities. 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 potentially create approximately 1,000 jobs during the construction period, with priority given to the local community. The upfront capital cost of approximately US$110 million would have a significant positive impact on the economy. The Government and local communities would benefit significantly from future royalties and taxes.

In November 2019, Mr Ian Stalker joined Condor as a non-executive Director. As the Company moves towards a construction decision for new gold mine at Mina La India, Ian's significant construction and operating experience in a number of producing gold mines world-wide will be an invaluable guide to Condor Gold. Ian Stalker is a senior international mining executive with over 45 years of experience in resource development. He has directed over twelve major gold, base metal, uranium and industrial minerals projects at various phases, from initial exploration drilling to production.

In December 2019, Condor sold the non-core Potrerillos exploration and exploitation concession to Nicoz Resources S.A., a wholly-owned subsidiary of Mako Mining Corp. (TSX-V: MKO) for a gross cash consideration of US$ 600,000.

Turning to the financial results for the year 2019, the Group's loss for the year was £1,542,781 (2018: £2,299,329). The Company raised £5.8 million during the financial period. The net cash balance of the Group at 31 December 2019 was £2,903,556 (2018: £220,975).

The key objective for 2020 is to start the site preparation before year end. This will involve completing the purchase of all surface rights within the mine site infrastructure (approximately 50% has been purchased to date) and completing the technical studies required by MARENA ahead of a construction decision. Offers have been made for all the surface rights. Production from the permitted La India open pit is expected to be approximately 600,000 oz gold. In November 2019, the Company submitted the ESIAs applying for the Environmental Permit to develop and extract ore from the high grade America and Mestiza open pits. This has the potential to increase production to 120,000 oz gold per annum (compared to the PFS) 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. Simultaneously, the Company has conducted 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. However, at the time of writing it is uncertain whether a toll milling agreement can be reached. 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. Maintaining a social licence to operate is highly important and Condor will continue with its extensive social programmes in the local community. 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. Adding a higher average open pit grade of 4.7 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: 12 March 2020

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 £1,524,781 (2018: £2,299,329). The Group's administrative expenses for the year were £1,529,348 (2018: £2,067,413). No dividends were paid during the year (2018: £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 two in additional project areas in Nicaragua. During the current year, the Group capitalised a further £1,865,396 on exploration and evaluation activities of the projects. During the year, the Group purchased land required to develop the mine in Nicaragua and continues to do so. 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 at La India, 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.

Mineral Resource and Mineral 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 43-101 but 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 historically 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 £2,903,556 of cash. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required to finance the Group's in-fill drilling and resources expansion programme in Nicaragua and, *inter alia,* compliance with the conditions of the Environmental Permit awarded in regard to the La India open pit in 2018. 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.

Section 172(1) Statement – Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006. The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

As disclosed within the Going Concern section, the Group and Company are currently reliant upon raising funds in discrete tranches for its continued operations. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are transparent about its cash position and funding requirements.

The application of the s172 requirements are demonstrated through the key decisions and actions made during 2019 as described within the Chairman's Statement and Review of Operations. The Board takes seriously its ethical responsibilities to the communities and environment in which it operates – refer to pages 21 and 22 for further details.

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 £143,279. 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 capital 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.

FINANCIAL RISK MANAGEMENT – continued

(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.

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 2019 and 31 December 2018. 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: 12 March 2020

PROJECT OVERVIEW
FOR THE YEAR ENDED 31 DECEMBER 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	December 2043	142.3
	Cerro Los Cerritos	100% Owned	June 2044	132.1
	Subtotal			***587.66***
Boaco	Rio Luna	100% Owned	June 2035	43.00
RAAN	Estrella	100% Owned	April 2035	18.00
TOTAL				**648.66**

Potrerillos concession not included in the above – transfer to Nicoz S.A. subject to approval by the Nicaraguan Ministry of Energy and Mines, duly granted in February 2020– refer to announcement by the Company of 17 December 2019. 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%.

NICARAGUA – OPERATIONS REPORT

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

Introduction

La India Project is a 588 km² concession package covering an estimated 98% of the historic La India Gold Mining District and comprises 12 concessions - see Figures 1a and 1b. The District supported production of up to 41,000 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 ("EP") 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.

The Company's objective is to comply with the terms of the EP, including submission to the Nicaraguan Ministry of Environment and Natural Resources ("MARENA") of final engineering designs for several key components of the mine prior to construction, and progress the redesigned mine site infrastructure for La India open pit.

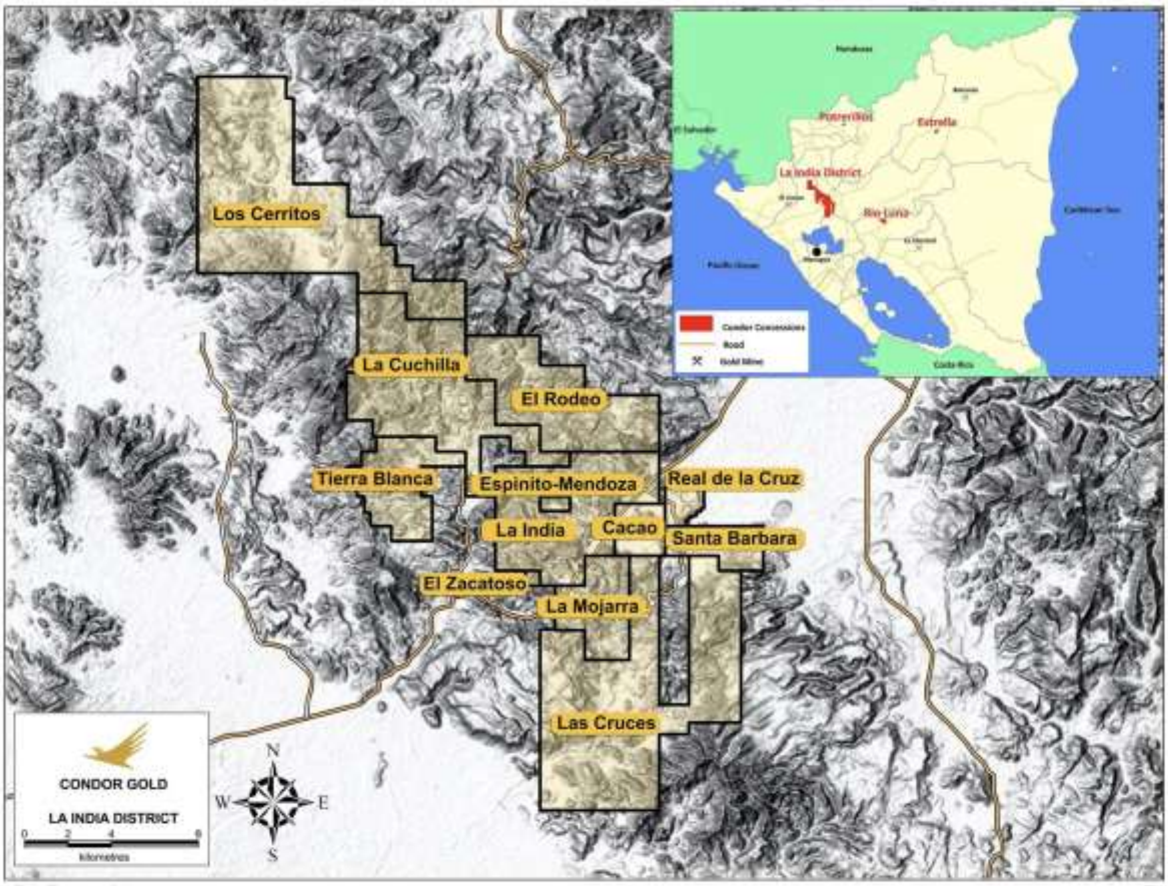

Figure 1a. Location of Condor Gold´s 588 km² concession package at La India Project in Nicaragua

