

**CONDOR GOLD PLC**  
**Report and Accounts**  
**Year ended 31 December 2023**

**CONDOR GOLD PLC**

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**FOR THE YEAR ENDED 31 DECEMBER 2023**

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## **CONDOR GOLD PLC**

### **HIGHLIGHTS** **FOR THE YEAR ENDED 31 DECEMBER 2023**

Condor Gold plc (“Condor Gold”, “Condor”, the “Group” or the “Company”), (AIM: CNR; TSX: COG) presents its audited financial report for the twelve-month period to 31 December 2023. It has been posted on the Company’s websites [www.condorgold.com](http://www.condorgold.com) and [ca.condorgold.com](http://ca.condorgold.com). It is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Highlights for twelve months to 31 December 2023**

- There continues to be significant interest in the sale of the Company’s assets. On 5 December 2023 the Company announced that it was in receipt of 5 non-binding offers, 3 site visits had been completed and advanced discussions were taking place with 2 gold producers. Discussions are still continuing, and the Board is optimistic that a resolution should be concluded in the near future.
- The current open pit Mineral Resource Estimate is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. The underground Mineral Resource Estimate is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.
- The current October 2022 Feasibility Study (FS) demonstrates a robust and economically viable base case for the La India open pit:
  - The FS was completed at US\$1,600 oz gold, at today’s gold price the pit would push deeper, increasing recovered ounces from open pit mining methods, the EBITDA increases approximately 100%, the IRR 3 fold.
  - Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold
  - Production averages 81,545 oz gold per annum for the first 6 years of an 8.4 year mine life
  - An Internal Rate of Return (“IRR”) of 23% and a post tax, post upfront capital cost NPV of US\$86.9 million using a discount rate of 5% and price of US\$1,600 oz gold (Mineral Reserve Case).
  - An IRR of 43% and a post tax, post upfront capital cost NPV of US\$205.2 million using a discount rate of 5% and price of US\$2,000 oz gold.
  - Low initial capital requirement of US\$105.5 million (including contingency and EPCM contract)
  - Low average Life of Mine All-in Sustaining Cash Costs of US\$1,039 per oz gold
- Land acquisition continued at the La India open pit and associated mine site infrastructure. To date, 99.6% of the core areas have been purchased.
- Site clearance of 14 hectares has been completed for the processing plant location, including areas for offices, warehouses, a stockpile, and a buffer zone.
- 400 m west of Cacao deposit a 0.66 g/t gold from an isolated high-level chalcedonic rock chip sample indicates continuity of the hidden, deep-seated high-grade mineralised Cacao deposit to the west.
- 2 km east of the Cacao deposit up to 6.29 g/t gold from a 0.5 m thick quartz breccia in artisanal mine workings confirms mineralisation along the Cacao trend, which has now been identified along 5km.
- 26.1 g/t gold and 200 g/t silver from new artisanal mine working at the southern end of the main El Paraiso vein trend on the Rio Luna Concession extends the strike length of medium to high-grade mineralisation on the El Paraiso structure from 3.5 to over 4 km.
- On 4 July, 2023 the Company announced it had raised £1 million by way of the exercise of warrants by Galloway Limited, a company wholly owned by Burnbrae Group Limited, which is, in turn, wholly owned by Jim Mellon, Condor’s Chair, increasing Galloway’s shareholding in Condor Gold to 23% of the ordinary share capital.
- On 12 December, 2023 the Company announced it had raised a total of £1,851,999 by way of a private placement of new ordinary shares raising £851,999 and the exercise of £1million worth of warrants by Galloway Limited, a company wholly owned by Burnbrae Group Limited, which is, in turn, wholly owned by Jim Mellon, Condor’s Chair, increasing Galloway’s shareholding in Condor Gold to 25% of the ordinary share capital.

#### **Post Period Highlights**

- As at 16 May 2024, eight companies are under Non-Disclosure Agreements (NDAs), five non-binding offers received and three site visits completed. Although none of the non-binding offers have progressed to firm proposals to date, the Company is in advanced discussions with one gold producer, while 2 other parties are actively reviewing the Company’s assets. The Board is optimistic that a sale will be concluded in the near future.

**CONDOR GOLD PLC**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Dear Shareholder,

I continue to be impressed by the executive teams' dedication to getting our project shovel ready. This has elicited considerable interest in the current sales process, which has been aided by a 20% increase in the gold price since the lows of 2023.

The focus during the 12-month period to 31 December 2023 has been on the sale of the Company's assets in Nicaragua. On 22 November 2022, the Company announced a strategy update and informed the market that it had appointed an advisor to sell its assets. The Board carefully reviewed the Company's options as the Project is "construction ready" with an 18-month construction timeline. Such options included going through a financing and construction phase but, as a single asset, single jurisdiction company without an experienced mine building team and without gold production from other mines, the Board formed the view that this would not be in the Company's best interests, and concluded that it was in the best interests of the Company and all stakeholders to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India and significant investment in the local area, which will regenerate the local communities. As a result of this strategy, the Board has reclassified the Nicaraguan assets as held for sale within the Group and Company Statements of Financial Position within the 2022 financial year and have remained classified as held for resale in 2023. The focus for 2024 is to execute a successful sale of the assets while maintaining a social license to operate at the fully permitted La India Project.

By way of an update on the sales process as at 16 May 2024 there are currently eight companies under Non-Disclosure Agreements (NDAs), five non-binding offers received and three site visits completed. Although none of the non-binding offers have progressed to firm proposals to date, the Company is in advanced discussions with one gold producer, while 2 other parties are actively reviewing the Company's assets. The Board is optimistic that a sale will be concluded in the near future.

Wholly owned, fully permitted, construction ready gold mines, with a Feasibility Study completed, with potential production of 150,000 oz gold per annum, in major Gold Districts, with the land acquired and a new SAG Mill package purchased are rare and in demand by gold producers replenishing depleting reserves.

Turning to the financial results for the 2023 12-month period, the Group's loss for the period was £1,701,922 (2022: £2,537,459). The Company raised a total of £3,250,696 after expenses during the financial period (2022: £5,574,674). The net cash balance of the Group at 31 December 2023 was £1,969,249 (2022: £2,444,093). During the period, there was a £2,675,988 foreign exchange loss (2022 £3,232,610 gain). This is as a result of significant changes in USD against GBP. The Board is aware of currency fluctuations and is working to mitigate any further losses.

We are very aware of the value of our assets and will not allow them to go at anything other than a fair price.

I would also like to draw your attention to the Corporate Governance Report on Pages 31 – 34 which details how we comply with the QCA Code.

Finally, it remains for me to thank our executive and also our team on the ground in Nicaragua for their unstinting efforts in continuing to maintain and develop our Project.

Jim Mellon

Chairman

Date: 16 May 2024

## **CONDOR GOLD PLC**

### **CHIEF EXECUTIVE OFFICER'S REPORT** **FOR THE YEAR ENDED 31 DECEMBER 2023**

Dear Shareholder,

I am pleased to present Condor Gold Plc's ("Condor", the "Company" or the "Group") report for the 12-month financial period to 31 December 2023.

The Company's strategy has been to develop the fully permitted La India Project in two stages using the new SAG Mill that has already been purchased. The delivery of a Feasibility Study Technical Report ("2022 FS") on 26 October 2022 on La India open pit, with an average of 81,524 oz gold per annum for the initial six years for a relatively low total upfront capital cost of US\$106 million is a landmark and significantly de-risks the Project. At US\$1,600 oz gold, the La India open pit Mineral Reserve produces total revenues of US\$888 million, the total operating costs of mining, processing and G&A are US\$480 million, leading to an operating profit of US\$408 million or a 46% operating margin. After government and other royalties, but before sustaining capital, the operating profit is US\$355 million, which in Condor's opinion is ample to repay any project debt on the relatively low upfront capex. At US\$2,000 oz gold after paying royalties, but before sustaining capital the operating profit is US\$563 million. In reality, two permitted high grade feeder pits will be added during the early years of production thus increasing production ounces of gold. Early production is targeted at 100,000 oz gold p.a.

The plan is to materially expand production by converting existing Mineral Resources into Mineral Reserves and an associated integrated mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2021" detailing average annual production of 150,000 oz of gold over the initial nine years of production from open pit and underground Mineral Resources and providing an indication of production targets.

The 2022 MRE update 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 updated Mineral Resource Estimate is 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The 2022 FS was conducted on La India Open Pit which has a Mineral Resource Estimate of 8,487 kt at 3.0g/t gold in for 827,000 oz gold in the indicated mineral resource category and 893 Kt at 2.4 g/t gold for 69,000 oz gold in the inferred mineral resource category. The La India Open Pit Mineral resource is inclusive of a Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold.

Outside the main La India open pit Mineral Reserve (the subject of the 2022 FS), there is a historical estimate, outlined in the 2021 Preliminary Economic Assessment, of additional open pit Mineral Resources on four deposits (America, Mestiza, Central Breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescane, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated mineral resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

#### **Highlights: Feasibility Study La India Open Pit only**

The 2022 FS demonstrates a robust and economically viable base case for the La India open pit:

- The FS was completed at US\$1,600 oz gold, at today's gold price the pit would push deeper, increasing recovered ounces from open pit mining methods, the EBITDA increases approximately 100%, the IRR 3 fold.
- Probable Mineral Reserve of 7.3Mt at 2.56g/t gold for 602,000 oz gold
- Production averages 81,545 oz gold per annum for the first six years of an 8.4 year mine life
- An Internal Rate of Return ("IRR") of 23% and a post-tax, post upfront capital cost NPV of US\$86.9 million using a discount rate of 5% and price of US\$1,600 oz gold (Mineral Reserve Case).
- An Internal Rate of Return ("IRR") of 43% and a post-tax, post upfront capital cost NPV of US\$205.2 million using a discount rate of 5% and price of US\$2,000 oz gold.
- Low initial capital requirement of US\$105.5 million (including contingency and EPCM contract)
- Low average Life of Mine All-in Sustaining cash costs US\$1,039 per oz gold.

