Condor Gold PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

TWELVE MONTHS ENDED DECEMBER 31, 2021

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Background

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations is prepared as at March 29, 2022 and should be read in conjunction with the audited Consolidated Financial Statements of Condor Gold plc (the "**Company**" or "**Condor**") as at, and for the year ended December 31, 2021, and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and International Accounting Standards as issued by the IASB.

Unless otherwise noted, all currency figures in the MD&A are presented in U.K. pounds sterling. Except as otherwise indicated in this MD&A, references to "£" are to British pounds and to "pence" or "p" are to British pence, and all references to "C$" are to Canadian dollars and references to "US$" are to United States dollars.

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

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

Technical Information

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

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, which includes a Pre-Feasibility Study (the "**PFS**"), was prepared in accordance with NI 43-101 by or under the supervision of Dr. Tim Lucks, Principal Consultant (Geology & Project Management), Gabor Bacsfalusi, Senior Consultant (Mining), and Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited ("**SRK**"), and Neil Lincoln, P.Eng. of Lycopodium Minerals Canada Ltd., each of whom is an independent "qualified person" within the meaning of NI 43-101 (the "**2017 Technical Report**").

The technical report entitled "*Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021*" dated October, 2021, with an effective date of September, 2021, which includes a Preliminary Economic Assessment (the "**PEA**"), was prepared in accordance with NI 43-101 by or under the supervision of Dr. Tim Lucks, Principal Consultant (Geology & Project Management), Benjamin Parsons, Principal Consultant (Resource Geology), Fernando Rodrigues, Principal Consultant (Mining), and Stephen Taylor, Principal Consultant (Mining), each of SRK and each of whom is an independent "qualified person" within the meaning of NI 43-101 (the "**2021 Technical Report**", and together with the 2017 Technical Report, the "**Technical Reports**").

The Technical Reports are preliminary in nature and include Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the results and conclusions of the PFS and PEA will be realized. Mineral Resources that are not Mineral Reserves have no demonstrated economic or technical viability.

Reference should be made to the full text of the Technical Reports, each of which is available for review on the Company's website www.condorgold.com and under the Company's issuer profile on SEDAR at www.sedar.com.

Company Overview and Discussion of Operations

Company Overview

The Company is registered and incorporated in the United Kingdom and is actively engaged in gold exploration and development in Nicaragua, with a focus on the Company's 100%-held La India Project (the "**La India Project**" or "**La India**"). The La India Project is comprised of twelve contiguous and adjacent concessions that total 588 square kilometres held by wholly owned subsidiaries of the Company and located in northeastern Nicaragua. A concession in Nicaragua is awarded by the Ministerio De Energia y Minas (Ministry of Energy and Mines or MEM). A concession is valid for 25 years and confers upon the holder exclusive rights of exploration and exploitation. Condor published the PFS for its wholly owned La India Project in Nicaragua in December 2014.

The La India Project is located in the Department of Leon, approximately 70 kilometres ("**km**") to the north of Managua, the capital city of Nicaragua. On January 28, 2019, the Company announced an updated Mineral Resource Estimate at La India ("**MRE**"). The MRE as at January 25, 2019, is 9.85 million metric tonnes ("**Mt**") at 3.6 grams per tonne ("**g/t**") gold for 1.14 million ounces ("**Moz**") gold in the Indicated category and 8.48 Mt at 4.3 g/t gold for 1.179 Moz gold in the Inferred category. Further details regarding the MRE are contained within the Company's announcement of January 28, 2019, available on SEDAR (www.sedar.com) and on the Company's website (www.condorgold.com). Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources will be converted to Mineral Reserves (see "*Cautionary Statement Regarding Mineral Resources and Mineral Reserves*"). The MRE did not show a material change in the number of ounces of gold reported in the Indicated Category or Inferred Category.

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

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

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 2021 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 US$1,500 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 test work conducted to date. Marginal costs of US$19.36/t for processing, US$5.69/t G&A and US$2.35/t for mining, slope angles defined by the Company Geotechnical study which range from angle 40 - 48°, a haulage cost of US$1.25/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 US$1,500 per ounce of gold and gold recoveries of 91 percent for resources, costs of US$19.36/t for processing, US$4.5/t G&A and US$50.0/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 (see "*Cautionary Statement Regarding Mineral Resources and Mineral Reserves*"). 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 Definition Standards (as defined herein).

(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 4,569 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Auga Caliente, Guapinol, San Lucas, Cristalito-Tatescame or El Cacao.

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

[1] See Company RNS dated May 6, 2020

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

2014 Historical Mineral Resource Estimate

A historical Mineral Reserve estimate was previously stated for the La India Project as part of the PFS and 2017 Technical Report. This historical Mineral Reserve estimate has not been revisited or updated. A qualified person within the meaning of NI 43-101 has not done sufficient work to classify the historical Mineral Reserve estimate as current. The Company is not treating the historical Mineral Reserve estimate as current Mineral Resources or Mineral Reserves, and the reader is cautioned to not rely upon this data as such. The Company believes that the historical Mineral Reserve estimate is relevant to the continuing development of the La India Project. There is no more recent Mineral Reserve estimate.

The scenario which supports the historical Mineral Reserve reflects the relocation of the La India village, and thus the pit limits extended further to the south than those envisioned in the 2021 Technical Report. Readers are directed to the 2017 Technical Report for further detail on this historical Mineral Reserve.

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

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

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

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

(4) The reporting standard adopted for the reporting of the Mineral Reserve uses the terminology, definitions and guidelines given in the CIM Definition Standards.

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

(6) The historical Mineral Reserve Estimate relates specifically to the PFS conducted and described in the 2017 Technical Report, and represents a different scenario to the mine design and schedule presented as part of the 2021 Technical Report.