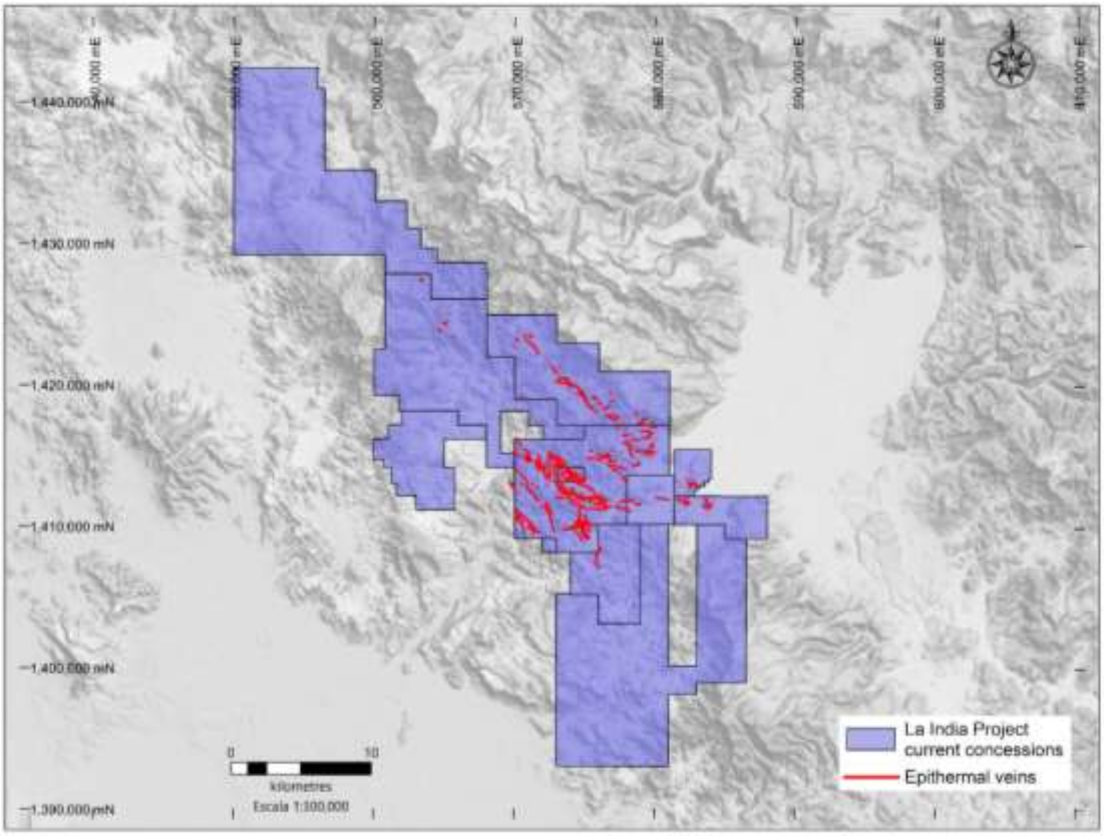

Figure 1b. Location of Condor Gold´s 588 km² concession package at La India Project showing extent of mapped to date epithermal veins

A Pre-Feasibility Study ("PFS") on open-pit mining at La India and two supplementary Expansion Scenarios which explored the possibility of including two additional satellite open pits, and underground mining beneath the La India and America open pits, as summarised in the Technical Report, were released with an effective date of 21st December 2014 and re-issued in December 2017. The PFS defined the first mineral reserve at La India 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 technical studies have centered on providing technical support to meet the conditions of the EP. In addition, several mine scheduling scenarios have been conducted to support corporate decision making on determining the optimum size for the processing plant in the context of the EP, additional high-grade feeder pits, market conditions for construction financing and early cashflow via toll refining opportunities.

Condor has been actively investigating opportunities for accelerated production that would include La India open pit and the two satellite feeder pits at America and Mestiza via toll refining at nearby processing plants. These efforts have identified Mineral Resources that could be rapidly put into production subject to permitting, particularly at the America and Mestiza satellite deposits. Work has commenced to develop geotechnical designs and mining designs, as well as waste dump locations for the America and Mestiza satellite deposits. PEA-level production schedules were developed to support production scenarios up to 1.4Mtpa from open pit only production. The total open pit Mineral Resource is 8.58Mt at a grade of 3.3g/t gold, for 902,000oz gold in the Indicated category and 3.01Mt at a grade of 3.0g/t gold, for 290,000oz gold in the Inferred category.

Support for the La India EP continues, with detailed engineering underway, including the tailings facility and surface water management systems.

Condor continues efforts to improve project economics through additional studies of potential underground mining scenarios, in support of future studies. Total underground Mineral Resources are 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.

In other areas, Condor is investigating the potential for improved processing options, and conducted studies on abrasion to understand crushing and grinding costs. This work was bolstered by test batches of La India ores collected and processed by B2Gold laboratories at the El Limon and La Libertad mines, which demonstrated that the existing B2Gold processing plants are capable of achieving excellent recoveries from Condor's ores. Two samples of approximately 23kg each produced an average head grade of 12.1 g/t gold and average metallurgical gold recoveries of 95.4%.

Condor has also engaged in the evaluation of available second-hand mill equipment in an effort to reduce the capital costs associated with initial construction. The Company notes that there are a number of plants that could potentially be re-configured for use at La India.

As a result of the Brumadinho tailings disaster in Brazil, Condor conducted an internal review of tailings options. Condor notes that the La India PFS proposed tailings design is far more robust and differs materially in terms of construction method, lining, total capacity and tailings characteristics than the conditions and design found at the Brumadinho operation.

Over the second half of 2019, mining investigations continued with the assessment of available milling options in order to expedite development of La India. The company conducted on-site inspections of one operation and reviewed descriptions of several other candidate operations. In addition, the company solicited several cost estimates for new processing plant from manufacturers in China, following favourable reports of performance from other operators in Central America.

In tandem with the mill investigations, Condor engaged with SRK to determine capacity options, as well as conduct additional metallurgical tests to refine our understanding of the comminution characteristics of the La India deposit, and to provide design criteria needed to process both the America and Mestiza ores. The results of these studies confirmed the original design criteria underlying the 2014 PFS and PEA studies and gave clear indications that a plant designed to process La India ores will accommodate feeds from the Mestiza and America deposits.

Condor also conducted a number of studies in support of the submission for an ESIA for each of the Mestiza and America open pits, including preliminary mine designs and waste dump locations. This work was completed and submitted to MARENA and the Ministry of Energy and Mines ("MEM"), with Condor receiving a letter of technical completion in late January 2020.

Condor has an on-going strategic appraisal of a variety of production scenarios. Technical studies examining potential for plant capacities, mine scheduling and integration with the current understanding of operating and capital costs are routinely conducted.

Technical support work was also conducted to satisfy conditions of the EP. Condor has retained the services of Tierra Group International to develop designs for the Tailings Storage Facility as well as the water diversion ponds at La Simona and La Laguna. This work commenced in the 4th Quarter of 2019 and will extend into the first Half of 2020.

Condor has conducted a series of studies incorporating improvements into the assumptions employed for dilution and recovery of ores from the America and Mestiza open pits. This work was commissioned with SRK and incorporated a 'dilution skin' approach to the resource models, rather than fixed size blocks use in prior methods. This dilution skin approach has the advantage of allowing production grades to simulate conditions actually encountered in selective mining of such deposits, with smaller scale equipment in narrow-vein mining. The specific results of the study will be incorporated into subsequent studies on future production options.

Dave Crawford
Chief Technical Officer

Exploration Activities

Exploration during 2019 focused on regional exploration through geological mapping and rock chip sampling.

Condor continued to gather data from active artisanal workings within the three core areas of La India, America and Mestiza to identify new drill targets. This work mainly consisted of hand and channel sampling and exposed workings at different veins in the core areas. A total of 273 rock chip samples were collected mainly from Tierra Blanca, Las Cruces, La Cuchilla and La India concessions and 126 channel samples from 9 different veins in La India concession (Figure 2).

Of interest are results from Tatiana East, where a new rock chip sample of 8.89 g/t Au is the highest grade sampled in this area up to date, indicating the possibility of a strike extension of the high-grade values to the east of the known Mineral Resource. New channel samples from San Miguel vein, which is currently being worked by small-scale (informal) miners indicate that the vein is generally less than 1 m wide with grades of up to 7.8 g/t Au. At Las Lajitas, a possible extension of Tatiana vein and intersection with Guapinol vein, new workings allowed for collection of channel samples with a maximum width of approximately 1 m and grades up to 26.8 g/t Au.