The Company's strategy of a two-stage approach to production is supported by a technical study released in October 2021, when Condor Gold announced the key findings of a technical report on the La India Gold Project prepared by SRK. This technical report (the "Technical Report") presented the results of a strategic mining study to Preliminary Economic Assessment ("PEA") standards. The strategic study covers two scenarios: Scenario A, in which the mining is undertaken from four open pits, termed La India, America, Mestiza and Central Breccia Zone ("CBZ"), 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. The 2021 Technical Report was issued in October 2021 and filed on SEDAR and the Company's websites for public disclosure to NI 43-101 standards.

## **CONDOR GOLD PLC**

### **CHIEF EXECUTIVE OFFICER'S REPORT (CONTD.)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Highlights 1.225 Mtpa PEA La India Open Pit + Feeder Pits:**

- The PEA was undertaken at a US\$1,550 oz gold price. at today's gold price the EBITDA roughly doubles
- 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 ~120,000 oz of gold over the initial 6 years of production.
- 862,000 oz of gold produced over 9-year Life of Mine.
- Initial capital requirement of US\$153 million (including contingency).
- Payback period 12 months.
- All-in Sustaining Costs ("AISC") 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.

#### **Highlights: 1.4Mtpa PEA Open Pit + Underground Operations**

- The PEA was undertaken at a US\$1,550 oz gold price. at today's gold price the EBITDA roughly doubles
- IRR of 54% and a post-tax 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 ~150,000 oz of gold over the initial 9 years of production.
- 1,469,000 oz of gold produced over 12-year Life Of Mine.
- Initial capital requirement of 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 Life Of Mine.

The Company remains convinced that the 587 sq km La India Project is a major gold district with the potential for significant future discoveries. 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". Numerous geophysics, soil geochemistry and surface rock chips indicate the possibility for further mineralisation along strike. The updated MRE 2022 for the Cacao deposit increased the MRE in the inferred mineral resource category by 69% to 101,000 oz gold at 2.5 g/t gold, the interpretation is that drilling has clipped the top of a fully preserved epithermal vein system with a strike length of at least 1km with the potential to host over 1 million oz gold.

The Company continues to enhance its social engagement and activities in the community, thereby maintaining its social licence to operate. Condor has strengthened its community team and stepped-up social activities and engagement programmes. The main local focus is the drinking water programme, implemented in April 2017. A total of 740 families are currently benefiting from the program and currently receive five-gallon water dispensers each week. In May 2021, the Company installed a water purification plant at a cost of approximately US\$250,000 to provide drinking water to the local communities.

In January 2018, Condor initiated 'Involvement Programmes', which now extend to six groups in the local village to benefit communities which may be affected by the mine. Taking the Elderly Group as an example, a committee of six people has been formed. The Company allocates monthly support to the Elderly Group, which decides how this money is spent to benefit the elderly in the Community. Projects include a garden for medicinal herbs which are made into products which are used by group members and sold to others in the community.

Condor continues to have very constructive meetings with key Ministries that granted the Environment Permit (EP) for the La India, La Mestiza and America open pits. The Company 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. This includes skills training. The new mine would potentially create approximately 1,000 jobs during the construction period, with priority to be given to suitably skilled members of the local community. The upfront capital cost of approximately US\$106 million as detailed in the 2022 FS will have a significant positive impact on the economy. The Government and local communities will benefit significantly from future royalties and taxes.

#### **Inward Investment Raised**

On 4 July 2023 the Company announced it had raised £1 million by way of the exercise of warrants by Galloway Limited, a company wholly owned by Burnbrae Group Limited, which is, in turn, wholly owned by Jim Mellon, Condor's eke, increasing Galloway's shareholding in Condor Gold to 23% of the ordinary share capital (See RNS for details).

On 12 December, 2023 the Company announced it had raised a total of £1,851,999 by way of a private placement of new ordinary shares raising £851,999 and the exercise of £1million worth of warrants by Galloway Limited, a company wholly owned by Burnbrae Group Limited, which is, in turn, wholly owned by Jim Mellon, Condor's Chair, increasing Galloway's shareholding in Condor Gold to 25% of the ordinary share capital.

Mark Child

Chief Executive Officer

Date: 16 May 2024

**CONDOR GOLD PLC**  
**PROJECT OVERVIEW**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CURRENT CONCESSION HOLDINGS**

**Nicaragua Projects**

<b>Project</b>	<b>Concession</b>	<b>Ownership</b>	<b>Expiry Date</b>	<b>Area (km<sup>2</sup>)</b>
La India Project	Espinito Mendoza	100% Owned	November 2026	2.00
	La India	100% Owned	January 2027	68.50
	La Mojarra	100% Owned	June 2029	27.00
	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 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
	<b>Subtotal</b>			<b>587.66</b>
RAAN	Estrella	100% Owned	April 2035	18.00
Boaco	Rio Luna	100% Owned	June 2035	43.00
<b>TOTAL</b>				<b>648.66</b>

*All concessions in Nicaragua are combined exploration and exploitation concessions.*

**CONDOR GOLD PLC**

**PROJECT OVERVIEW (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**CURRENT MINERAL RESOURCES AND RESERVES**

The following Mineral Resource estimations set out Condor's Mineral Resource Statement as at 28 February 2022 for the La India Project:

Table showing SRK CIM Compliant Mineral Resource Statement effective 28 February 2022 for La India Project

MINERAL RESOURCE STATEMENT SPLIT PER VEIN as of February 28, 2022 <sup>(7),(8),(9),(10),(11)</sup>								
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 Vein Set	La India/California <sup>(1)(6)</sup>	0.65 g/t (OP)	8,487	3.0	827	6.1	1,669
		La India/California <sup>(2)</sup>	2.0 g/t (UG)	391	5.0	63	10.6	134
	America Vein Set	America Mine <sup>(3)</sup>	0.5 g/t (OP)	114	8.1	30	4.9	18
		America Mine <sup>(4)</sup>	2.0 g/t (UG)	470	7.3	110	4.7	71
	Mestiza Vein Set	Tatiana <sup>(3)</sup>	0.5 g/t (OP)	92	12.1	36	19.5	57
	Tatiana <sup>(4)</sup>	2.0 g/t (UG)	118	5.5	21	11.3	43	
Inferred	La India Vein Set	La India/California <sup>(1)(6)</sup>	0.65 g/t (OP)	893	2.4	69	4.7	134
		Teresa <sup>(1)</sup>	0.65 g/t (OP)	5	6.4	1		
		La India/California <sup>(2)</sup>	2.0 g/t (UG)	1,142	5.6	206	12.2	446
		Teresa <sup>(2)</sup>	2.0 g/t (UG)	85	10.9	30		
		Arizona <sup>(5)</sup>	2.0 g/t (UG)	399	4.3	56		
		Agua Caliente <sup>(5)</sup>	2.0 g/t (UG)	43	9.0	13		
	America Vein Set	America Mine <sup>(3)</sup>	0.5 g/t (OP)	677	3.1	67	5.5	120
		America Mine <sup>(4)</sup>	2.0 g/t (UG)	1,008	4.8	156	6.8	221
		Guapinol <sup>(5)</sup>	2.0 g/t (UG)	497	5.9	94		
	Mestiza Vein Set <sup>(9)</sup>	Tatiana <sup>(3)</sup>	0.5 g/t (OP)	220	6.6	47	13.6	97
		Tatiana <sup>(4)</sup>	2.0 g/t (UG)	615	3.9	77	8.8	174
		Buenos Aires <sup>(3)</sup>	0.5 g/t (OP)	120	9.8	38		
		Buenos Aires <sup>(4)</sup>	2.0 g/t (UG)	188	7.1	43		
		Espenito <sup>(4)</sup>	2.0 g/t (UG)	181	8.4	49		
	Central Breccia	Central Breccia <sup>(3)</sup>	0.5 g/t (OP)	922	1.9	56		
	San Lucas	San Lucas <sup>(5)</sup>	2.0 g/t (UG)	298	5.9	56		
	Cristalito-Tatescame	Cristalito-Tatescame <sup>(5)</sup>	2.0 g/t (UG)	185	5.5	33		
Cacao	Cacao <sup>(1)</sup>	0.65 g/t (OP)	190	2.4	15			
	Cacao <sup>(2)</sup>	2.0 g/t (UG)	975	2.8	86			

(1) The La India 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 USD1,800 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles are defined by the Company Geotechnical study which range from angle 42 - 48°. Metallurgical recovery assumptions are set at 90.2% for gold, based on testwork conducted to date. Marginal costs of USD24.32/t for processing, USD7.50/t G&A and USD2.33/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2%, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(3) The America, Central Breccia, La Mestiza pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits. No new work has been completed on the Mineral Resources estimates for these projects since the previous estimates (2019) 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. Slope angles are defined by the Company Geotechnical study which range from angle 40 - 48°. 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, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant, with consideration for mining royalties, but without considering revenues from other metals.