The methods applied to conducting the geological modelling and estimation for the MRE have not changed from those described in the 2017 Technical Report. Given that there has been no material change to the MRE, the Mineral Resource Estimate as disclosed in the 2017 Technical Report was not materially impacted by this update. More information relating to the updated MRE is supported by the 2021 Technical Report, which is available on SEDAR under the Company's issuer profile. The MRE was prepared by SRK and uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Standards on Mineral Resources and Mineral Reserves (May 2014). The MRE update was reviewed and approved by Andrew Cheatle, P. Geo., a qualified person within the meaning of NI 43-101.

The PFS summarised in the 2017 Technical Report contemplated a 0.8 million tonnes per annum open pit mining operation at La India ("**La India Open Pit**"), producing 614,000 ounces ("**oz**") with average annual production of 79,300 oz of gold over the 7 years of production. With an initial capital requirement of US$110 million, the project generated a Net Present Value at a discount rate of 5.0% of US$92 million and an internal rate of return of 22%, both on an after-tax basis and assuming a gold price of US$1,250 per oz.

Records exist for industrial-scale gold mining in the La India Gold District between 1938 and 1956 by Noranda Inc, a Canadian mining company, and centred on the La India deposit. Based on production records it is estimated that approximately 1.73 Mt at 13.4 g/t for 575,000 oz gold was produced.

As of the date of this document, a total of 78,997 metres had been drilled by the Company at the La India Project. A total of approximately 96,691 metres of drilling has been completed on La India Project by the Company and previous explorers.

2021 Technical Report Preliminary Economic Assessment of the District Mining Potential

The 2021 Technical Report covers two scenarios: Scenario A, in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone, which targets a plant feed rate of 1.225 million tonnes per annum ("**Mtpa**"); and Scenario B, where the mining is extended to include three underground operations at La India, America and Mestiza, in which the processing rate is increased to 1.4 Mtpa. Key findings of the study were:

Scenario A: 1.225 Mtpa PEA La India Open Pit + Feeder Pits

- Internal Rate of Return ("**IRR**") of 58% and a post-tax Net Present Value ("**NPV**") of US$302 million, at a discount rate of 5% and gold price of US$1,700/oz.
- Average annual production of ~125,000 oz of gold over the initial 5 years of production, and total gold production of 862,000 oz of gold produced over 9-year Life of Mine ("**LOM**").
- Initial capital requirement of approximately US$153 million (including contingency).
- Payback period 12 months.
- All-in Sustaining Costs of US$813 per oz gold.
- Robust base case presents an IRR of 48% and a post-tax NPV of US$236 million at a discount rate of 5% and gold price of US$1,550/oz.

Scenario B: 1.4Mtpa PEA Open Pit + Underground Operations

- IRR of 54% and a post-tax Net Present Value NPV of US$418 million, after deducting upfront capex, at a discount rate of 5% and gold price of US$1,700/oz.
- Average annual production of ~155,000 oz of gold over the initial 5 years of production, and total gold production of 1,469,000 oz over the LOM.
- Initial capital requirement of approximately US$160 million (including contingency), where the underground development is funded through cash flow.
- Payback period 12 months.
- All-in Sustaining Costs of US$958 per oz gold over LOM.
- Robust base case presents an IRR of 43% and a post-tax NPV of US$312 million at a discount rate of 5% and gold price of US$1,550/oz.

Discussion of Operations

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

(i) to advance the permitting framework at La India Open Pit and secure the key environmental permit in order to then to construct and operate a processing plant of up to 2,800 tonnes per day ("**tpd**") and associated mine site infrastructure;

(ii) to conduct further exploration within the La India Project to demonstrate potential for a 5M+ oz gold district; and

(iii) to complete a Feasibility Study to support Project Financing and putting the project into production.

In August 2018 the Company announced that the Ministry of the Environment and Natural Resources ("**MARENA**") had granted the Company the environmental permit for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at La

India Project for the production of approximately 600,000 oz gold from La India open pit (the "**La India Environmental Permit**").

Subsequent to the granting of the La India Environmental Permit, the Company began, and continues, to work towards fulling the requirements of such permit and the development, construction and operation of a processing plant at the La India Project. The Company's work has been supported by its unwavering commitment to an Environmental and Social Action Plan ("**ESAP**") established in accordance with the Performance Standards (the "**IFC Performance Standards**") of the International Finance Corporation, for the Company's activities during the exploration and study phase. This ESAP required the development and implementation of an HSEC Policy and Environmental and Social Management System and associated documentation, appropriate to the Company's activities. Implementation of the relevant IFC Performance Standards helps the Company manage and improve its environmental and social performance through a risk-based approach, while providing a solid base from which the Company may enhance the sustainability of its business operations and provide benefits for its shareholders.

The Company's work in meeting the conditions of the La India Environmental Permit, includes the completion of engineering and other technical studies and the acquisition of some or all of land for certain mine site infrastructure (for further details, see "*Status, Plans and Expenditures at the La India Project*"). During 2021 the Company informed the Ministry of the Environment and Natural Resources ("MARENA") that it had commenced construction and fulfilled the conditions of an Environmental Permit granted for the development, construction, and operation of an open pit mine, a 2,800 tpd or 1.0 Mt per annum CIP processing plant and associated infrastructure at the La India Project, Nicaragua

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

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

Following the permitting of the Mestiza and America open pits, together with the La India open pit, Condor has 8,583Kt at 3.3g/t gold for 902,000 oz gold in the Indicated Mineral Resource category and 1,901Kt at 3.6g/t gold for 220,000 oz gold in the Inferred Mineral Resource category permitted for extraction.

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

Developments in the twelve months ended December 31, 2021

On January 19, 2021, the Company announced the mobilization of a second drill rig for a 4,000m infill drilling program at the fully permitted La India "high grade" starter pits.

On January 25, 2021, the Company completed the ground investigation drilling and test pits in preparation for mine construction at the La India Project.