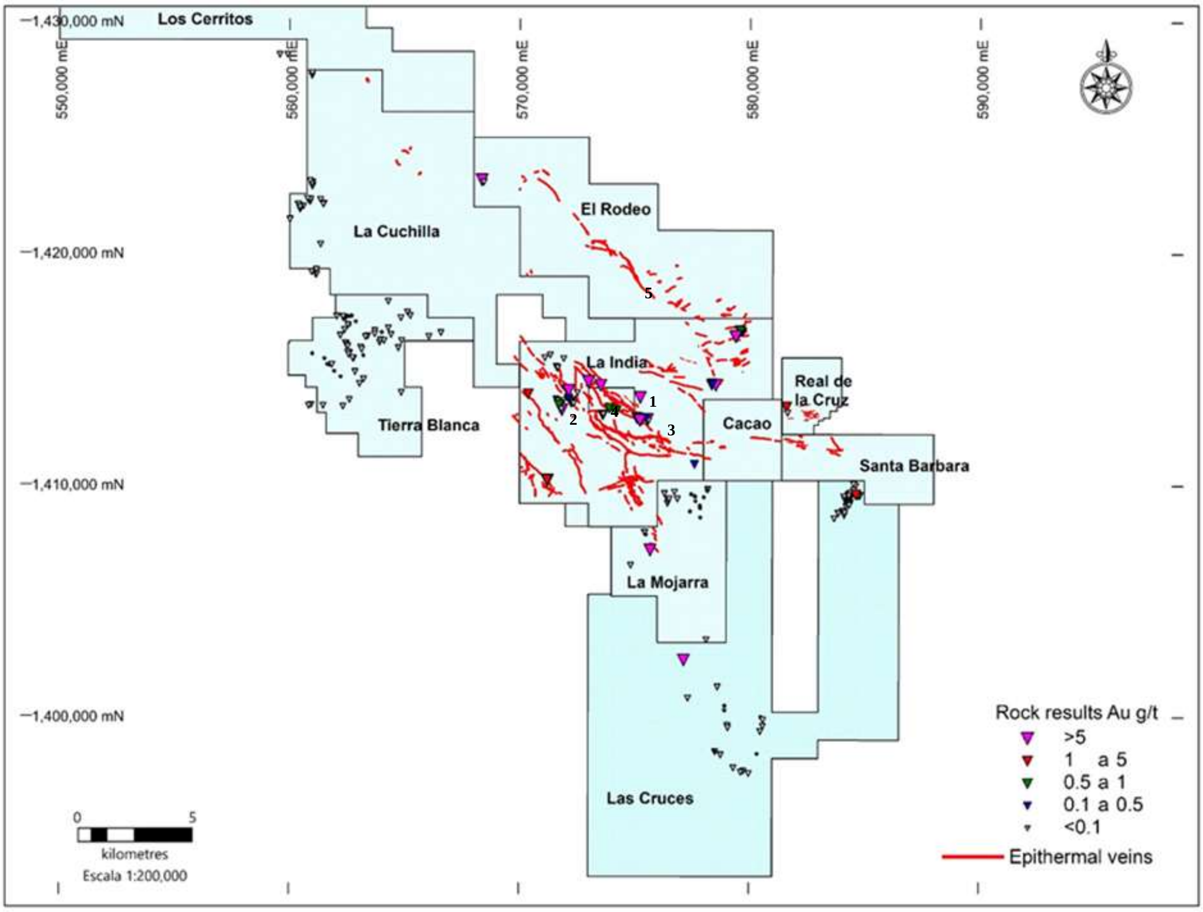

Figure 2. Map showing rock chip samples taken during 2019. 1. Tatiana East, 2. San Miguel, 3. Las Lajitas, 4. Guapinol, 5. Andrea East.

Reconnaissance mapping and prospecting continued in the western concessions of Tierra Blanca and La Cuchilla. At Tierra Blanca a strong effort has been made to outline the extension of the silica sinter (hot spring) deposit. Abundant sampling of silica sinter and massive chalcedony has identified moderate Arsenic (As) anomalies (Figure 3). Work is ongoing and will be extended to the west to explore for and identify the possible source of the sinter. (Sinters are generally indicators of nearby epithermal precious metal-bearing quartz veins).

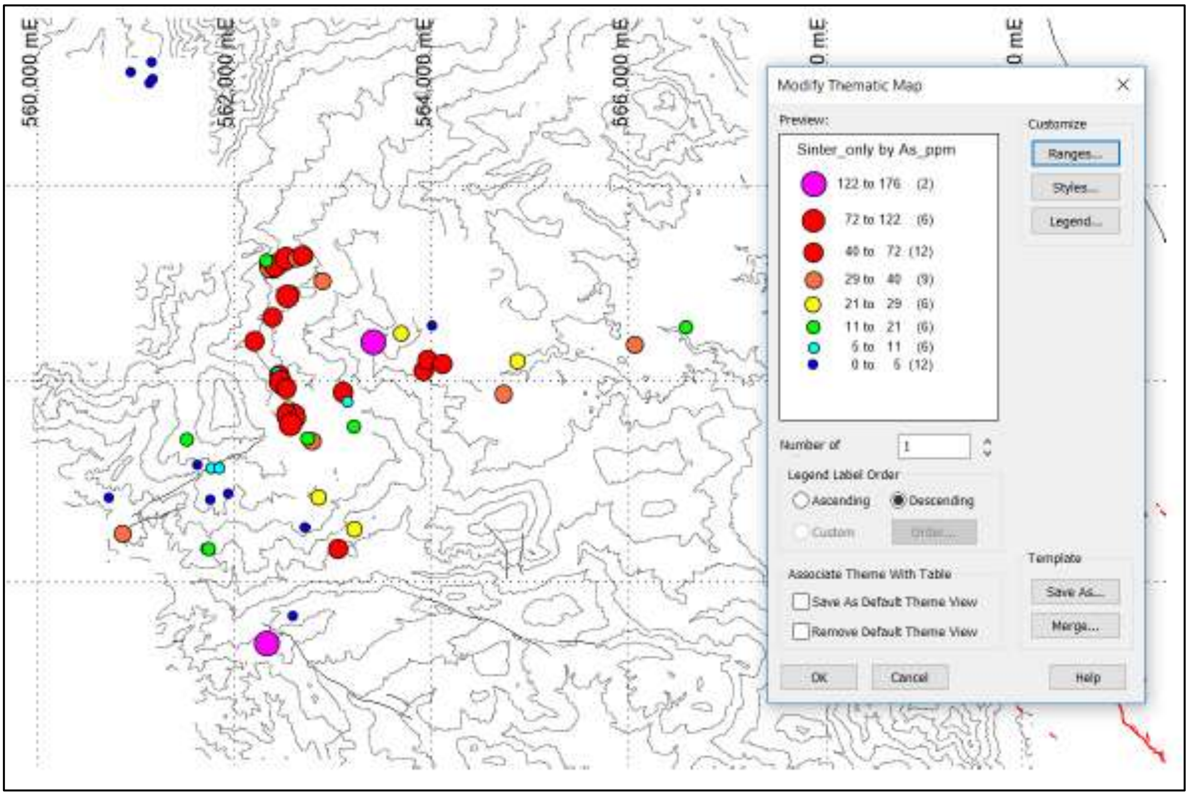

Figure 3. Anomalous Arsenic (As) values in sinter deposits found in Tierra Blanca concession.

At the Andrea extension, a series of eight channel samples were taken (see Figure 2 for location). 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.

In the northern part of La Cuchilla, narrow quartz veins, breccias, argillic alteration zones and quartz vein float have returned anomalous gold (Au) results, with some samples having silver (Ag) grades in the range 0.3-5.5 ppm (Ag). These new results add to historical samples in northern La Cuchilla concession which indicate the existence of several silver anomalies in the area, along with associated anomalous gold grades.