## **CONDOR GOLD PLC**

### **PROJECT OVERVIEW (CONTD.)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

(4) Underground Mineral Resources beneath the America, Central Breccia, La Mestiza open pits are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% 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.
(5) Mineral Resources as previously estimated by SRK (22 December 2011), cut-off grade updated to reflect current price and cost assumptions and using a 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2% for resources, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.
(6) The La India deposit Mineral Resource as reported considers the current maximum limits for potential extraction. The current operating permits consider a limitation from the current village boundaries, which have been applied to the Mineral Reserves. It is the QP's opinion there remains a reasonable prospect that this may be revisited at a future date once mining commences, and relocation of the La India village may be required. Further work will be required on the costs associated with such relocation efforts, along with the potential timelines to achieve the relocation. In order to achieve this outcome Condor will need to submit an updated EIA and receive environmental approval, where this will need to take account stakeholder interests and concerns and complete a resettlement process. Such exercises require careful stakeholder engagement.
(7) Back calculated Inferred silver grade based on a total tonnage of 4,569 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Agua Caliente, Guapinol, San Lucas, Cristalito-Tatescame or Cacao 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 Concessions are wholly owned by, and exploration is operated by, Condor Gold plc
(8) Mineral Resources that are not Mineral Reserves 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 Concessions are wholly owned by, and exploration is operated by, Condor Gold plc.
(9) Mineral Resources presented do not include any updated Mineral Resource Estimates on the 2021 Mestiza drilling program completed and reported on March 10, 2022, as it post-dates the effective date for the current study. Updated Mineral Resources will be disclosed in future updates.
(10) The reporting standard adopted for the reporting of 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) as required by NI 43-101.
(11) SRK has completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAusIMM(CP), Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.

**CONDOR GOLD PLC**

**PROJECT OVERVIEW (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Table showing SRK CIM Compliant Mineral Resource Statement effective 28th February 2022 for the La India Project**

SRK MINERAL RESOURCE STATEMENT as of 28 February 2022 <sup>(7),(8),(9),(10), (11)</sup>								
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) <sup>(3)</sup>	206	9.9	66	11.4	75
			0.65 g/t (OP) <sub>(1,6)</sub>	8,487	3	827	6.1	1,669
			2.0 g/t (UG) <sub>(2,4,5)</sub>	979	6.2	194	7.9	248
			<b>Subtotal Indicated</b>	<b>9,672</b>	<b>3.5</b>	<b>1,088</b>	<b>6.4</b>	<b>1,992</b>
Inferred	Grand total	All veins	0.5g/t (OP) <sup>(3)</sup>	1,939	3.3	208	3.5	217
			0.65 g/t (OP) <sub>(1,6)</sub>	1,087	2.4	84	4.7	134
			2.0 g/t (UG) <sub>(2,4,5)</sub>	5,616	5	898	9.5	841
			<b>Subtotal Inferred</b>	<b>8,642</b>	<b>4.3</b>	<b>1,190</b>	<b>8.1<sup>(7)</sup></b>	<b>1,193</b>

(1) The La India 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 USD1,800 per ounce of gold with no adjustments. Prices are based on experience gained from other SRK Projects. Slope angles are defined by the Company Geotechnical study which range from angle 42 - 48°. Metallurgical recovery assumptions are set at 90.2% for gold, based on testwork conducted to date. Marginal costs of USD24.32/t for processing, USD7.50/t G&A and USD2.33/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(2) Underground Mineral Resources beneath the open pit are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2%, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(3) The America, Central Breccia, La Mestiza pits are amenable to open pit mining and the Mineral Resource Estimates are constrained within Whittle optimised pits. No new work has been completed on the Mineral Resources estimates for these projects since the previous estimates (2019) 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. Slope angles are defined by the Company Geotechnical study which range from angle 40 - 48°. 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, a haul cost of USD1.25/t was added to the Mestiza ore tonnes to consider transportation to the processing plant, with consideration for mining royalties, but without considering revenues from other metals.

(4) Underground Mineral Resources beneath the America, Central Breccia, La Mestiza open pits are reported at a cut-off grade of 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,500 per ounce of gold and gold recoveries of 91% 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.

(5) Mineral Resources as previously estimated by SRK (22 December 2011), cut-off grade updated to reflect current price and cost assumptions and using a 2.0 g/t Au over a minimum width of 1.0 m. Cut-off grades are based on a price of USD1,800 per ounce of gold and gold recoveries of 90.2% for resources, costs of USD24.32/t for processing, USD7.5/t G&A and USD51.0/t for mining, with consideration for mining royalties, but without considering revenues from other metals.

(6) The La India deposit Mineral Resource as reported considers the current maximum limits for potential extraction. The current operating permits consider a limitation from the current village boundaries, which have been applied to the Mineral Reserves. It is the QP's opinion there remains a reasonable prospect that this may be revisited at a future date once mining commences, and relocation of the La India village may be required. Further work will be required on the costs associated with such relocation efforts, along with the potential timelines to achieve the relocation. In order to achieve this outcome Condor will need to submit an updated EIA and receive environmental approval, where this will need to take account stakeholder interests and concerns and complete a resettlement process. Such exercises require careful stakeholder engagement.

(7) Back calculated Inferred silver grade based on a total tonnage of 4,555 Kt as no silver estimates for Teresa, Central Breccia, Arizona, Agua Caliente, Guapinol, San Lucas, Cristalito-Tatescame or Cacao inherently involves 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 Concessions are wholly owned by, and exploration is operated by, Condor Gold plc

(8) Mineral Resources that are not Mineral Reserves 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 Concessions are wholly owned by, and exploration is operated by, Condor Gold plc.

(9) Mineral Resources presented do not include any updated Mineral Resource estimates on the 2022 Mestiza drilling program completed and reported on March 10, 2022, as it post-dates the effective date for the current study. Updated Mineral Resources will be disclosed in future updates.

(10) The reporting standard adopted for the reporting of 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) as required by NI 43-101.

(11) SRK has completed a site inspection to the deposit by Mr Benjamin Parsons, MSc (MAUSMM/CP), Membership Number 222568, an appropriate "independent qualified person" as this term is defined in National Instrument 43-101.

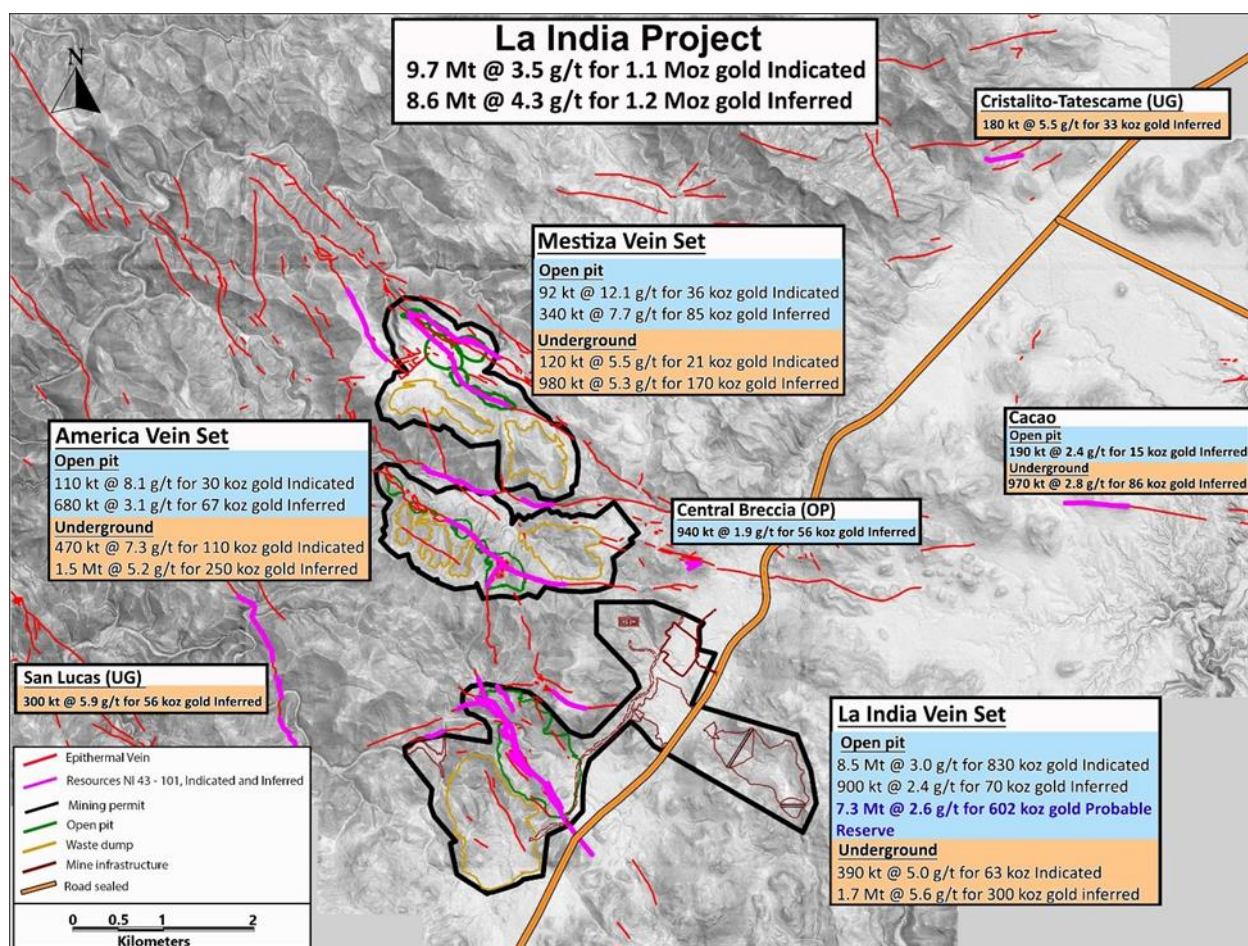
**CONDOR GOLD PLC**

**PROJECT OVERVIEW (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Table showing CIM Compliant Mineral Reserve Statement effective 31 March 2022 for the La India Open Pit Project.