On January 27, 2021, the Company issued, pursuant to receipt of notice for the exercise of Warrants, from Mr. Jim Mellon, a Non-Executive Director of the Company, 1,562,500 new Ordinary Shares with a nominal value of 20p per Ordinary Share at an exercise price of 31p per Ordinary Share, for aggregate gross proceeds of £484,375.

On February 16, 2021, the Company announced the placing of 9,523,810 Ordinary Shares at a price of 42p per Ordinary Share, including Directors and CFO subscriptions of 4,871,414 Ordinary Shares, for aggregate gross proceeds of £4,000,000 before expenses (the "**February 2021 Placing"**). The February 2021 Placing closed on March 1, 2021.

On March 15, 2021, the Company announced the purchase of the SAG Mill from First Majestic Silver Corp. The Company paid a purchase price of approximately US$6.5 million, which included US$3.0 million in shares of the Company issued at 50p per ordinary share.

On June 1, 2021, the Company granted 4,200,000 Options, representing 3.1% of the issued and outstanding Ordinary Shares, under the Company's existing Share Option Scheme, to certain Non-Executive Directors and Officers of the Company.

On June 9, 2021, the Company appointed Hannam & Partners as joint broker to the Company, alongside SP Angel Corporate Finance LLP.

On June 23, 2021, the Company announced it has selected Hanlon Engineering & Associates of Tucson, Arizona, a wholly owned subsidiary company of GR Engineering Services Limited as the Lead Engineer to develop a Feasibility Study level of design for a new processing plant around Condor's recently acquired new SAG Mill at La India Project, Nicaragua. Hanlon will be responsible for the engineering designs, the capital cost, and operating costs of the processing plant to a Feasibility Study level of design.

On September 9, 2021, the Company announced the key findings of the 2021 Technical Report and PEA on the La India Project. The open-pit plus underground scenario reports a post-tax NPV of $418 million, an IRR of 54% with average annual production of 150,000 ounces of gold for nine years with a 12-month payback, after deducting upfront capex, at a discount rate of 5% and gold price of US$1,700/oz.

On October 29, 2021, the Company announced a placing of 11,714,286 units at a price of 35p per unit, including a Directors and CFO subscriptions of 2,972,144 units, for aggregate gross proceeds of £4.1 million (the "**November 2021 Placing**"). The November 2021 Placing closed on November 3, 2021. Each unit being comprised of one Ordinary Share with a value of 20p per Ordinary Share and one-half of one ordinary share purchase warrant of the Company (each whole ordinary share purchase warrant, an "**November 2021 Warrant**"). Each November 2021 Warrant, which is unlisted and fully transferable, entitles the holder thereof to purchase one Ordinary Share at an exercise price of 50p per Ordinary Share for a period of 24 months from the date on which the November 2021 Warrant were issued pursuant to the November 2021 Placing. 50% of the November 2021 Warrants are subject to an accelerated exercise period if the closing mid-market price of the Ordinary Shares on AIM is more than 60p per Ordinary Share for 10 consecutive trading days.

Events subsequent to December 31, 2021

On January 13, 2022, the Company issued, pursuant to receipt of a notice for the exercise of Options,300,000 Ordinary Shares with a nominal value of 20p at an exercise price of 22p per Ordinary Share, for aggregate gross proceeds of £66,000.

Status, Plans and Expenditures at the La India Project

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

The environmental permit is considered to be the "master permit" in Nicaragua, and once granted, all permits for construction, electricity, water use, explosives etc. are expected to follow. As of the date of this document the design has been completed for the water and wastewater treatment systems for the processing plant, offices and accommodation blocks; development of final engineering designs for the tailings storage facility and the majority of the surface water management system for the mine is in progress. The Company has made offers to buy the surface rights from all landowners within the proposed area for mine site infrastructure, of which 98% have been accepted. During 2021 the Company informed the Ministry of the Environment and Natural Resources ("MARENA") that it had commenced construction and fulfilled the conditions of an EP granted for the development, construction, and operation of an open pit mine, a 2,800 tpd or 1.0 Mt per annum CIP processing plant and associated infrastructure at the La India Project, Nicaragua.

The Company had also prioritised the advancement of the permitting process for two satellite feeder pits at La India, including the Satellite Pit ESIAs and on April 29 and May 6, 2020 announced the award by MARENA of the Mestiza and America Environmental Permits respectively. See "*Company Overview and Discussion of Operations – Discussion of Operations"*.

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

- A Mineral Resource expansion drilling programme of approximately 20,000 metres and focusing on the Mestiza, America and La India vein sets. The target of this drilling is to expand and upgrade the Mineral Resource on these three vein sets. The cost of this programme, including incremental Company operating costs would amount to approximately US$5 million. To that end, the Company completed 3,115 metres in fill drilling at La India and 8,00a5 metres drilling at La Mestiza in 2021.

- An in-fill and exploration drilling programme of approximately 20,000 meters to be conducted on two to three potential feeder pits (e.g. Cacao and Central Breccia) with the intention of adding feeder pits into a mine plan early on in the mine life. The cost of this programme, including incremental Company operating costs would amount to approximately US$5 million. The Company commenced an initial 5,000 metre diamond drill campaign at Cacao during the first quarter of 2021.

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

Capitalised expenditure by the Company up to end-December 2021 on the La India Project amounted to circa £24 million on a cumulative basis.

Achievement of plans and milestones in 2021

The principal plans of the Company in the twelve months ended December 31, 2021 have been:

- To compile the necessary studies in support of a complete feasibility study;

- To acquire long-lead items in the interests of shortening construction time;

- To continue with acquisitions of land at the La India Project, including that required for mine site infrastructure;

- Invest US$200,000 in a portable drinking project for the benefit of the local community and continue with active stakeholder engagement programmes and;

- To comply with the terms of the La India Environmental Permit, including completion of additional technical and engineering studies and purchase of land for mine site infrastructure (see "*Company Overview and Discussion of Operations – Discussion of Operations*" and "*Status, Plans and Expenditures at the La India Project*").