Additional prospecting in Las Cruces concession, specifically in the northern boundary with the Santa Barbara concession, discovered a previously unsampled area of low-grade mineralisation with grades up to 2.0 g/t Au and 17.0 g/t Ag. Two rock chip samples in the Las Cruces concession close to the La Mojarra boundary came back at 90.9 and 60.5 g/t Au, but further prospecting in the area concluded these as being old artisanal samples that were brought to the site by historic miners.

Mine Site Characterization

Soil sampling and characterization surveys were carried out in areas designated to become open pits and waste dumps in the development of the America, Tatiana and Buenos Aires veins within the Espinito Mendoza and La India concessions. Soil samples were collected and data on thickness of soils, soil horizons, gradient, vegetation type and infrastructure were noted to understand soil volumes and characteristics.

Within areas of the America – Guapinol valley, 158 samples were collected, covering a surface area of approximately 56.91Ha. The average depth of the A-horizon is approximately 0.23m and A+B-horizons 0.44 m. The total volume for A-horizon soils is 114,993 m^3 and A+B-horizons 255,282 m^3.

A-horizon soils are characterized by organic rich clayey silt while horizon-B soils are mostly silty sands, which can support only a limited tree presence and are mostly covered by bush vegetation that is not favourable for cattle. Soils are strongly degraded.

A total of 296 soil samples and thickness measurements were collected in 7 areas selected for mine infrastructure development in the Tatiana and Buenos Aires veins, covering a total area of 80.85 Ha. The average depth of the A-horizon is approximately 0.16 m and A+B-horizons 0.36 m. The total volume for A-horizon soils is 126,302 m3 and A+B-horizons 281,907 m3. A horizon soils are characterized by organic rich clay-silt while B-horizon soils are mostly silty sands, which similarly only support a limited presence of trees and are mostly covered by bush growth not favourable for cattle. Soils are strongly degraded, with selective harvesting of trees limiting new growth to smaller sized trees, and seasonal forest fires deliberately started by local communities.

Condor personnel carried out magnetic susceptibility measurements of core from 14 drill holes in La India, focusing on those within the main open pit area and geotechnical drill holes (Figure 4). This is an ongoing task which will continue through next year with the goal of enhancing interpretation of geophysical data for mine site and exploration hole planning.

Figure 4. Photos of Condor´s personnel collecting magnetic susceptibility from La India drill core.

Metallurgical Test Work

During August 2019, Condor assembled six new master composites from La India, America and Mestiza deposits for grindability and leaching tests. Additionally, four variability composites from La India were selected to refine the understanding of the power consumption and abrasion characteristics of the La India ores. This work was conducted by SGS Mineral Services (SGS) in Lakefield, Ontario.

The results corroborate the initial findings on the abrasion, ball mill and SAG mill work indices as presented in the 2014 PFS that was conducted by Inspectorate (subsequently acquired by Bureau Veritas). The SGS results, while slightly different to the 2014 PFS values, are within the same statistical range.

Gold extraction from the La India samples confirm the results of the PFS, demonstrating that the estimated average gold recovery of 91% from the PFS remains valid for the La India deposit. Gold extraction from the America and Mestiza samples are similarly comparable to the original metallurgical results, and clearly show that the satellite pits will be amenable to treatment through the proposed CIL or CIP flowsheet.

The Abrasion / SAG mill / Bond ball mill works indices suggest that the open pit ores from America and Mestiza, while still hard, are not as hard or as abrasive as the La India ores.

New Concession Package – Los Cerritos

Following the grant of the Las Cruces concession in December 2018, MEM notified Condor of the grant of a 25-year exploration and mining concession over a 132.1 km^2 area at Los Cerritos, to the northwest of La India Project (Figure 1a). The addition of the Cerro Los Cerritos concession expands the La India Project concession package to a total of 587.7 km^2. Condor had applied for the concession in February 2017 and it was granted in June 2019.

Social Matters

Condor Gold focused its work with communities to maintain its social licence for La India mine project by consolidating the existing six social involvement groups and creating two new ones to strengthen its relations with villagers. The communication process disseminates information in the direct and indirect area of influence in compliance with international standards.

The social teams' main focus has been working closely in La India village, expanding the involvement programs by adding "Youth in Action" and "Happy Childhood" to the existing local organisations which represent key sectors of the community: elderly, local businessmen, artisanal miners co-operative members, independent artisanal miners, APROSAIC (local association for development initiatives), and the water committee. The eight local organizations created by the company encompass almost 80% of La India's villagers.

The company has been working closely with these local organisations, planning activities every month to meet the most pressing needs of villagers. An example of the work done through these local organisations is the creation of the second self-sustainable business project - "communal kitchen" - owned by villagers who completed related courses taught in 2018 – 2019. "Communal kitchen" offers a variety of local food and food services for events in La India village and nearby communities.

During this year, relevant initiatives were developed with artisanal miners in order to consolidate their support towards the La India project. This included implementation of a training campaign to prevent collapses or landslides at each artisanal extraction site. 80% of the sector was covered by this training campaign, which included the donations of 45-metre lengths of high quality rope for their activities.

2019 saw the third year of implementation of the "Agua Fresca" programme – this alleviates water scarcity afflicting the community by providing purified water weekly to families in La India and Agua Fria villages. A total of 381 families are enrolled and according to the local health centre, the programme has contributed to significantly reducing gastro-intestinal infections in the local population.

In compliance with Condor´s HSEC policy and international standards, Condor implemented quarterly communal assemblies in the three villages within the direct area of influence in order to disclose in detail the activities carried out by the company related with La India mine project and exploration activities.

The Company also continues to develop its local Nicaraguan website (www.minalaindia.com.ni) and maintains profiles on social media.

Victor Martinez
Social Manager

Environmental

The tree nursery at La India concession currently holds 6,724 trees (1,545 trees more than in 2018), to be used in future reforestation campaigns. During the year, Condor installed an irrigation system and expanded its tree nursery infrastructure by 30%. A total of 1,022 trees were donated to government institutions and villagers to promote reforestation campaigns, and 1,261 trees were planted in five new areas of reforestation, added through agreements with landowners and located in La India and Real de la Cruz concessions.

In April and November, the Participatory Water Monitoring Programme took place, including water sampling at circa 10 sites. Representatives from seven villages were present, together with officials from the municipalities as well as MARENA and MEM. The topics covered during the associated technical workshop focused on catchment management, hydrogeology, water quality, monitoring and environmental measurements for water usage. In June, the laboratory results of the April activity were presented in the seven villages, with some 400 people in attendance. The results of the November activity will be presented in the first Quarter of 2020.

There were two other activities carried out in conjunction with World Environment Day: 385 plants were exchanged for plastic bottles in seven villages, along with the presentation of water quality results, while over 50 villagers from La India participated in a Cleaning Day campaign. A total of 1,740 lb of plastic bottles were collected. This year, recycling materials (paper, cardboard, and plastic) were donated to the "Los Pipitos" recycling programme, a not-for-profit organisation which works with children with learning disabilities, and a MARENA-Department of León-led programme known as "Nicabardas", operating with the aim of cleaning rivers in the area of litter.

Condor also implemented a forest fire prevention campaign with the collaboration of the municipality of Santa Rosa del Peñón and INAFOR. This was conducted in seven villages and their schools, with talks also attended by artisanal miners located in the areas of high fire risk.

Condor continues to monitor surface water flow at five sites and groundwater levels at 25 sites as part of its hydrology and hydrogeology baseline studies. Two piezometers located in La Mestiza area within the Espinito-Mendoza concession were also included as part of the baseline studies for the ESIAs for the America and Mestiza satellite feeder pits. Weather data is also monitored daily using three rain gauges and a digital weather station.

Irene Chow
Environmental Manager

Permitting

In compliance with Nicaraguan law, Condor presented the Annual Environmental Report and Quarterly Reports 2019 per concession to government institutions and accompanied MARENA and MEM on inspections on the Rio Luna, Espinito-Mendoza, La India, Los Cerritos, La Cuchilla and Tierras Blancas concessions.