Mineral Reserve Classification	Tonnage (Mt dry)	Au Grade (g/t)	Ag Grade (g/t)	Contained Au (koz)	Contained Ag (koz)
Proven					
Probable	7.32	2.56	5.31	602	1,250
Proven + Probable	7.32	2.56	5.31	602	1,250

1. Based on a cut-off grade of 0.6 g/t Au, gold price of US\$1,600/oz and Ag price of US\$20/oz.
2. Average ore loss and dilution are estimated at 3% and 8%, respectively.
3. 91% Au and 56% Ag metallurgical recovery.
4. Waste tonnes within the open pit is 96 Mt at a strip ratio of 13.2:1 (waste to ore);
5. The open pit Mineral Reserves assume complete mine recovery;
6. Topography as of March 31, 2022; and
7. The Mineral Reserve estimate has been completed under the supervision of Mr Fernando P Rodrigues of SRK, BSc, MBA MMSAQP #01405QP of SRK Consulting, Inc. in accordance with NI 43-101 and generally accepted Canadian Institute of Mining, Metallurgical and Petroleum “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines (“CIM Guidelines”). Mr Rodrigues has sufficient experience to act as an independent qualified person in accordance with NI 43-101. Mr Rodrigues has not been to site.



**Figure 1:** Plan showing the current open pit and underground mineral resources and fully permitted planned minesite infrastructure on La India Project. The principal La India, America and Mestiza vein set mineral resources all fall within the mine permit area. The San Lucas, Central Breccia, Cristalito-Tatescama and Cacao mineral resources represent potential additional satellite mines, all within 6 km of the planned processing plant.

**CONDOR GOLD PLC**  
**REVIEW OF OPERATIONS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NICARAGUA – OPERATIONS REPORT**

**Mining**

Following completion of the La India Feasibility Study (FS) in the Autumn of 2022, technical investigations on La India have been completed, reducing the level of engineering activity required during 2023. Follow-up work has focused on support for the sales process and responding to enquiries from interested parties. Key areas of effort have included:

- Alternative production scenario evaluations examining possibilities for either earlier production from La India or considering differing production rates employing the updated information present in the designs underpinning the FS.
- Research into potential partner companies, including limited due diligence and production monitoring public sources of information on their operations.
- Conducting site visits with interested parties and presenting FS findings.
- Maintenance of the virtual data room.
- Risk assessment updates on Condor properties.
- Preliminary preparations for due diligence efforts on likely acquiring companies and hosting site visits by gold producers.
- Support for management at industry meetings.
- Design and partial permitting of a small mill for artisanal miners.

Condor expects that engineering efforts during 2024 will be similar in nature, unless otherwise requested by potential investors or the Condor Executive team.

**Plant design**

As a reminder, the design of the plant and infrastructure was conducted by Hanlon Engineering of Tucson, Arizona, a division of GR Engineering Services of Australia. The work included the plant, support infrastructure, and access roads from the pit exit to the mill. The level of design for the plant was sufficient to provide cost estimates for capital and operating costs.

The Hanlon deliverables included over 100 drawings covering Civil, Electrical, Process flow diagrams and general arrangements, along with the reports detailing the capital cost sections of the FS and the operating costs for the plant area.



*Figure 2: View of Planned 2800 TPD Plant*

Dave Crawford

Chief technical Officer



**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Geology: exploration and mining studies**

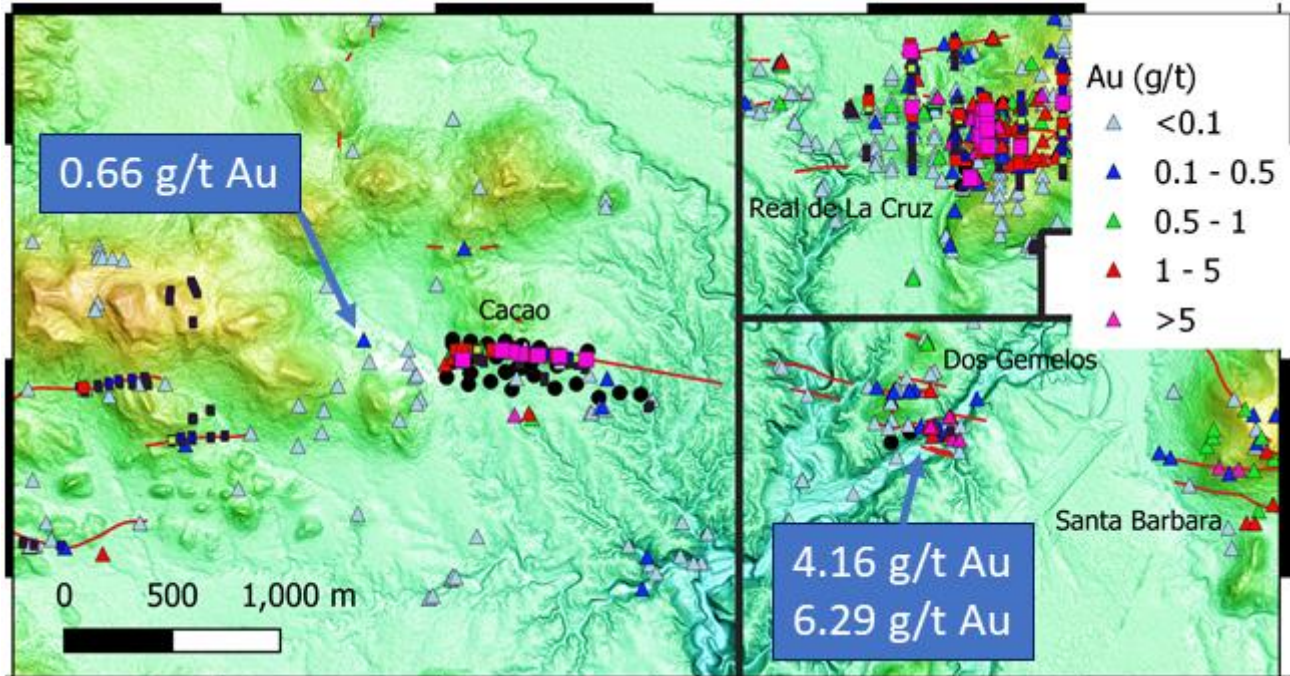
The Company focused on conserving cash during the asset sale process in 2023 with only limited exploration and mining studies undertaken during the year.

Prospecting along the **Cacao trend** revealed further gold showings that support the concept that there is a major, fully preserved epithermal system running underneath the Sebaco plains. The Sebaco plains are a wide valley formed by a downthrown block, or graben, adjacent to the hills that host the core La India open-pit gold resources. Unlike the La India mine area, the Sebaco graben has been subject to very little erosion since the epithermal gold was deposited in the district, and much of the area has been covered by alluvium. In this protected geological environment, the epithermal gold mineralisation that occurred in the Sebaco Graben has been almost fully preserved, in places several hundred metres below surface.

Deep exploratory drilling in 2021 demonstrated that the main body of the Cacao deposit extends for at least 400 m to the east of the previously defined strike extent, into an area where there is no surface expression, extending the total strike length of Cacao to at least 800 m. Prospecting in 2023 identified a new occurrence of high-level chalcedonic quartz, with a low but positively anomalous gold value of 0.66 g/t on a new farm track some 400 m in the opposite direction, to the west of the main Cacao resource. This is significant in that it demonstrates that the deep-seated mineralisation may well extend to the west of Cacao where there is little surface expression, as well as to the East, potentially extending the strike length to a 1200 m plus long ore body.

Further away from Cacao at the Eastern end of the trend, rock chip samples of up to 6.29 g/t gold from artisanal workings at the Twin Hills (Dos Gemelos) prospect confirms gold mineralisation and confirms the prospect as another target for exploration for deep-seated epithermal mineralisation.

Condor considers the Cacao deposit to be one of the La India districts most prospective prospects. Its location at the centre of a string of prospects lying along a 4 km long structure that appears to link the centre of the core La India historic mining area with the more northerly, 20 km long, Andrea gold trend, suggests that it is part of a major epithermal gold corridor: A near-surface gold-mineralised phreatic breccia; the Central Breccia prospect occurs at the western end of the trend, whilst isolated mineralisation at the Twin Hills (Dos Gemelos) and Santa Barbara prospects to the west of Cacao delineate the eastern end. Exploration and drilling have only touched the top of the epithermal system on all of these prospects. Deep drilling is required to properly test the potential of this epithermal system.

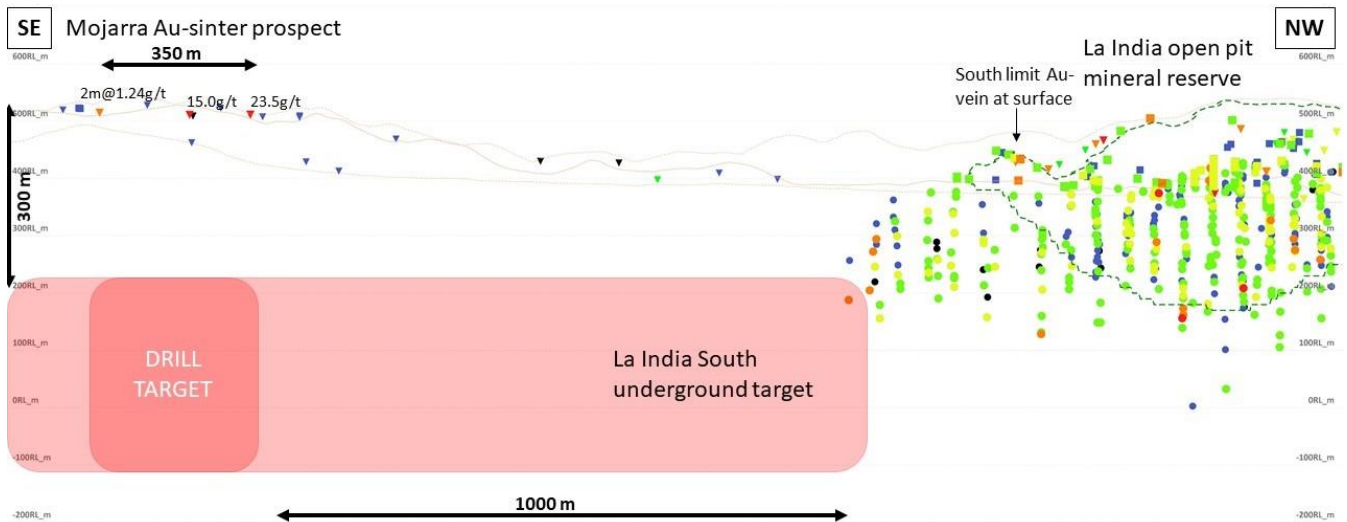


*Map showing rock chip sample assay results from a new gold occurrence west of the Cacao deposit and from the Twin Hills prospect that have helped fill-in the gaps in mineralisation along the 4 km-long Cacao trend of hidden and partially hidden deep-seated epithermal gold mineralisation.*