The development of the La India Project in 2021 was consistent with these plans of the Company. In particular, the following progress has been made:

- Under the terms of the environmental permit, the Company has to purchase or have legal agreements in place for the land required for the mine site infrastructure. Offers have been made to all land owners and the Company has now purchased 98% of the land in and around the permitted La India open pit mine site area. The Company is close to completing one of the main conditions of the environmental permit and significantly de-risking the La India Project. The Company has purchased land totalling 822 hectares in and around the permitted La India open pit mine site infrastructure.

- The Tailings Storage Facility and the La Simona water retention pond have been fully designed and engineered with drawings one step short of "issued for construction". Tierra Group Inc of Denver, Colorado has completed the design, which will be incorporated as a key component of the FS.

- The design of the site wide water balance ("**SWWB**"), including a surface water management plan has been completed by SRK. This effort includes the area of the permitted La India, America and Mestiza open pits. The exercise has provided plans for the La India Project at a level of detail describing the physical components of a management system, including the piping, pumping and structural requirements that will satisfy Nicaraguan authorities and satisfies the design standards for a feasibility study. The SWWB design includes consideration of the pit dewatering contributions i.e., hydrology. SRK's remit included training of a Condor hydrologist in the setup and use of GOLDSIM software.

- The Company acquired a new SAG Mill, including an up-rated 3.7MW drive motor from First Majestic Silver.

- Feasibility study-level designs for the layout of the mine site infrastructure and for a processing plant with a capacity of up to 920,000 tonnes per annum have been completed. Site preparation for the plant area continued in 2021.

- Mine and waste dump schedules were completed for the PEA released in October 2021. These plans will be updated for inclusion into the feasibility study.

- The power studies are ongoing with discussions with the Ministry of Energy and Mines. National grid electricity pylons are located 700 meters from the processing plant. Government is building a new electricity sub-station 12km from the processing plant as part of planned improvements to the national grid; designs for supplying grid power via the new sub-station are underway. Discussions are also underway with third party power providers.

- The Company provided notice to the Government of Nicaragua that it had commenced construction on the La India Project on date. The government allowed the 30 day review window to expire, thus approving the commencement by 'administrative silence'

For further discussion of the above, see also "*Company Overview and Discussion of Operations – Developments in the twelve months ended December 31, 2021*", "*Events Subsequent to December 31, 2021*" and "*Status, Plans and Expenditures at the La India Project*".

Risks and Uncertainties

In common with other companies operating in natural resources exploration, the Company is subject to ongoing risk factors and uncertainties which could materially affect the Company's financial condition and/or future operating results, including, among others: political risks, including the risk of operating in Nicaragua; title risks; commodity prices; liquidity and financing risks; exchange rate risks; permitting risks; operating and environmental hazards encountered in the exploration, development and mining business; and risks associated with changing laws and public policies, as well as the risks disclosed elsewhere in this MD&A. The reader should carefully consider these risks as well as the information disclosed in the Company's annual information form dated March 29, 2022 (the "**Annual Information Form**") and annual financial statements for the year ended December 31, 2021, and other publicly filed disclosure regarding the Company, available under the Company's issuer profile on SEDAR at www.sedar.com.

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

Additionally, the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021, known as the RENACER Act for short, is a bill that was passed into law, extending United States sanctions against Nicaragua and that granted the President several measures to address acts of corruption and human rights violations by the Daniel Ortega administration, including the power to exclude Nicaragua from the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) and to obstruct multilateral loans to the country.

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

Results from Operations

<u>Summary of Overall Financial Performance</u>

The Company reports in U.K. pounds sterling. The functional currency of the La India Project is Nicaraguan Cordobas, which is pegged to the United States Dollar with a 5% annual depreciation to the United States Dollar. The financial statements of the Company for the twelve months ended December 31, 2021 are prepared in accordance with IFRS as issued by the IASB.

	Twelve months ended December 31, 2021 (£)	Twelve months ended December 31, 2020 (£)
Total comprehensive income/(loss)	(2,449,940)	(2,925,160)
Cash and cash equivalents	2,072,046	4,159,391
Exploration assets	28,100,980	22,089,314
Net assets	38,173,976	29,164,099

The total comprehensive income/(loss) for the Company of £(2,449,940) for the twelve months ended December 31, 2021 (twelve months ended December 31, 2020: £(2,925,160)) was after the following principal items:

- General and Administrative ("**G&A**") costs of £(2,330,003) for the twelve months ended December 31, 2021 (twelve months ended December 31, 2020: £(1,750,395)).
- In addition to G&A costs there is a non-cash charge for Options granted.

- Currency translation differences of £(119,937) for the twelve months ended December 31, 2021 (twelve months ended December, 2020: £(1,615,168), driven by movements in the United States Dollar and the Nicaraguan Cordoba relative to the U.K. pound sterling, resulting in unrealised currency translation differences.

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

The cash levels of the Company as at December 31, 2021 and December 31, 2020 vary due to the timing and quantum of financing by the Company as well as the level of expenditures by the Company on exploration and administrative activities.

The movement in exploration assets between December 31, 2021 and December 31, 2020 is a function of exploration expenditure during the year, together with foreign exchange movements and any asset impairments or revaluations during the period. See *"Analysis of Intangible Assets".*

Comparison of Financial Condition

The financial condition of the Company is primarily measured by the reserves of cash and cash equivalents, and the level of net assets. As of December 31, 2021, the Company held cash and cash equivalents of £2,072,046 (December 31, 2020: £4,159,391). As of December 31, 2021, the Company had net assets of £38,173,976 (December 31, 2020: £29,164,099). The 2021 Option and Warrant exercises, the February 2021 Placing, and the November 2021 Placing (see *"Developments in the twelve months ended December 31, 2021"),* offset by subsequent cash expenditures through to December 31, 2021 (see *"Summary of Cash Flows")* are the primary drivers behind the variances in these two measures between December 31, 2020 and December 31, 2021. Net assets are also impacted by the operating performance of the Company (see "*Results from Operations*").