In compliance with the Environmental Permit of La India Project, Condor submitted to MARENA the final design of the Domestic Wastewater Treatment System for the plant and camp area, which was duly approved. Condor requested from MARENA an extension to present the legal documents for the land acquisition of the La India project, which was initially extended to December 2019. In December 2019, the Company requested an extension to the January 2020 deadline for compliance with the terms of the Environmental Permit of La India Project and a site inspection was conducted by the government institutions. In January 2020 an extension of 18 months was granted to complete the conditions, through to 27 July 2021.

In February 2019, the Company initiated the application for Environmental Permits for the exploitation of gold from the two satellite feeder pits located on La India and Espinito-Mendoza concessions. In March, the Company received the Terms of Reference for the ESIAs for the America and Mestiza satellite feeder pits. These reports were submitted to MARENA in November 2019. Approval is expected in the first half of 2020, following a public hearing to be held in a community near to the proposed pits.

During 2019, Condor also applied for and obtained the prospecting permit for Los Cerritos concession and renewed that for Rio Luna.

Aiser Sarria Sirias
General Manager Mina La India

Other Project Areas

Figure 5. Location of the La India and other project areas

Rio Luna Concession

The Rio Luna Concession covers an area of 43 km² in the Central Highlands of Nicaragua. Rio Luna is an advanced exploration project where the previous explorer First Point Minerals of Canada report spending over US$1.8 million between 2004 and 2008. The Concession was granted to Condor in June 2010 and will expire in 2035. First Point Minerals completed an extensive programme of soil, auger, rock chip and trench sampling on the Rio Luna Project area to define 18km of epithermal quartz veining in three distinct northwest-southeast trending gold vein sets. This surface sampling defined seven principal prospects, five of which were drill-tested over several phases of drilling between 2004 and 2006, with a total of fifty-eight diamond drill holes completed for a total of 6,250m drilled.

The mineralisation is medium-sulphidation epithermal vein gold-silver type, hosted by a Tertiary-aged volcanic sequence of andesite flows intercalated with subordinate basalt.

During 2019, 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.

Estrella Concession

The Estrella Concession covers an 18 km² area in Nicaragua's historic 'Mining Triangle' in the northeast of the country. The concession is centred on the historic Estrella Gold Mine. No mine plans or production data are available for the Estrella Mine (also referred to as the Estrella de Venus Mine in old reports). However, it is believed that the mine exploited two or more sub-parallel epithermal veins on two or three levels along a strike length of at least a 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 100 m 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 to 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 5.44 g/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 structures returned an average intercept of 0.9 m at 8.53 g/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 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.

During 2019, exploration activities were not carried out in the Estrella concession.

Potrerillos Concession

On December 17th 2019 Condor announced that it had reached an agreement to sell Potrerillos exploration and exploitation concession to Nicoz Resources S.A., a wholly owned subsidiary of Mako Mining Corp. The transfer of this concession to Nicoz Resources S.A. was approved by MEM in February 2020.

STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

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 Mineral 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;
- 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 ("MRE") at La India. 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 analysed 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 2019

DIRECTORS' REPORT

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2019.

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
K Harcourt
A Cheatle
I Stalker (appointed 21 November 2019)

DIVIDENDS

The Directors do not recommend payment of a dividend (2018: £nil).

SUBSTANTIAL SHAREHOLDERS

On 12 March 2020 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	14,738,147	15.6
Nicaragua Milling Company	9,842,520	10.4
Mr R Beaty	6,556,903	6.9
Mr M Child	4,144,167	4.4
Oracle Investments Ltd	4,077,038	4.3

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 2019 were:

		31 December 2019		31 December 2018	
Directors	Holding	Number of shares	Number of options	Number of shares	Number of options
M Child	Direct	3,963,750	3,800,000	3,963,750	3,400,000
	Indirect	180,417	-	88,750	-
J Mellon	Direct	2,889,883	900,000	2,889,183	750,000
	Indirect	11,848,264	-	1,813,222	-
I Stalker	Direct	-	200,000	n/a	n/a
	Indirect	-	-	n/a	n/a
A Cheatle	Direct	89,884	525,000	34,884	225,000
	Indirect	-	-	-	-
K Harcourt	Direct	-	650,000	-	500,000
	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 2019	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2019
DIRECTORS							
M L Child	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
	22	13 July 2024	-	1,000,000	-	-	1,000,000
J Mellon	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
	22	13 July 2024	-	300,000	-	-	300,000
I Stalker	22	20 Nov 2024	-	200,000	-	-	200,000
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
	22	13 July 2024	-	150,000	-	-	150,000
A Cheatle	65	24 January 2023	150,000	-	-	-	150,000
	42	23 Sept 2023	75,000	-	-	-	75,000
	22	13 July 2024	-	300,000	-	-	300,000

Directors held 4,712,478 warrants as at 31 December 2019 (2018: 1,287,103), to subscribe for ordinary shares of the company. 281,290 warrants held by the directors expired during the year (2018: 346,666) and 3,706,665 warrants were issued to or acquired by Directors during the year. Mr Stalker was appointed as a director on 21 November 2019.

CORPORATE GOVERNANCE

To the extent applicable, the Group has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). Details of how the Group complies with the Code, and the reasons for any non-compliance, are set out in the Corporate Governance Report, 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 MARENA 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, tree planting, the supply of school books and training of members of local communities 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 four non-executive directors. The Directors are of the opinion that the recommendations of the 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 Board committee meetings and full operational Board meetings. During the year to 31 December 2019 the Board held a total of 15 meetings and passed resolutions in writing on nil 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, A Cheatle and K Harcourt, each a non-executive Director. 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 meets at least once each year. Its members are J Mellon and A Cheatle, each a non-executive Director, both of whom were in attendance at the meetings since their appointment date.

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 non-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 Group 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 once each year. Its members are A Cheatle and K Harcourt.

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	112(1)	63	13 July 2011	-	6 months
J Mellon	-	25	6 April 2011	-	2 months
A Cheatle	-	25	18 January 2018	-	30 days
K Harcourt	25	-	2 March 2015	-	2 months
I Stalker	-	25	21 Nov. 2019		30 days

(1) ML Child additionally receives £ 3,605 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 2020 Annual General Meeting to be held on 7 May 2020 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 £16,800 (2018: £16,835) in respect of Directors professional indemnity insurance.

SUBSEQUENT EVENTS

- In January 2020, the Company appointed SP Angel Corporate Finance LLP as sole Broker to the Company
- In January 2020 an extension was granted until 27 July 2021 to complete the conditions of the Environmental Permit to develop and extract ore from La India open pit.
- In March 2020, the Company announced a high grade open pit mining scenario as part of on-going mining dilution studies

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 they ought to have taken as a Director in order to make themselves 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 7 May 2020 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: 12 March 2020

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 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.
- To continue 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 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 Strategic 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 four non-executive Directors, Mr Jim Mellon, Ms Kate Harcourt, Mr Andrew Cheatle and Mr Ian Stalker. 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 five 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 of 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 meets at least once 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 2019

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 2019 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 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 2019 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 properly 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 2019 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 of 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 £350,000, based upon 1.5% of gross assets. The performance materiality was £245,000. The materiality applied to the parent company financial statements was £38,000 based upon 10% of the loss before tax. The performance materiality was £26,600. 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 11). The Group has reported intangible assets of £20,909,637 in its Consolidated Statement of Financial Position as at 31 December 2019 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.	Our procedures included: • critically assessed the Directors' going concern assessment, challenging the forecast and key assumptions; • assessed the cash flow forecast for committed and contracted expenditure versus discretionary expenditure, compared to the level of available cash resources; • assessed 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 audit work performed on the intangible assets which is directly relevant to the recoverability of the net investment in the subsidiaries; • consideration of the net assets and performance of the subsidiaries compared to the carrying value of the net 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report 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 Directors' report.

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 Directors' responsibilities statement, 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 (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD**

March 2020

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 2019

Opinion

We have audited the financial statements of Condor Gold Plc and its subsidiaries (the "group") for the year ended 31 December 2019 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 2019 and 31 December 2018 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.

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 11). The Group has reported intangible assets of £20,909,637 in its Consolidated Statement of Financial Position as at 31 December 2019 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.	Our procedures included: • critically assessed the Directors' going concern assessment, challenging the forecast and key assumptions; • assessed the cash flow forecast for committed and contracted expenditure versus discretionary expenditure, compared to the level of available cash resources; • assessed the adequacy of disclosures in the financial statements.