**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Building on the lessons learned from the successful discovery of deep-seated hidden epithermal gold deposit at Cacao, a number of sites of interest within the same downthrown Sebaco Graben block, and also in the smaller El Tanque Graben were re-visited. The **Mojarra prospect** which is located approximately 1 km along strike to the southeast of the main La India open pit deposit displays similar characteristics to the Cacao prospect. Isolated high-grade quartz vein outcrops of up to 23.5 g/t gold (Condor rock chip sampling in 2012) spread along a 350 m strike length were found to occur close to surficial hot spring-type sinter deposits and within a smectite alteration zone, reminiscent of the upper levels at Cacao. The occurrence of high-grade veins apparently deposited near-surface at the Mojarra prospect suggests that this may be the top of a high-grade shoot and is a prime drill target for the hypothesized deep-seated epithermal mineralisation along-strike to the south of La India. This area has not been drill-tested and should be considered a priority target for future exploration.



Map and long-section looking southwest showing the location of the Mojarra gold-bearing near-surface quartz anomaly located approximately 1 km along-strike to the south of the India vein.



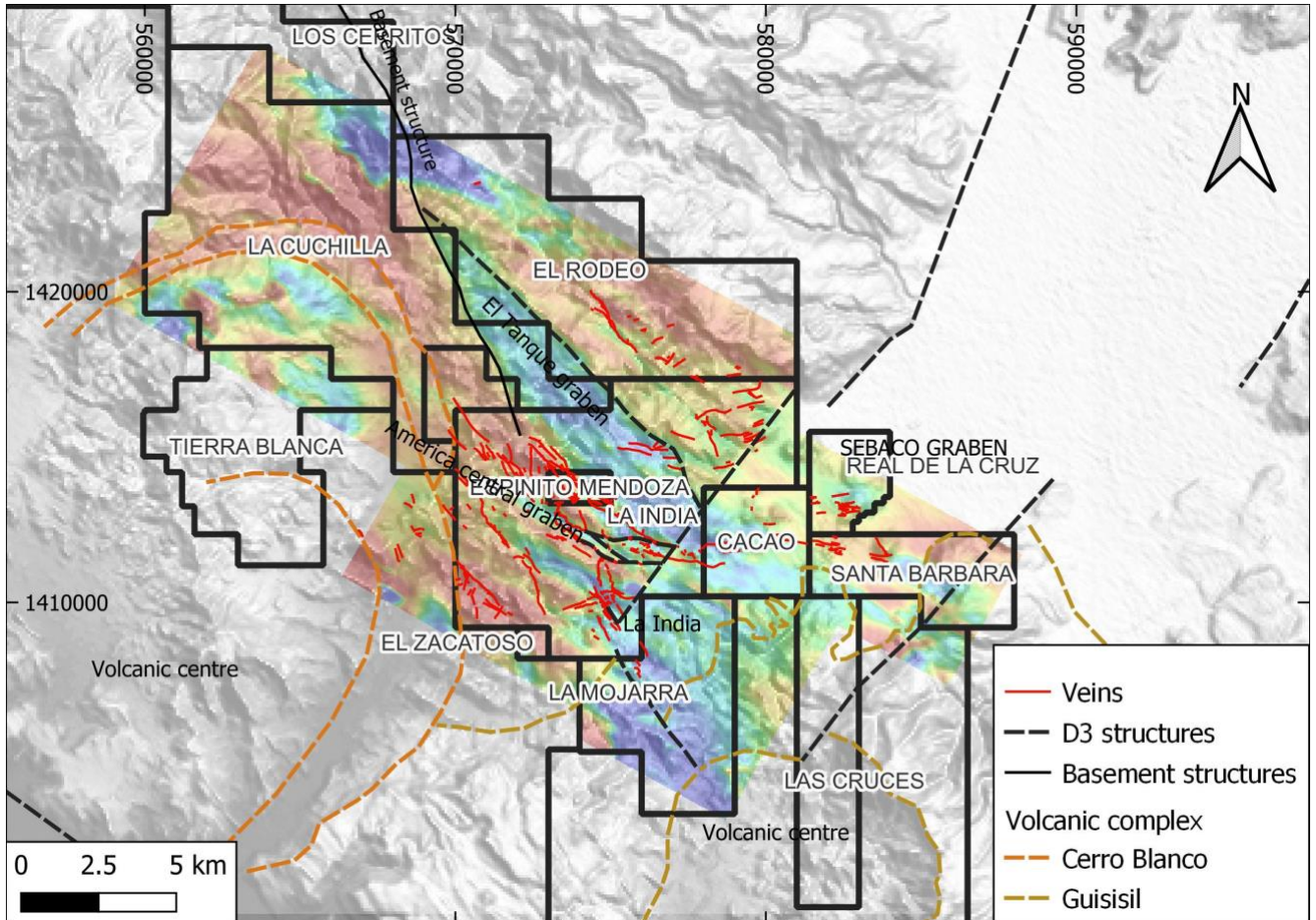
Hot spring-type laminated spongy quartz and banded chalcedonic quartz sinter deposit (left) at the site of a 23.5 g/t gold quartz sample collected by Condor geologists in 2012 at the Mojarra prospect (right) located 1 km along strike of the La India open pit gold deposit. This is characteristic of exhalative hydrothermal activity above a hidden, deep-seated epithermal deposit with similar surface geological features recognised at Condor's cacao prospect where high-grade gold mineralisation has been discovered at depth by drilling.



**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

In the **El Tanque graben** gold-mineralised quartz-calcite veining occurs in andesite. This andesite overlies the felsic rocks that host the principal mineralised zones at the nearby La India, America, and La Mestiza deposits. The brittle felsic rocks generally provide large open faults and fractures for the epithermal gold veins to fill and deposit broad concentrations of high-grade gold. Silica-haematite alteration in the wallrock suggests that mineralisation occurred in an oxidised environment at the top, or just above, an epithermal system. Similar, generally low-grade mineralisation is observed in the andesite in the hangingwall of the La India vein. El Tanque has been re-classified as a priority exploration target as mineralisation could improve at depth if the andesite proves to be underlain by felsic volcanics or welded tuff.