Summary of Cash Flows

	Twelve months ended December 31, 2021 (£)	Twelve months ended December 31, 2020 (£)
Net cash used in operating activities	(2,329,187)	(1,724,380)
Net cash used in investing activities	(8,559,604)	(5,041,540)
Net cash generated from financing activities	8,801,446	8,021,755
Net increase/(decrease) in cash and cash equivalents	(2,087,345)	1,255,835

The net cash flows used in operating activities for the twelve months ended December 31, 2021 and December 31, 2020 are driven by activities in the management of the La India Project. The change between December 31, 2021 and December 31, 2020 is primarily attributed to spend on corporate and administrative costs (see "*Results from Operations*"), together with variations arising from fluctuations in trade and other receivables and payables. Variations in trade and other receivables and payables totalled £(679,520) during the 12 months ended December 31, 2021 (12 months ended December 31, 2020: £(461,820)).

Cash used in investing activities increased to £(10,704,776) in the twelve months ended December 31, 2021 as compared to £(5,041,540) in the twelve months ended December 31, 2020. The higher spend in 2021 as compared to 2020 was principally driven by activities associated with purchase of land at La India and the acquisition of a mill.

Cash flows from financing activities in 2021 arose from the 2021 Option and Warrant exercises, the February 2021 Placing and the November 2021 Placing during the twelve months ended December 31, 2021 (see "*Outstanding share data*" and *"Developments in the twelve months ended December 31, 2021")*.

Analysis of Selected Financial Information

	31 December 2021 (£)	31 December 2020(£)	31 December 2019 (£)
Revenue	Nil	Nil	Nil
Gross Profit	Nil	Nil	Nil
Loss attributable to owners of the parent	(2,330,003)	(1,309,992)	(1,524,781)
Total comprehensive loss attributable to owners of the parent	(2,449,940)	(2,925,160)	(3,231,505)
Dividends / Distributions	Nil	Nil	Nil
Total Assets	38,422,152	29,430,511	24,542,422
Total non-current liabilities	Nil	Nil	Nil
Weighted average number of shares	136,713,691	108,460,840	81,889,122
Loss attributable to owners of the parent basic and diluted (pence per share)	(1.70)	(1.21)	(1.86)
Total comprehensive loss attributable to owners of the parent basic and diluted (pence per share)	(1.79)	(2.70)	(3.95)

For analysis of loss attributable to owners of the parent for the year ended December 31, 2021 of £(2,330,003) and for the year ended December 31, 2020 of £(1,309,992), see "*Results from operations*." The loss attributable to owners of the parent for the year ended December 31, 2019 of £(1,524,781) was driven by administrative expenses.

Total comprehensive loss attributable to owners of the parent also include currency translation differences of £(119,937) for the twelve months ended December 31, 2021, £(1,615,168) for the twelve months ended December 31, 2020 and £(1,706,724) for the twelve months ended December 31, 2019. These arose from the relative movements in U.K. pounds sterling in relation to the United States dollar and the Nicaraguan Cordoba, which impacted the values recorded in U.K pounds sterling of the Company's foreign assets and liabilities. The Company's intangible assets are primarily denominated in Cordobas.

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

Fourth Quarter

For the three-month period ended December 31, 2021, the Company had total comprehensive loss attributable to owners of the parent of £(839,228) and a net loss per share of (0.61) pence, compared to £(2,241,589) and a net loss per share of (1.89) pence in the three-month period ended December 31, 2020, a variance of £(1,402,361).

Significant factors in line items that caused the variance in net income for the three-month period ended December 31, 2021 as compared to the three-month period ended December 31, 2020 were as a result of currency translation differences in the fourth quarter of 2021 of £(114,912) versus £(1,664,302) in the fourth quarter of 2020. These arose from the relative movements in U.K. pounds sterling in relation to the United States dollar and the Nicaraguan Cordoba and which impacted the values recorded in U.K pounds sterling of the Company's foreign assets and liabilities, which are denominated in Nicaraguan Cordobas.

The net increase / (decrease) in cash and cash equivalents of £ 1,517,597 for the fourth quarter of 2021 was driven by operating and investing activities at the Company, offset by an issue of shares totalling £4,026,404 (see "*Outstanding Share Data*". The equivalent measure for the fourth quarter of 2020 of £(1,371,142) was also driven by operating and investing activities, offset by Warrant and Options exercises of £220,230.

Quarterly Financial Information

The following table presents selected financial information for each of the most recent eight quarters. Tabular amounts are presented in U.K. pounds sterling.

Quarter Ended	December 31, 2021 (£)	September 30, 2021 (£)	June 30, 2021 (£)	March 31, 2021 (£)	December 31, 2020 (£)	September 30, 2020 (£)	June 30, 2020 (£)	March 31, 2020 (£)
Revenue	—	—	—	—	—	—	—	—
Profit/(loss) from continuing operations(1)	(724,316)	(591,827)	(501,342)	(512,518)	(577,287)	(377,286)	(447,896)	92,477
Total comprehensive income/(loss) attributable to owners of the parent	(839,228)	27,776	(703,578)	(934,910)	(2,241,589)	(1,651,426)	(561,278)	1,529,133
Profit/(loss) from continuing operations pence per share	(0.53)	(0.44)	(0.37)	(0.41)	(0.49)	(0.32)	(0.43)	0.10
Total comprehensive earnings/(loss) pence per share	(0.61)	0.02	(0.52)	(1.89)	(1.89)	(1.41)	(0.54)	1.61