Recoverability of Investment and Intragroup balances	**Our procedures included:**
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.	• **consideration of the audit work performed on the intangible assets which is directly relevant to the recoverability of the net investment in the subsidiaries;** • **consideration of the net assets and performance of the subsidiaries compared to the carrying value of the net 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 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.

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

March 2020

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year Ended 31.12.19 £	Year Ended 31.12.18 £
Administrative expenses		(1,529,348)	(2,067,413)
Loss on disposal of subsidiary	11	-	(234,210)
Operating loss	5	(1,529,348)	(2,301,623)
Finance income	4	4,567	2,294
Loss before income tax		(1,524,781)	(2,299,329)
Income tax expense	6	-	-
Loss for the year		**(1,524,781)**	**(2,299,329)**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Currency translation differences		(1,706,724)	144,006
Other comprehensive (loss) / income for the year		**(1,706,724)**	**144,006**
Total comprehensive loss for the year		**(3,231,505)**	**(2,155,323)**
Loss attributable to:			
Non-controlling interest		-	-
Owners of the parent		(1,524,781)	(2,299,329)
		(1,524,781)	**(2,229,329)**
Total comprehensive loss attributable to:			
Non-controlling interest		-	-
Owners of the parent		(3,231,505)	(2,155,323)
		(3,231,505)	**(2,155,323)**
Earnings per share expressed in pence per share:			
Basic and diluted (in pence)	8	(1.86)	(3.49)

The notes in pages 48 to 70 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31.12.19	31.12.18
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	585,950	211,064
Intangible assets	10	20,909,637	20,644,243
		21,495,587	20,855,307
CURRENT ASSETS			
Trade and other receivables	12	143,279	219,077
Cash and cash equivalents		2,903,556	220,975
		3,046,835	440,052
TOTAL ASSETS		**24,542,422**	**21,295,359**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	14	757,102	251,316
TOTAL LIABILITIES		**757,102**	**251,316**
NET CURRENT ASSETS		2,289,733	188,736
NET ASSETS		**23,785,320**	**21,044,043**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Called up share capital	15	18,932,704	13,435,868
Share premium		33,953,693	33,662,309
Exchange difference reserve		(746,933)	959,791
Retained earnings		(28,354,144)	(27,013,925)
		23,785,320	**21,044,043**
Non-controlling interest		-	-
TOTAL EQUITY		**23,785,320**	**21,044,043**

The financial statements were approved and authorised for issue by the Board of directors on 12 March 2020 and were signed on its behalf by:

Mark Child

M L Child - Chairman
Company No: 05587987

The notes in pages 48 to 70 form an integral part of these financial statements

CONDOR GOLD PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2019

	Share Capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non-Controlling Interest	Total Equity
	£	£	£	£	£	£	£
At 1 January 2018	12,273,077	32,426,049	581,575	(25,174,153)	20,106,548	(85,056)	20,021,492
Comprehensive income:							
Loss for the 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)	-	(2,155,323)
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
Comprehensive income:							
Loss for the year	-	-	-	(1,524,781)	(1,524,781)	-	(1,524,781)
Other comprehensive income:							
Currency translation differences	-	-	(1,706,724)	-	(1,706,724)	-	(1,706,724)
Total comprehensive income	-	-	(1,706,724)	(1,524,781)	(3,231,505)	-	(3,231,505)
New shares issued	5,496,836	323,934	-	-	5,820,770	-	5,820,770
Issue costs	-	(32,550)	-	-	(32,550)	-	(32,550)
Share based payment	-	-	-	184,562	184,562	-	184,562
Total transactions with owners, recognised directly in equity	5,496,836	291,384	-	184,562	5,972,782	-	5,972,782
At 31 December 2019	18,932,704	33,953,693	(746,933)	(28,354,144)	23,785,320	-	23,785,320

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.

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 48 to 70 form an integral part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31.12.19	31.12.18
		£	£
ASSETS:			
NON-CURRENT ASSETS			
Property, plant and equipment	9	15	515
Investments	11	751,977	751,977
Other receivables	12	27,017,925	24,394,310
		27,769,917	25,146,802
CURRENT ASSETS			
Other receivables	12	22,850	22,324
Cash and cash equivalents		2,336,235	191,166
		2,359,085	213,490
TOTAL ASSETS		**30,129,002**	**25,360,292**
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	14	180,074	182,561
TOTAL LIABILITIES		**180,074**	**182,561**
NET CURRENT ASSETS		2,179,011	30,929
NET ASSETS		**29,948,928**	**25,177,731**
SHAREHOLDERS' EQUITY			
Called up share capital	15	18,932,704	13,435,868
Share premium		33,953,693	33,662,309
Retained earnings		(22,937,469)	(21,920,446)
TOTAL EQUITY		**29,948,928**	**25,177,731**

The loss for the financial year dealt with in the financial statement of the parent company was £1,201,585 (2018: £1,531,642).

The financial statements were approved and authorised for issue by the Board of directors on 12 March 2020 and were signed on its behalf by:

M L Child - Chairman
Company No: 05587987

The notes in pages 48 to 70 form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2019

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2018	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
Comprehensive income:				
Loss for the period	-	-	(1,201,585)	(1,201,585)
Total comprehensive income	-	-	(1,201,585)	(1,201,585)
New shares issued	5,496,836	323,934	-	5,820,770
Issue costs	-	(32,550)	-	(32,550)
Share based payment	-	-	184,562	184,562
Total transactions with owners recognised directly in equity	5,496,836	291,384	184,562	5,972,782
At 31 December 2019	18,932,704	33,953,693	(22,937,469)	29,948,928

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.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Year Ended 31.12.19 £	Year-Ended 31.12.18 £
Cash flows from operating activities		
Loss before tax	(1,524,781)	(2,299,329)
Share based payment	184,562	544,613
Recycle through profit or loss on disposal of subsidiary	-	234,210
Depreciation	85,272	77,739
Exchange differences	(90,626)	(8,318)
Finance income	(4,567)	(2,294)
	(1,350,140)	(1,453,379)
Decrease in trade and other receivables	75,798	101,900
Increase / (Decrease) in trade and other payables	505,786	(193,715)
Net cash used in operating activities	(768,556)	(1,545,194)
Cash flows from investing activities		
Purchase of tangible fixed assets	(476,255)	(15,422)
Purchase of intangible fixed assets	(1,865,395)	(1,566,015)
Interest received	4,567	2,294
Net cash used in investing activities	(2,337,083)	(1,579,143)
Cash flows from financing activities		
Net proceeds from share issue	5,788,220	2,399,051
Net cash from financing activities	5,788,220	2,399,051
Increase / (Decrease) in cash and cash equivalents	2,682,581	(725,286)
Cash and cash equivalents at beginning of year	220,975	946,261
Cash and cash equivalents at end of year	2,903,556	220,975

The notes in pages 48 to 70 form an integral part of these financial statements

CONDOR GOLD PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Year Ended 31.12.19 £	Year Ended 31.12.18 £
Cash flows from operating activities		
Loss before tax	(1,201,585)	(1,531,642)
Share based payment	184,562	544,613
Depreciation	500	957
Finance income	(4,567)	(2,294)
	(1,021,090)	(988,366)
(Increase) / Decrease in trade and other receivables	(526)	49,068
Decrease in trade and other payables	(2,487)	(119,725)
Net cash used in operating activities	(1,024,103)	(1,059,023)
Cash flows from investing activities		
Interest received	4,567	2,294
Loans to subsidiaries	(2,623,615)	(2,064,413)
Net cash used in investing activities	(2,619,048)	(2,062,119)
Cash flows from financing activities		
Proceeds from share issue	5,788,220	2,399,051
Net cash from financing activities	5,788,220	2,399,051
Increase / (Decrease) in cash and cash equivalents	2,145,069	(722,091)
Cash and cash equivalents at beginning of year	191,166	913,257
Cash and cash equivalents at end of year	2,336,235	191,166

The notes in pages 48 to 70 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 2019

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

- IFRS 16 – Leases (effective 1 January 2019)
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle (1 January 2019)
- IFRIC 23 - Uncertainty over Income Tax Treatments

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:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
- Amendments to IFRS 3: Business Combinations (effective 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (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 any trade receivables (not subject to provisional pricing) or 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 any 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 any 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 2019 is £20,909,637 (2018: £20,644,243).