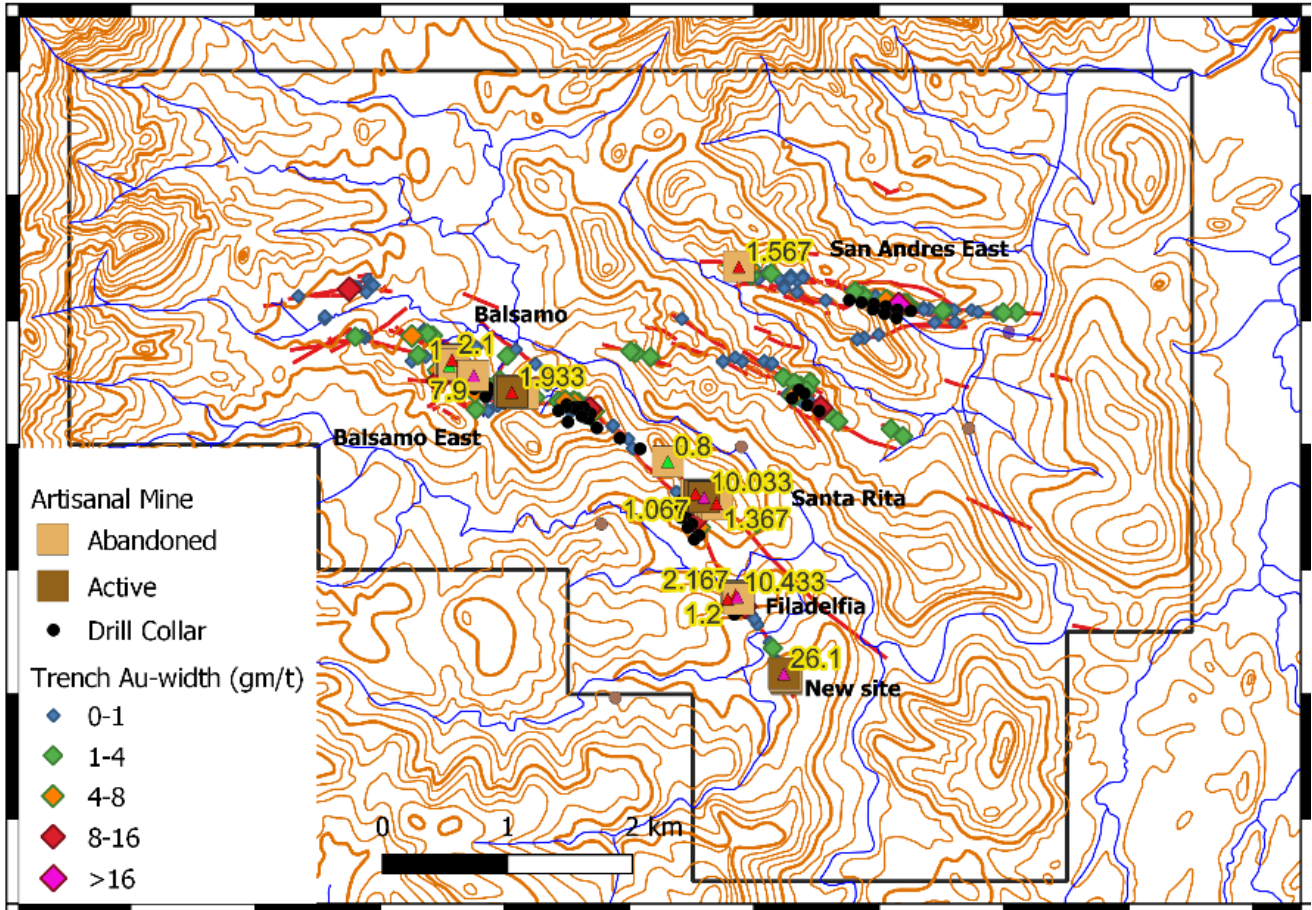


Location of the downthrown fault graben blocks, shown as blue on the 100 m downward projected RTP magnetic image. The downthrown Sebacó and El Tanque grabens have the potential to host hidden and partially hidden, fully preserved, deep-seated epithermal systems such as the ones at the Cacao and La India prospects that have been discovered to-date (adapted from English et al., 2024 *Naturalis Scientias*, Iss. 1, Vol. 1.).

**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

Elsewhere, rock chip samples from the **Rio Luna Concession** in Central Nicaragua returned an assay of 26.1 g/t gold and 200 g/t silver from a 0.45 m wide quartz-poor stockwork exposed in a small new artisanal mine working on the principal El Paraiso vein trend, some 600 m further south along strike from the southernmost drill-tested prospect. This extends the medium to high-grade area of interest along the El Paraiso structure from 3.5 to over 4 km strike length.



*Rock chip samples collected from artisanal mine workings at the Rio Luna Concession included 26.1 g/t gold from a 600m southern extension to the principal El Paraiso structure.*

Towards the end of the year past and present Condor geologists collaborated to write an academic paper which was published in the first edition of open-access online journal *Naturalis Scientias* (<http://www.naturalisscientias.com>), which was published post-period in January 2024. The “Geological setting of gold-silver mineralisation in the La India mining district, Nicaragua” by English, L.T.P., Galvan, V.H. and Pullinger, C.R. is a summary of the geological observations and interpretations from more than thirteen years of exploration in the La India district (available online at <https://doi.org/10.62252/NSS.2024.1003>).

Dr Luc English

Resident Geologist



**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Environmental**

The collection of environment baseline and permit compliance data continued throughout 2023 from the following data points:

- An analogue and digital weather monitoring station located within the mine permit area.
- Surface water flow monitoring with daily readings of water levels and determination of flows in the two main catchments at La Simona and at the San Lucas tunnel, including a daily photographic record of the six weirs within the La India and America concession areas. This feeds into the site wide water management system for a future mine.
- Groundwater level monitoring stabilised at thirty-three piezometers located in the concession areas. The data is important for de-watering of the main la India open pit, final geotechnical pit angles and managing the water supply for the processing plant.
- Groundwater and environmental monitoring including sampling and analysis of water quality at 13 strategic monitoring sites distributed in the La India concession.

Reforestation efforts included contribution of plants to local INAFOR (Ministry of Forestry) and MARENA (Ministry of the Environment) offices as part of our commitment established in the Environmental and Social Impact Plan (ESIP) for the delivery of 200,000 plants for the reforestation plan. Condor maintains 9.3 hectares of reforestation in eight areas. In the second semester, 1,579 were planted for an annual total of 4,523 and the Condor-run Oro Verde nursery held an inventory over 5,777 plants at the close of the year which will be used for reforestation.

Long-term test-work of selected samples for their potential for acid rock drainage started in 2020 and continued on-site through 2023. Two leachate tests were carried out during the second semester, for a total of 16 samples corresponding to 2023. Condor maintains 12 leachate samples from each reactor for a total of 36 corresponding samples.

The company is still waiting for a response from the governing institution MARENA regarding the resolution to extend America's pit environmental permit. The Company has requested a response from MARENA in this regard and official communication is expected in 2024.

Jamil Robleto Molina

Environment and Hydrology Manager

**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Social licence to operate**

The social team continued to work with the community and artisanal miners to maintain acceptance and support, and to prepare the local stakeholders for the changes that will come with the construction and operation of a significant new gold mine of national importance. The Company has long recognised the importance of winning a social licence to operate. A new gold mine will have a huge positive impact on the local economy and it is in the interest of both the Company and the local communities to maximise the potential mutual benefits. There are ten communities within a 10 km radius of the project, three of which are located adjacent to the planned mine infrastructure and will directly benefit, and seven will have opportunities to benefit indirectly.

A key stage in the creation of a local workforce for the construction and operation of the mine was concluded with 113 local members of the community graduating from Company-sponsored training courses. The courses covered both trades such as heavy equipment operators, electricians, mechanics, as well as clerical positions such as warehouse management, accounting, customs management, and basic computer skills.

The Company has continued to build working relations and communicate with the communities via eight local programs created by the Company and that involve almost 80% of the local population: seniors, local businessmen, cooperative artisanal miners, independent artisanal miners, APROSAIC (local association of development initiatives), the projects "Water is life", "Youth in Action" and "Happy Childhood". These groups have been encouraged to develop self-sustaining projects as well as undertake voluntary community work including:

- Medicinal Garden (medicinal plant nursery, with production and sale of natural medicine),
- Production and sale of piñatas,
- Village bank (providing loans to members),
- Savings Programme (where 24 businessmen participated),
- Recycling of plastic bottles, glass, and cans.
- Rental of rooms and food service in the homes of families in the community (nine rooms in five houses).
- Supporting and providing medical care 'home base' in five small remote communities in alliance with the Ministry of Health.

In 2021, the Company invested approximately \$250,000 in a water purification plant, which supplies drinking water to two local communities. The Company's drinking water project continues to provide clean and affordable drinking water to 358 households, 433 families and 1323 villagers. The deliveries provided an excellent point of informal contact with a broad spectrum of community members.

As part of Condor's Health, Safety, Environment and Community (HSEC) policy, which is in line with international standards, the company also implemented quarterly community assemblies in the three communities within the project's direct area of influence in order to present the activities carried out as part of the project and exploration activities.

Jacqueline Corrales Estrada

Social Manager

**CONDOR GOLD PLC**

**REVIEW OF OPERATIONS (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Land Acquisition**

During 2023, the Legal and land Management focused on the legalization of all properties purchased from possessory rights to real rights, an improved legal status, which means that the 81 Lots purchased by Condor are registered in the name of Condor's two wholly owned Nicaraguan subsidiaries, La India Gold S.A. and Condor S.A.

The La India mining project has acquired a total area of 1,104.52 Hectares, of which 353.87 Hectares have been successfully legalized some through agrarian reform titles and other through real rights registered in the Property Registry of Leon; 100% of the properties acquired as possessory rights are now legalized as real rights in favor of La India Gold S.A. and Condor S.A. As of 31 December 2023, Condor owns or controls 99.6% of the required land for the La India Mine.

Work to complete registration of properties in the Espinito Mendoza concession (La Mestiza project) is ongoing: 70.50 Hectares has been registered and the remaining 203.51 Hectares is in process.

Land Registered:	901.01 Hectares
Land in process to registered:	203.51 Hectares
Total:	1,104.52 Hectares

Dianer Escobar

Legal Manager

**CONDOR GOLD PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

## **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 £1,687,175 (2022: £2,532,560). The Group's administrative expenses for the year were £1,701,920 (2022: £2,537,459). No dividends were paid during the year (2022: £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 £2,066,216 on exploration and evaluation activities of the projects, held for sale see Note 11. During the year, the Group purchased land required to develop the mine in Nicaragua to the value of £317,948. These amounts have been included within the amounts capitalised in exploration and evaluation activities and tangible assets respectively during the year. The Company is currently investing in the La India Project, which is discussed in greater detail in the 'CEO's Report', 'Review of Operations' and 'Projects Overview' and Notes 9 and 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 CEO's Report, the Operations Report and the 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 Permits at La India, the land purchased to date and the new SAG Mill package 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.

## **CONDOR GOLD PLC**

### **STRATEGIC REPORT (CONTD.)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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. Due to the ongoing political uncertainties in Nicaragua, the US State Department has imposed sanctions on many Government officials. On 24 October 2022, the US State Department imposed sanctions on the Department of Mines in Nicaragua, which operates under the Ministry of Energy and Mines, under US Executive Order 13851. We have received legal advice the sanctions are unlikely to have any direct impact on the Company's operations in Nicaragua, but there can be no certainty that further sanctions will not be imposed by the US or by other jurisdictions which may have a material adverse impact on the value of the Company's assets.

#### **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.

#### **Sales Process**

Whilst the Company has launched a process to seek buyers for the Company's assets, as announced on 22 November 2022, there can be no guarantee that such an offer will be forthcoming or that it will be on terms that the Directors consider acceptable or could recommend to Shareholders. If this process were to result in no acceptable offers for the Company's assets, this could lead to the Company having to reconsider its future strategy and, as such, may impact the value of the Company.

#### **Financing**

The successful exploration and permitting 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 and progress of its strategy to sell its assets, the gold price, and the perception of political risk in Nicaragua. 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 reconsider its strategy. 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 sometimes 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.