Notes

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

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

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

For information regarding progress of the Company in achieving previously announced milestones, see "*Discussion of Operations"* and *"Achievement of Plans and Milestones in 2021*"*).*

	12 months ended December 31, 2021 £	12 months ended December 31, 2020 £
Analysis of Operating Loss:		
General and Administration Costs (including Share-based Payments)		
Wages and salaries	(209,555)	(289,857)
Unwinding / (Charge) for share options granted (non-cash)	(513,199)	(282,184)
Travel / expenses	(93,773)	(83,863)
Exploration costs expensed	(148,997)	(24,878)
Professional fees	(751,623)	(533,059)
Legal fees	(89,892)	(63,921)
Overheads/Other	(522,964)	(472,633)
General and Administration Costs	(2,330,003)	(1,750,395)
Gain on disposal of licence	-	439,228
Operating Loss	(2,330,003)	(1,311,167)
Finance income	-	1,175
Loss for the year	(2,330,003)	(1,309,992)
Non-controlling interest	-	-
Loss attributable to owners of the parent	(2,330,003)	(1,309,992)
Currency translation differences	(119,937)	(1,615,168)
Total comprehensive loss	(2,449,940)	(2,925,160)
Non-controlling interest	-	-
Total comprehensive loss attributable to owners of the parent	(2,449,940)	(2,925,160)

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

	12 months ended December 31, 2021 (£)	12 months ended December 31, 2020 (£)
Payroll	(724,453)	(449,267)
Operating Costs	(613,163)	(440,982)
Permitting	(342,767)	(461,300)
Direct field expenditure (Drilling / Sampling / Studies)	(4,508,342)	(1,121,112)
Cash expenditure on Exploration activities	(6,188,725)	(2,472,661)

Cash expenditure levels vary according to the timing and nature of these activities undertaken as the Company advances the La India Project. Exploratory drilling occurred throughout 2021 and in December 2020. A summary of the activities carried out in the year and how these relate to the development plans of the project are set out in "*Status, Plans and Expenditure at the La India Project* "and "*Achievement of Plans and Milestones in 2021*".

For analysis regarding how these expenditures related to relevant milestones for the La India Project and anticipated timing and costs to advance the La India Project to further stages, see "*Status, Plans and Expenditures at the La India Project*" and "*Achievement of Plans and Milestones in 2021*". For analysis of net movement in intangible assets and explanation of the Company's exploration activities, see *"Analysis of Intangible Assets."*

G&A costs have increased for the twelve months ended December 31, 2021 as compared to the prior period, from £(1,750,395) to £(2,330,003). The main drivers behind these changes are as follows:

Within General and Administration costs:

- Wages and salaries have decreased from £(289,857) to £(209,555) due to timing of payments and adjustment in payment method.
- Professional fees have increased in 2021 versus the prior year, rising from £(533,059) to £(751,623) due primarily to an increased level of advisory activity in conjunction with the November 2021 Placing.
- Overheads have increased in 2021 versus prior year, rising from £(472,633) to £(522,964) due to realised foreign exchange movements in relation to funds remitted to and expensed by local operating subsidiaries, which incur costs in United States dollars and/or Nicaraguan Cordobas. Gains or losses between realised exchange rates on remittance and exchange rates on date of transaction can also result in volatility in this measure.

Additional movements:

Currency translation differences of £(119,937) for the twelve months ended December 31, 2021 (twelve months ended December 31, 2020: £(1,615,168)) arose from the relative movements in U.K. pounds sterling in relation to the United States dollar, the Nicaraguan Cordoba and which impacted the values recorded in U.K pounds sterling of the Company's foreign assets and liabilities.

Analysis of Intangible Assets

	Exploration Costs (£)	Mineral Resources (£)	Total (£)
Net Book Value			
As at January 1, 2020	20,160,064	749,573	20,909,637
Additions	2,472,661	-	2,472,661
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	(1,292,984)	-	(1,292,984)
At December 31, 2020	21,339,741	749,573	22,089,314
Additions	6,188,725	-	6,188,725
Disposals	-	-	-
Impairments	-	-	-
Exchange rate movements	(177,059)	-	(177,059)
Net book value at December 31, 2021	27,351,407	749,573	28,100,980

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

Outstanding Share Data

	As of December 31, 2021 (000's)	As of December 31, 2021 (£)	As of December 31, 2020 (000's)	As of December 31, 2020 (£)
Issued and fully paid				
Ordinary Shares of 20 pence each				
At January 1,	118,663	23,732,526	94,664	18,932,704
Issue of Ordinary Shares	27,968	5,593,617	23,999	4,799,822
At December 31,	146,631	29,326,143	118,663	23,732,526

For details concerning the February 2021 Placing and November 2021 Placing, see "*Developments in the twelve months ended December 31, 2021*".

The following shares were issued pursuant to exercise of Warrants and Options in the 12 months ending December 31, 2021, raising £788,167.39 for the Company:

Date of Issue	Number of shares issued through subscription	Warrant / Option exercise price
14 January 2021	376,713	40p
14 January 2021	125,000	31p
15 January 2021	33,333	31p

19 January 2021	60,000	31p
26 January 2021	83,333	31p
4 February 2021	1,562,500	31p
9 February 2021	92,083	31p
Subtotal: Warrants	2,332,962	
Options		
28 June 2021	38,500	22p
28 June 2021	53,750	42p
Subtotal: Options	92,250	
Total	**2,425,212**	

Share Options and Warrants in the Company

The total Options outstanding as at the date hereof amount to 14,948,500 with an average exercise price of 42 pence, and which will be fully vested by December 11, 2023. There is no other share-based compensation paid by the Company.

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

5,857,138 November 2021 Warrants were issued as part of the November 2021 Placing.

As the date hereof, there were 17,125,017 Warrants outstanding. Should all Warrants be exercised in full, the Company would receive £6,974,657.50.