The Company's investment in, and loan to subsidiaries at 31 December 2019 is £27,017,925 (2018: £25,146,287).

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 £184,562 (2018: £544,613).

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 £2,903,556 of cash. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required during 2020 for working capital purposes, and 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 – notwithstanding the above, further funding would nonetheless be required 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 however 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 2019 are as follows:

	UK	**Nicaragua**	**Group**
	£	**£**	**£**
RESULTS			
Operating loss	(1,422,843)	(106,505)	(1,529,348)
Interest income	4,567	-	4,567
Included in operating loss			
Depreciation	(500)	(84,772)	(85,272)

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)

2. REVENUE AND SEGMENTAL REPORTING - continued

Assets - 2019

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	3,108,673	21,433,749	24,542,422
LIABILITIES			
Total liabilities	180,074	577,028	757,102

The group had intercompany debt owed to the UK at 31 December 2019 split segmentally as follows:

Due from Nicaragua £27,017,925

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

3. STAFF COSTS

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Wages and salaries	755,071	625,959	213,655	211,620
Social security costs	147,858	379,794	22,046	25,453
Share options charge	184,562	544,613	184,562	544,613
	1,087,491	1,550,366	420,263	781,686

There were no pension costs incurred. Staff costs included within additions to exploration costs during the year were £615,141 (2018: £625,559).

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

	Group		Company	
	2019	2018	2019	2018
Directors	2	1	2	1
Employees	49	52	1	2
	51	53	3	3

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 (2018: £65,000).

	Salary Payments		Related Party Payments *		Total	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
M L Child	112,000	112,451	63,000	66,000	175,000	178,451
K Harcourt	25,000	25,000	-	-	25,000	25,000
J Mellon	-	-	25,000	25,000	25,000	25,000
Andrew Cheatle[1]	-	-	34,042	28,333	34,042	28,333
Ian Stalker[2]	-	-	6,877	-	6,877	-
R Davey[3]	-	-	-	-	-	-
P Flindell[4]	-	-	-	12,500	-	12,500
Total Remuneration of Directors	137,000	137,451	128,919	131,833	265,919	269,284
Total Remuneration of key management	65,000	65,000	-	-	65,000	65,000
Total Remuneration of Directors and key management	202,000	202,451	128,919	131,833	330,919	334,284

[1] Appointed 18 January 2018
[2] Appointed 21 November 2019
[3] Resigned 18 January 2018
[4] Resigned 11 June 2018

* Refer to Note 17 for listing of related parties

During the 12 months ended 31 December 2019, Mr Child additionally received £3,605 of other benefits (2018: £3,451). 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 2019	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2019
DIRECTORS							
M L Child	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
	22	13 July 2024	-	1,000,000	-	-	1,000,000
J Mellon	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
	22	13 July 2024	-	300,000	-	-	300,000
I Stalker	22	20 Nov 2024	-	200,000	-	-	200,000
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
	22	13 July 2024	-	150,000	-	-	150,000
A Cheatle	65	24 January 2023	150,000	-	-	-	150,000
	42	23 Sept 2023	75,000	-	-	-	75,000
	22	13 July 2024	-	300,000	-	-	300,000

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 2019 was 19.50 pence (2018: 31.00 pence).
The market price during the year ranged from 16.50 pence to 32.00 pence (2018: 23.0 pence to 59.5 pence).
Directors held 4,712,478 warrants as at 31 December 2018 (2018: 1,287,103), to subscribe for ordinary shares of the Company. 281,290 warrants held by the directors expired during the year (2018: 469,445). Further details are included in Note 16.

4. FINANCE INCOME

	31.12.19 £	31.12.18 £
Deposit account interest	4,567	2,294

5. LOSS BEFORE TAX

The loss before tax is stated after charging:

	31.12.19 £	31.12.18 £
Depreciation – owned assets	85,272	77,739
Fees payable to the company's auditor for the audit of parent company and consolidated financial statements	33,995	36,441
Foreign exchange differences	(41,980)	27,313
Rent – operating leases	50,894	42,591

6. TAXATION

Analysis of the tax charge	31.12.19 £	31.12.18 £
Current tax:		
Tax	-	-
Total tax charge in income statement	-	-

Reconciliation of the tax charge

	31.12.19 £	31.12.18 £
Group Loss before tax	(1,524,841)	(2,299,329)
Loss before tax multiplied by domestic tax rates applicable to losses in the respective countries	(426,955)	(528,846)
Effects of:		
Non-taxation income/(non-deductible expenses)	4,567	4,219
Losses on which no deferred tax is recognised	422,388	524,627
Total tax charge in income statement	-	-

The weighted average applicable tax rate was 28% (2018: 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 £4,625,000 (2018: £4,445,000). The unrecognised deferred tax asset relating to Nicaraguan tax losses, which expire after 3 years, and included above amounted to approximately £733,000 (2018: £878,000).

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 £1,201,585 (2018: £1,531,642).

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	31.12.19 £	31.12.18 £
Loss for the year	(1,524,781)	(2,299,329)
Weighted average number of shares	81,889,122	65,873,187
Loss per share (in pence)	(1.86)	(3.49)

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

	Land £	Improvements to rental property	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer equipment & software £	Totals £
Group							
Cost:							
At 1 January 2018	-	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
Additions	435,491	-	3,335	2,300	55,730	5,389	502,245
Disposals	-	-	-	-	(25,989)	-	(25,989)
Exchange difference	-	(17,427)	(11,679)	(2,143)	(13,461)	(4,547)	(49,257)
At 31 December 2019	435,491	210,530	144,419	30,907	192,355	78,546	1,092,248
Accumulated depreciation and impairment:							
At 1 January 2018	-	(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)
Charge for period	-	(43,734)	(28,962)	(2,897)	(9,630)	(17,108)	(102,331)
Disposals	-	-	-	-	17,059	-	17,059
Exchange difference	-	9,999	8,840	1,444	9,412	3,464	33,159
At 31 December 2019	-	(164,526)	(135,770)	(23,014)	(106,274)	(76,714)	(506,298)
Net Book Value:							
At 31 December 2018	-	97,166	37,115	9,189	52,960	14,634	211,064
At 31 December 2019	435,491	46,004	8,649	7,893	86,081	1,832	585,950

The current year depreciation charge for the subsidiaries of £84,772 (2018: £76,782) 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 2018	2,722	18,228	20,950
Additions	-	-	-
At 31 December 2018	2,722	18,228	20,950
Additions	-	-	-
At 31 December 2019	2,722	18,228	20,950
Depreciation:			
At 1 January 2018	(2,647)	(16,831)	(19,478)
Charge for the year	(30)	(927)	(957)
At 31 December 2018	(2,677)	(17,758)	(20,435)
Charge for the year	(30)	(470)	(500)
At 31 December 2019	(2,707)	(18,228)	(20,935)
Net Book Value:			
At 31 December 2018	45	470	515
Net book Value:			
At 31 December 2019	15	-	15

10. INTANGIBLE ASSETS

	Exploration costs £	Mineral resources £	Licences £	Total £
Group				
Cost or valuation:				
At 1 January 2018	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
Additions	1,865,396	-	-	1,865,396
Exchange difference	(1,600,002)	-	-	(1,600,002)
At 31 December 2019	21,244,795	749,573	-	21,944,368
Accumulated amortisation and impairment:				
At 1 January 2018	(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)
Impairment for year	-	-	-	-
At 31 December 2019	(1,084,731)	-	-	(1,084,731)
Net Book Value:				
At 31 December 2018	19,894,670	749,573	-	20,644,243
At 31 December 2019	20,160,064	749,573	-	20,909,637

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 £6,106,630 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 £20,909,637 (2018: £20,644,243) 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 2019 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 is most sensitive to changes in material prices and discount rates; 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 2018	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
31 December 2018	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
At 31 December 2019	3,629,843	991,261	4,621,104
Provision for impairment:			
Charge at 1 January 2018	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2018	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2019	(2,877,866)	(991,261)	(3,869,127)
Net Book Value:			
At 31 December 2018	751,977	-	751,977
At 31 December 2019	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.