## CONDOR GOLD PLC

### STRATEGIC REPORT (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2023

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 £1,969,249 of cash. In common with many exploration and development companies, the Company raises finance for its exploration and technical studies and appraisal activities in discrete tranches to finance its activities for limited periods only. The directors have identified that further funding will be required, within the next 12 months from the date of approval of these financial statements 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. In addition, the timing, quantum, and structure of any asset sale is currently uncertain. These conditions may cast doubt on the Group and Company's ability to continue as a going concern. It is not the Company's intention to cease trading after the potential sale of the Nicaraguan assets.

The Directors have prepared a cash flow forecast for the going concern period (up to 30<sup>th</sup> June 2025), demonstrating the austerity measures including a reduction in salary costs, deferment of fees, and reduced overheads, 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. Refer to page 57 for accounting policy in relation to going concern.

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 is demonstrated through the key decisions and actions made during 2023 as described within the CEO's Report and Review of Operations. The Board takes seriously its corporate social responsibilities to the communities and environment in which it operates – refer to page 27 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 £575,389. 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.

**CONDOR GOLD PLC**

**STRATEGIC REPORT (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**FINANCIAL RISK MANAGEMENT – continued**

**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 to enable it to operate in accordance with the strategy.

**3. Market risks**

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

(i) Pricing risk

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

(ii) Interest rate cash flow risk

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

(iii) Foreign exchange risk

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

**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 accounting objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022. Attention should be drawn to the Company's RNS dated 22 November 2022 providing a strategy update and notifying the market that the directors have appointed advisors to sell the assets. 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:**

Mark Child  
Chief Executive Officer

Date: 16 May 2024

## CONDOR GOLD PLC

### STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

#### **STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Certain statements contained in this document constitute forward-looking information. 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 forward-looking terminology, including (without limitation) 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. As at the date of this document, 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:

- Potential sale of the Nicaraguan assets, and the ongoing nature of the company. The company intends to continue for a period of time post any potential sale, at least until any potential deferred considerations or contractual requirements have been met.
- 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;
- sanctions risks;
- 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; and reliance on key personnel.



## CONDOR GOLD PLC

### STATEMENT REGARDING FORWARD-LOOKING AND TECHNICAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTD.)

#### 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 Circular dated 5 December 2022, available under the Company’s profile at [www.sedar.com](http://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 as at the date of this document, 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 disclosures contained in this document relating to the La India Project of a scientific or technical nature has been summarised or extracted from the technical report entitled “*Condor Gold Technical Report on the La India Gold Project, Nicaragua*”, dated October 2022 (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), Fernando Rodrigues, Principal Consultant (Mining), Eric Olin, Principal Consultant (Metallurgy) Benjamin Parsons, Principal Consultant (Resource Geology), each of SRK Consulting (UK) Limited, each of whom is an independent Qualified Person as such term is defined in NI 43-101.

On 25 February 2022 the Company announced an updated Mineral Resource Estimate (“MRE”) at La India. The MRE as at 25 February 2022 is 9.67 million tonnes (“M tonnes” or “Mt”) at 3.5 g/t gold for 1,088,000 oz gold in the Indicated category and 8.6M tonnes at 4.3g/t gold for 1,190,000 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 17 August 2022 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 of 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 2023 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.

**CONDOR GOLD PLC**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' REPORT**

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2023.

**DIRECTORS**

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

Mark Child  
Jim Mellon  
Kate Harcourt – resigned on 11 September 2023  
Andrew Cheatle  
Ian Stalker  
Denham Eke

**DIVIDENDS**

The Directors do not recommend payment of a dividend (2022: £nil).

**SUBSTANTIAL SHAREHOLDERS**

On 16 May 2024 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 %
Jim Mellon	49,769,148	24.90
James Randell Martin	7,150,000	3.58
Oracle Investments Ltd	7,869,112	3.94
Mark Child	4,526,666	2.26

**DIRECTORS' INTERESTS**

The Directors in office during the year under review and their interests in ordinary shares and unlisted options of the Company as at 31 December 2023 were:

Directors	Holding	31 December 2023		31 December 2022	
		Number of shares	Number of options	Number of shares	Number of options
M Child	Direct	4,526,666	5,750,000	4,268,333	5,300,000
	Indirect	-	-	-	-
J Mellon	Direct	16,223,217	1,600,000	2,889,883	1,450,000
	Indirect	33,545,931	-	33,545,931	-
I Stalker	Direct	309,524	1,400,000	242,858	1,000,000
	Indirect	67,370	-	67,370	-
A Cheatle	Direct	196,432	1,500,000	163,099	1,425,000
	Indirect	-	-	-	-
K Harcourt	Direct	-	-	-	1,200,000
	Indirect	-	-	-	-
D Eke	Direct	-	300,000	-	-
	Indirect	-	-	-	-

**CONDOR GOLD PLC**

**REPORT OF THE DIRECTORS (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2023
<b>DIRECTORS</b>							
M L Child	42	23 Sept 2023	800,000			(800,000)	-
	22	13 July 2024	1,000,000				1,000,000
	42	31 May 2025	1,000,000				1,000,000
	48	31 May 2026	1,250,000				1,250,000
	28.5	13 Sept 2027	1,250,000				1,250,000
	23	05 July 2028		1,250,000			1,250,000
J Mellon	42	23 Sept 2023	150,000			(150,000)	-
	22	13 July 2024	300,000				300,000
	42	31 May 2025	300,000				300,000
	48	31 May 2026	400,000				400,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
I Stalker	22	20 Nov 2024	100,000				100,000
	42	31 May 2025	300,000				300,000
	48	31 May 2026	400,000				400,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
K Harcourt	42	23 Sept 2023	150,000			(150,000)	-
	22	13 July 2024	150,000		(70,000)	(80,000)	-
	42	31 May 2025	300,000			(300,000)	-
	48	31 May 2026	300,000			(300,000)	-
	28.5	13 Sept 2027	300,000			(300,000)	-
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
	42	31 May 2025	300,000				300,000
	48	31 May 2026	300,000				300,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
Denham Eke	23	05 July 2028		300,000			300,000

## CONDOR GOLD PLC

### REPORT OF THE DIRECTORS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2023

Directors held 4,250,118 warrants directly or indirectly as at 31 December 2023 (2022: 20,238,339), to subscribe for ordinary shares of the company. 2,654,887 warrants held by the directors expired during the year (2022: 1,054,167). 13,333,334 warrants held by the directors were exercised in the year. No warrants were issued to or acquired by Directors (directly or indirectly) during the year (2022: 17,583,452).

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

	Exercise price (p)	Latest exercise date	As at 1 January 2023	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2023
<b>DIRECTORS</b>							
M L Child	42	28 May 2023	13,698	-	-	(13,698)	-
	50	2 November 2023	7,500	-	-	(7,500)	-
	35	17 June 2025	15,000	-	-	-	15,000
J Mellon	15	25 May 2024	16,666,666	-	(13,333,334)	-	3,333,332
	40	28 May 2023	1,123,575	-	-	(1,123,575)	-
	50	2 November 2023	1,428,572	-	-	(1,428,572)	-
	35	17 June 2025	892,857	-	-	-	892,857
I Stalker	40	28 May 2023	33,685	-	-	(33,685)	-
	50	2 November 2023	35,714	-	-	(35,714)	-
A Cheatle	40	28 May 2023	5,000	-	-	(5,000)	-
	50	2 November 2023	7,143	-	-	(7,143)	-
	35	17 June 2025	8,929	-	-	-	8,929

## **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 artisanal miners, 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 programs 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.

## CONDOR GOLD PLC

### REPORT OF THE DIRECTORS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2023

#### **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 non-executive Chair, one executive director (the CEO) and three 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 CEO, 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 2023 the Board held a total of seven meetings. 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.

**JM** – Jim Mellon, **MC** - Mark Child, **AC** - Andrew Cheatle, **KH** - Kate Harcourt, **IS** - Ian Stalker, **DE** - Denham Eke

	<b>Date</b>	<b>Purpose of Meeting</b>	<b>Directors in attendance</b>
1	25 January 2023	Operational Board Meeting	MC, AC, KH, IS, JM, DE
2	24 March 2023	Operational Board Meeting	MC, AC, KH, IS, JM, DE
3	2 June 2023	Operational Board Meeting	MC, AC, KH, IS, JM, DE
4	6 July 2023	Approval of allotment of shares on the exercise of warrants by Galloway Limited, approval of grant of options and approval of the allotment and issue of shares on the exercise of warrants and options.	MC, AC, KH, DE
5	5 September 2023	Operational Board Meeting	JM, MC, DE, KH, IS
6	20 November 2023	Operational Board Meeting	JM, MC, IS, DE, AC
7	11 December 2023	Approval of allotment of shares on the exercise of warrants by Galloway Limited and approval of placing and allotment of shares	MC, IS, DE

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

## CONDOR GOLD PLC

### REPORT OF THE DIRECTORS (CONTD.) FOR THE YEAR ENDED 31 DECEMBER 2023

#### Committees

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

##### **i. Audit Committee**

The Audit Committee comprises, and comprised, J Mellon, A Cheatle, and K Harcourt (to 11 September 2023), each a non-executive Director/ Chair. 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/ Chair, 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 Chair, Chief Executive Officer, 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 meets at least once each year. Its members during the year were A Cheatle and K Harcourt (to 11 September 2023). I Stalker was appointed to the committee 15 April 2024.

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 in place with each of its 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.

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 <sup>(1)</sup>	200	-	6 September 2022	-	12 months
J Mellon	-	25	6 April 2011	-	2 months
A Cheatle	-	25	18 January 2018	-	1 month
I Stalker	-	32	21 Nov. 2019	-	1 month
D Eke	-	25	21 December 2022	-	1 month

(1) M L Child additionally receives £4,561 of other benefits

Refer to Note 3 'Staff Costs' for directors' remuneration disclosures.