A summary of outstanding Warrants is set out below:

Date of issue	Date of expiry	Number	Exercise price £	Total amount raised if all exercised £
July 15, 2019	July 15, 2022	3,073,754	0.25	768,438.50
May 28, 2020	May 28, 2023	8,194,125	0.40	3,277,650
November 2 2021	November 2, 2023	5,857,138	0.50	2,928,569
TOTAL		**17,125,017**	**0.38 (avg)**	**6,974,657.50**

The exercise period for 50 per cent of the Warrants issued on July 15, 2019, 50 per cent of the Warrants issued on May 28, 2020 and 50 per cent of the Warrants issued on November 2, 2021 (collectively, the "**Accelerated Warrants**") shall be accelerated if the closing mid-market share price of the Ordinary Shares on AIM is more than £0.30, £0.55 or £0.60, respectively, for 10 consecutive trading days (an "**Acceleration Trigger Date**"), further to which a notice (an "**Acceleration Notice**") shall be delivered by the Company to holders of such Warrants ("**Warrant Holders**") informing them that an Acceleration Trigger Date has occurred. Warrant Holders who wish to exercise the Accelerated Warrants must do so by the later of the date falling 10 business days after receipt of the Acceleration Notice by the Warrant Holders; or the date falling 10 business days after the end of a Closed Period (as defined in the Accelerated Warrants), which means the period of 30 calendar days before the announcement of an interim financial report or year-end report (which includes preliminary financial results) which the Company is obliged to make public, as defined in Article 19(11) of the UK retained Market Abuse Regulation (regulation No 596/2014 of the European Parliament and of the Council); or such other date (which is more than 10 business days after receipt of the Acceleration Notice) as the Company may notify the Warrant Holders in the Acceleration Notice ("**Accelerated Warrants Expiry Date**"). Any Warrant rights relating to the Accelerated Warrants that are not exercised by the Accelerated Warrants Expiry Date shall lapse and shall no longer be exercisable. On 14 May 2020, the Company served an

Acceleration Notice on all holders of Warrants issued on July 15, 2019, informing them that an Acceleration Trigger Date had occurred as at close of trading on 13 May 2020. All relevant warrant holders exercised their July 2019 Accelerated Warrants.

For information regarding exercise of Warrants during the twelve months ended December 31, 2021, see "*Developments in the Twelve Months ended December 31, 2021*" and "*Events Subsequent to December 31, 2021*."

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Liquidity, Capital Resources and Financial Instruments

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

As at December 31, 2021 the Company had £2,072,046 in cash at bank and on deposit. As at December 31, 2020, cash at bank and on deposit amounted to £4,159,391. The Company does not enter into lease arrangements or debt facilities to cover working capital requirements – see "*Contractual Obligations*."

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

In management's view the Company will be able to raise sufficient financial resources to fund currently planned development and land acquisition activities and ongoing operating expenditures over at least the next 12 months. Total expenditures will depend in part on the availability of working capital and will include settlement of the on-going contractual obligations of the Company. The plans for the Company through 2022 are to maintain its social and community programmes, to comply with the terms of the environmental permit and to continue with exploration activities including geological mapping and trenching, as well as continuing to develop the La India Project. (see "*Status, Plans and Expenditures at the La India Project*").

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

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

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

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

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

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

Contractual Obligations

£				
	Total (£)	*Less than 1 year (£)*	*2-5 years (£)*	*Greater than 5 years (£)*
Operating leases on offices	68,193	35,731	32,462	-
Material creditors	88,000	88,000	-	-

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

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

Transactions with Related Parties

The balances recorded as at December 31, 2021, and the prior year balance are as follows and cancel out upon consolidation:

	December 31, 2021 (£)	December 31, 2020 (£)
Condor S.A.		
Brought forward loan balance from December 31	8,008,457	7,586,684
Additional loans during the period	1,636,639	317,073
Management charges	107,000	104,700
Closing balance	9,752,096	8,008,457

La India Gold S.A.	December 31, 2021 (£)	December 31, 2020 (£)
Brought forward loan balance from December 31	20,942,844	18,762,420
Additional loans during the period	4,877,258	2,078,024
Management Charges	107,000	102,400
Closing balance	25,927,102	20,942,844

La India Inversiones SA	December 31, 2021 (£)	December 31, 2020 (£)
Brought forward loan balance from December 31	3,309,843	668,821
Additional loans during the period	522,799	2,641,022
Management Charges	-	-
Closing balance	3,832,282	3,309,843

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

During the twelve months ended December 31, 2021, the Company received consultancy advice from the following related parties:

Company	Related party	31.12.21 £	31.12.20 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,000	-
	M L Child	175,000		-
Axial Associates Limited	M L Child	-	36,750	-
AMC Geological Advisory Group	A Cheatle	-	34,000	-
Promaco	I Stalker	48,825	51,825	3,600
	K Harcourt	-	5,625	-

Jim Mellon, Ian Stalker, Andrew Cheatle and Kate Harcourt are Non-Executive Directors of the Company. Ms. Harcourt received additional remuneration of £nil in the 12 months ended December 31, 2021 (12 months ended December 31, 2020: £5,625). Ms Harcourt furthermore received an annual salary of £25,000 in each of 2020 and 2021. Mr. Cheatle received additional remuneration of £nil in the 12 months ended December 31, 2021 (12 months ended December 31, 2020: £9,000 respectively) for providing services to the Company. Mr. Stalker received additional remuneration of £23,825 in the 12 months ended December 31, 2021 and £26,825 in the 12 months ended December 31, 2020.

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

Critical Accounting Policies and Estimates

The Company's accounting policies are described in detail in Note 1 of the Company's December 31, 2021 annual consolidated financial statements. The Company considers the following judgments and estimates to be most critical in understanding its financial results:

Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities at the date of the financial statements and the reported amounts of expenditures during the period reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. While actual results could differ materially from these estimates, no specific sources of estimation uncertainty have been identified by management that are believed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amount of the Company's assets and liabilities as recorded as at December 31, 2021.