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	(1,820,385)	204
La India Gold S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(2,285,225)	36,758
La India Inversiones S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(108,109)	69,543

During 2018 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 during the 12 months ended 31 December 2018 of £234,210.

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

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Current:				
Trade and Other receivables	104,728	36,726	22,850	22,324
Prepayments	38,551	182,351	-	-
	143,279	219,077	22,850	22,324
Non-current:				
Amounts owed by Group undertakings	-	-	27,017,925	24,394,310
	-	-	27,017,925	24,394,310
	143,279	219,077	27,040,775	24,416,634

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	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Financial assets measured at amortised cost				
Loans and receivables:				
Trade and Other receivables	104,728	36,726	22,850	22,324
Receivable from subsidiaries	-	-	27,017,925	24,394,310
Cash and cash equivalents	2,903,556	220,975	2,336,235	191,166
Total	3,008,284	257,701	29,377,010	24,607,800

13. FINANCIAL INSTRUMENTS – continued

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Financial liabilities measured at amortised cost				
Loans and payables:				
Trade and other payables	577,295	98,397	84,727	84,925
Total	577,295	98,397	84,727	84,925

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	
	2019	2018	2019	2018
GBP/USD	0.7770	0.7491	0.7570	0.7831
GBP/NIO	0.0233	0.0242	0.0224	0.0241

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 3% 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 2019 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows:

	31.12.19		31.12.18	
	£	Weighted average interest rate	£	Weighted average interest rate
Financial assets:				
GBP – cash and cash equivalents	2,336,235	0.20%	191,166	0.20%
USD – cash and cash equivalents	-	0.00%	-	0.00%
NIO – cash and cash equivalents	567,321	0.00%	29,809	0.00%
Total	2,903,556		220,975	

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	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Current:				
Social security and other taxes	15,253	24,022	10,792	11,838
Trade and other payables	562,042	74,375	73,935	73,087
Accrued expenses	179,807	152,919	95,347	97,636
Total	757,102	251,316	180,074	182,561

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. Included within Group Trade and Other payables as at 31 December 2019 is £487,688 (U.S.$600,000) due to Nicoz Resources S.A in relation to funds received for the anticipated sale of the Potrerillos concession and pending approval of the transfer of the Potrerillos Concession to Nicoz Resources S.A. by the Nicaraguan Ministry of Mines. Further to this approval, expected in 2020, the sale of Potrerillos shall be recorded in the profit and loss account of the Group.

15. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	Number of shares * (thousands)	Ordinary shares £	Share premium £	Total £
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
Proceeds from shares issued	27,485	5,496,836	323,934	5,820,770
Issue costs	-	-	(32,550)	(32,550)
At 31 December 2019	94,664	18,932,704	33,953,693	52,886,397

** Nominal value 20 pence each*

The authorised share capital of the company comprises 94.663 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.

On 1 and 25 February 2019 respectively, 4,166,667 and 3,125,000 ordinary shares were issued at a price of 24p per share.
On 15 and 26 July 2019 respectively, 10,350,000 and 9,842,520 shares were issued at a price of 20p per share.

Issued and outstanding shares as at 31 December 2018 totalled 94,663,522 (31 December 2018: 67,179,335).

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 2018 were as follows:

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

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		

Details of the share options outstanding during 2019 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2019 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2019	Date from which options are first exercisable	Lapse date
23/07/2014	1.00	1,372,000	-	-	(1,372,000)	-	24/07/2015	22/07/2019
07/07/2015	0.67	1,223,000	-	-	-	1,223,000	07/07/2016	06/07/2020
26/06/2016	0.80	1,606,000	-	-	-	1,606,000	26/06/2017	25/06/2021
06/07/2017	0.62	1,833,000	-	-	-	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
14/07/2019	0.22	-	3,325,000	-	-	3,325,000	14/07/2020	13/07/2024
21/11/2019	0.22	-	200,000	-	-	200,000	21/11/2020	20/11/2024
		8,139,500	3,525,000	-	(1,372,500)	10,292,000		

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

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

Options issued during the year:	£0.22
Options forfeited/lapsed during the year:	£1.00
Options outstanding at 31 December 2019:	£0.48
Options exercisable at 31 December 2019:	£0.65

During the year 1,372,500 share options expired (2018: 1,140,000) and nil were forfeited (2018: 277,000). 5,764,500 options were exercisable at the end of the year (2018: 5,168,000).

The weighted average exercise price per share option is 48p (2018: 59p) and the average contractual life is 5 years (2018: 5 years).

The weighted average fair value of options granted during the year is £0.22 (2017: £0.44).

The total expense recognised in the State of Comprehensive Income during the year was £184,562 (2018: £544,613) 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:

	2019	2019	2018	2018	2018
Number of options issued	200,000	3,325,000	1,755,000	50,000	200,000
Share price	20p	20p	35p	37p	43p
Exercise price	22p	22p	42p	50p	65p
Expected volatility	34.3%	31.2%	20.4%	20.2%	54.2%
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 £184,562 (2018: £544,623) was made during the year reflecting the share options charge on issued options.

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 (2018: 4 years).

b) Warrants

During the year the following warrants were issued as part of share subscriptions:
2,083,331 and 1,562,000 warrants expiring on 31 January and 25 February, 2021 respectively, each with an exercise price of 31p and a validity of 2 years.

6,730,835 warrants expiring on 14 July 2021with an exercise price of 25 pence and a validity of 3 years. 50% of these are subject to an accelerated exercise period if the closing mid-market price of the ordinary shares on AIM is more than £0.30 for 10 consecutive trading days.

During 2018 2,906,975 warrants were issued as part of share subscriptions (2017: 4,227,364) with an 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 had a 4 year life and the 2016 warrants which had a 2 year life. Should all warrants be exercised in full, the Company would receive £4,702,450 (2018: £10,948,979).

17. RELATED PARTY TRANSACTIONS

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

Company	Related party	31.12.19 £	31.12.18 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,000	-
Axial Associates Limited	M L Child	63,000	66,041	-
n/a	P Flindell	-	12,500	-
AMC Geological Advisory Group	A Cheatle	34,042	28,333	2,083
Promaco	I Stalker	6,877	-	-

Mr. Flindell received additional remuneration of £ Nil (2018: £12,500) in his capacity as a non-executive director for providing services to the Company. He resigned as a Director on 23 June 2018. Mr. Stalker was appointed as a director on 21 November 2019. All key management receive 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.	31.12.19 £	31.12.18 £
Brought forward loan balance	7,047,116	6,434,360
Additional loans during the period	430,268	388,756
Management charges	109,300	224,000
Closing balance	7,586,684	7,047,116

La India Gold S.A.	31.12.19 £	31.12.18 £
Brought forward loan balance	17,144,334	15,733,360
Additional loans during the period	1,493,136	1,191,974
Management charges	108,150	219,000
Closing balance	18,762,420	17,144,334

17. RELATED PARTY TRANSACTIONS - continued

	31.12.19	31.12.18
La India Inversiones S.A.	£	£
Brought forward loan balance	202,859	162,177
Additional loans during the period	465,962	40,682
Closing balance	668,821	202,859

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 profit or loss is £50,894 (2018: £42,591).

Future minimum lease payments under non-cancellable operating leases are as follows:
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	31.12.19	31.12.18
Group	£	£
No later than 1 year	22,594	16,304
Later than 1 year and no later than 5	-	2,613
Later than 5 years	-	-
	22,594	18,917

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 2019.

20. CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

21. POST BALANCE SHEET EVENTS

- In January 2020, the Company appointed SP Angel Corporate Finance LLP as sole Broker to the Company
- In January 2020, an extension of 18 months was granted (until 27 July 2021) to complete the conditions of the key Environmental Permit to develop and extract ore from La India open pit
- In March 2020, the Company announced a high grade open pit mining scenario as part of on-going mining dilution studies.