Significant items subject to such estimates include:

Valuation of Intangible Assets

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

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

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

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

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

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

Foreign currencies

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

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

Changes in accounting policies

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

Management's Report on Internal Controls and Procedures

Disclosure controls and procedures

Disclosure controls and procedures ("**DCP**") have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under supervision of the Chief Executive Officer and Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures and has evaluated the effectiveness of the Company's DCP and has concluded that they were effective as at December 31, 2021.

Internal control over financial reporting

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

As at December 31, 2021, an evaluation was carried out, under the supervision of management, including the Chief Executive Officer and Chief Financial Officer, of the design and operating effectiveness of Condor's internal controls over financial reporting. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have each concluded that the internal controls over financial reporting were effective as at December 31, 2021, using the criteria, having taken account of the size and nature of Condor, put forward by the Financial Reporting Council in their revised guidance for Directors on internal controls for UK listed companies (issued 2005).

Changes in internal controls over financial reporting

There have been no changes in the Company's ICFR during the twelve months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, its ICFR.

Approval

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

Additional Information

Additional information relating to the Company and its business activities, including the Annual Information Form, is available under the Company's issuer profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this MD&A constitute forward-looking information or statements 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 information or statements. The Company believes the expectations reflected in those forward-looking information and statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information and statements included in its document should not be unduly relied upon. In particular, forward-looking information and statements in this MD&A include, but are not limited to, the following:

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

Forward-looking information and statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual results, actions, events, conditions, performance or achievements to differ materially from those expressed or implied in these forward-looking information or statements as a result of the risk factors set forth in this MD&A which include, without limitation, risks related to:

- mineral exploration, development and operating risks;
- estimation of mineralisation, Mineral Resources and Mineral Reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;

- permitting and licencing risks;
- operational risks;
- public health risks including risks associated with the on-going Covid-19 global pandemic
- negative cash flow;
- liquidity and financing risks;
- funding risk;
- material contract risks;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- exercise of statutory rights and remedies;
- risks of operating in Nicaragua;
- government policy changes;
- ownership risks;
- artisanal miners and community relations;
- difficulty in enforcement of judgments;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- reliance on key personnel;
- dilution risk;
- payment of dividends;
- other factors discussed under *"Risks and Uncertainties"*; and
- other risks and uncertainties described under the heading "*Risk Factors*" in the Annual Information Form, available under the Company's issuer profile on SEDAR at www.sedar.com.

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

The forward-looking information and statements contained in this MD&A are based on assumptions, beliefs, expectations and opinions of management as of the date such statements are made. Although the forward-looking statements contained in this document are based upon assumptions which the Company believes to be reasonable as of the date hereof, the Company cannot assure holders or potential holders of Ordinary Shares that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, the Company has made assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits;

royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations.

The Company has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide holders or potential holders of Ordinary Shares with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. These forward-looking statements are made as of the date of this document and the Company disclaims any intent or obligation to update or revise 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.

Cautionary Statement Regarding Mineral Resources and Mineral Reserves

In accordance with applicable Canadian securities laws, all Mineral Reserve and Mineral Resource estimates disclosed in this MD&A have been prepared in accordance with NI 43-101 and are classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 19, 2014 (the "**CIM Definition Standards**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of a scientific and technical nature concerning mineral projects, such standards differ significantly from disclosure requirements under United States securities law ("**U.S. securities laws**"), of the Securitise and Exchange Commission (the "**SEC**"), in the United Kingdom and of the AIM. The Mineral Resources and Mineral Reserves for the Company's properties (including as used in the Technical Report) have been estimated in accordance with the CIM Definition Standards. Accordingly, information contained in this MD&A may not be comparable to similar information made public by United States or United Kingdom companies reporting pursuant to SECC or AIM disclosure requirements, respectively.

In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralisation may not be classified as a "reserve" unless the determination has been made that the mineralisation could be economically and legally produced or extracted at the time the reserve determination is made and volumes that are not "reserves" should not be disclosed. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, Mineral Reserves estimates included herein may not qualify as "reserves" under SEC standards. The SEC's disclosure standards normally do not permit the inclusion of information concerning "Measured Mineral Resources", "Indicated Mineral Resources" or "Inferred Mineral Resources" or other descriptions of the amount of mineralisation in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC.

Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. Pursuant to the CIM Definition Standards, Mineral Resources have a higher degree of uncertainty than Mineral Reserves as to their existence as well as their economic and legal feasibility. Inferred Mineral Resources, when compared with Measured Mineral Resources or Indicated Mineral Resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Pursuant to NI 43-101, Inferred Mineral Resources may not form the basis of any economic analysis. Accordingly, readers are cautioned not to assume that all or any part of a Mineral Resource exists, will ever be converted into a Mineral Reserve, or is or will ever be economically or legally mineable or recoverable.

See the heading "*Technical Information – CIM Definition Standards*" in the Annual Information Form for a description of certain definitions under CIM Definition Standards.

Cautionary Statement Regarding Continuous Disclosure and Canadian Ordinary Share Holders

The Company is a "reporting issuer" subject to the securities laws of certain provinces of Canada, including the continuous disclosure requirements of the Canadian Securities Administrators. However, the Company is a "designated foreign issuer" as such term is defined in National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*. As such, the Company is exempt from certain requirements otherwise imposed on reporting issuers in Canada, including those related to National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*. The Company is subject to the continuous disclosure requirements of the United Kingdom in connection with its listing on AIM. In addition, the Company's historic disclosure record in the United Kingdom, including on the Company's website, contains disclosure of a scientific and technical nature that is not compliant with NI 43-101.