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 in relation to a change of control of the Company, other than in the case of Mark Child, where if there is a change of control of the Company, a 24-month notice period applies.

## **CONDOR GOLD PLC**

### **REPORT OF THE DIRECTORS (CONTD.)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Annual general meeting**

Details of the ordinary and special business to be conducted and the resolutions to be proposed at the 2024 Annual General Meeting to be held on 28 June 2024 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 £55,440 (2022: £45,000) in respect of Directors professional indemnity insurance.

#### **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 UK-adopted International Accounting Standards (UK-IAS).

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 UK-adopted IFRS, subject to any material departures disclosed and explained in the financial statements; and
- 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 sites in the UK and Canada, 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 28 June 2024 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  
Chief Executive Officer  
16 May 2024

## **CONDOR GOLD PLC**

### **CORPORATE GOVERNANCE REPORT** **FOR THE YEAR ENDED 31 DECEMBER 2023**

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](http://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*

As announced on 22 November 2022, the Company has appointed Hannam and Partners to seek a buyer for the assets of the Company. The Board reviewed the Company’s options, including going through a financing and construction phase as a single asset, single jurisdiction, company with no existing gold production, and concluded that it is in the best interests of the Company and all stakeholders to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India, a significant investment in the local area and a regeneration of the local communities.

#### **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 through its website, [www.condorgold.com](http://www.condorgold.com), and via Mark Child, the CEO 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 CEO 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, together with the Risk 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.

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



**CONDOR GOLD PLC**

**CORPORATE GOVERNANCE REPORT (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Principle Four - continued**

*Risk Management - continued*

<b>Activity</b>	<b>Risk</b>	<b>Impact</b>	<b>Control(s)</b>
<b>Environmental/ Social</b>	Meeting permit conditions, leading to project schedule delays	Inability to develop	Effective relations & communications with stakeholders, community, and government
<b>Exploration</b>	Lack of exploration success	Lack of expansion of mineral resource estimates	Retention of geological expertise
<b>Political</b>	Political uncertainty and additional US and EU sanction	Delays in further permits and approvals and inability to raise finance or sell the assets of the Company	Meetings with all stakeholders to ensure benefits of mine are understood and the design controls in place
<b>Financial</b>	Liquidity, market, and credit risk  Inappropriate controls and accounting policies	Inability to continue as going concern  Incorrect reporting of assets	Robust capital management policies and procedures  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 CEO. 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 Non-Executive Chair Jim Mellon, CEO Mark Child and three non-executive Directors, Mr Denham Eke, 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 CEO 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 and strategy. 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 Chair of the Board shall be separated from the executive function. On 12 October 2022, Jim Mellon, a non-executive director, assumed the Chair of the Board, separating the executive function from the role of Chair and ensuring compliance with the recommendation of the Code.

*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 and video conference.

## **CONDOR GOLD PLC**

### **CORPORATE GOVERNANCE REPORT (CONTD.)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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 Mrs. 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 Andrew Pearce, who provides oversight of the finance function and assists the Chair on regulatory matters in the UK and Canada.

The Company can also call on the services of Mr. David Crawford, as a technical advisor 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 CEO, 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. 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 CEO 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".

**CONDOR GOLD PLC**

**CORPORATE GOVERNANCE REPORT (CONTD.)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 (Chair) and Mr Andrew Cheatle. 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 (Chair) 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 remuneration. The Remuneration Committee agrees with the Board, a framework for the remuneration of the Chair, the CEO 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 (Chair) and, prior to 11 September 2023, Ms. Kate Harcourt. On 15 April 2024 Mr Ian Stalker was appointed to the committee. 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. During the year, the risk register was reviewed and updated.

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 through its website, [www.condorgold.com](http://www.condorgold.com) and via Mark Child, CEO, 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 2023**

**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 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards 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 2023 and of the group’s loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Separate opinion in relation to IFRSs as issued by the IASB**

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

In our opinion the group financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2023 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.

**Material uncertainty related to going concern**

We draw attention to note 1c in the financial statements, which states that the group’s and company’s ability to continue as a going concern is dependent on the ability to secure additional funding within the 12 months following the date of approval of these financial statements. The timing and amounts of any potential sources of income, including those relating to the potential sale of the La India Project and related assets and the exercise of warrants and options, are uncertain and uncommitted at the current time. As stated in note 1c, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group’s and company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- A review of budgets and cash flow forecasts covering a period to 30 June 2025, providing appropriate challenge to management surrounding key inputs and assumptions used in the forecasts;
- Considering the appropriateness of stress testing scenarios as put forward by management, including cash preservation measures, and the likelihood of obtaining potential sources of income for the group and company;
- Confirmation of the most recent cash position of the group and company;
- Identifying subsequent events impacting the going concern position;
- Discussion with management surrounding the progress of the ongoing sale process relating to the assets held for sale at year end; and
- Reviewing accuracy of forecasting through reference to prior year budgets and current year actual results.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**  
**CONDOR GOLD PLC**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 £700,000 (2022: £600,000) based upon 1.5% of gross assets, as it is from these assets the group expects to realise value, either through development or sale, and therefore this is considered to be the most important metric for the users of the financial statements. The performance materiality for the group was £490,000 (2022: £420,000). The materiality applied to the parent company financial statements was £50,000 (2022: £80,000) based upon 5% of the loss before tax, which is considered appropriate in order to gain sufficient assurance over the statement of comprehensive income. The performance materiality for the parent company was £35,000 (2022: £56,000). Significant components in the scope of our group audit were audited to a level of materiality between £110,000 and £310,000 (2022: £39,000 and £252,000).

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £35,000 (2022: £30,000) for the group and £2,500 (2022: £4,000) for the parent company.

**Our approach to the audit**

In 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, such as those linked to the valuation and recoverability of assets held for sale and the recoverability of investments in subsidiaries, including intragroup receivables. 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 components considered financially or risk significant.

Other than the parent company, there are three significant components located in Nicaragua, and these were audited by a component auditor under our instruction. The group audit team 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. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**  
**CONDOR GOLD PLC**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>Key Audit Matter</b>	<b>How our scope addressed this matter</b>
<p><b>Classification and recoverability of assets held for sale (Note 1 ‘critical accounting estimates and judgements’, Note 11)</b></p> <p>Towards the end of 2022, the Board announced a change in strategy whereby they are actively seeking to sell its assets related to the La India Project, rather than progressing through to the financing and construction phase. As such and in accordance with IFRS 5, the assets have been classified as held for sale as at 31 December 2022 and 31 December 2023. Under IFRS 5, a non-current asset should be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.</p> <p>There is a risk that the related assets, being capitalised exploration and evaluation expenditure (intangible assets) of £34.5m at 31 December 2023 (2022: £34.8m) and property, plant and equipment of £7.9m at 31 December 2023 (2022: £8.2m), are not measured at the lower of their carrying value and fair value less costs to sell in accordance with the Standard and that an impairment should be recorded.</p> <p>There is a further risk that this classification is not appropriate as at 31 December 2023.</p> <p>As a result of the level of judgement management are required to exercise in reaching these conclusions, we have assessed this matter to be a Key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining copies of any available draft agreements/correspondence relating to the planned sale, and reviewing key terms including details of assets to be disposed of, indicative consideration, any conditions that may be present, and expected timing of the transaction;</li> <li>• Ensuring the conditions within IFRS 5 relating to classification as held for sale are met as at 31 December 2023 through corroboration to supporting documentation, relevant correspondence, and discussion with management;</li> <li>• Reviewing management’s assessment of the recoverability of exploration and evaluation (‘E&amp;E’) assets classified as held for sale by reference to impairment indicators detailed within IFRS 6;</li> <li>• Obtaining license documentation to ensure ownership as at the year end;</li> <li>• Obtaining and reviewing any available technical reports in relation to the E&amp;E assets in support of the carrying value;</li> <li>• Ensuring appropriate challenge is made to any assumptions used by management in assessing the fair value and need for impairment to these assets;</li> <li>• Obtaining direct confirmation from the group’s financial advisers in respect of the status of the ongoing sale process and indicative offers received; and</li> <li>• Reviewing disclosures made in respect of the disposal group and ensuring these are accurate and in accordance with IFRS 5.</li> </ul>

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**  
**CONDOR GOLD PLC**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Recoverability of investment in subsidiaries and intragroup balances (Company only) (Note 1 ‘critical accounting estimates and judgements’, Note 13)**

The Company holds on its statement of financial position investments in subsidiaries of £752k and intragroup receivables totaling £46.1m. The recoverability of these assets will be dependent on the ability to recover value, through development or sale, from the underlying assets held by the subsidiaries, largely relating to the La India Project. The sale process in relation to these assets is ongoing, and the structure of any potential sale is unknown at the current time. There is a risk that the investment in subsidiaries and the related intragroup receivables are not fully recoverable and that an impairment is required.

As a result of the level of judgement management are required to exercise in reaching these conclusions, we have assessed this matter to be a Key audit matter.

**Our work in this area included:**

- Consideration of the audit work performed on the valuation and recoverability of assets classified as held for sale as above, including intangible assets and property, plant and equipment, held within the subsidiary companies. The recoverability of the net investment in the subsidiaries is directly dependent on the ability of the subsidiaries to successfully realise the value of those assets;
- Assessment of whether there is a requirement for provisions against intragroup receivables under the expected credit loss model within IFRS 9, taking into consideration the quasi-equity nature of the intragroup receivable; 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 statement of directors’ responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF**  
**CONDOR GOLD PLC**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from International Financial Reporting Standards (IFRS), Companies Act 2006, exploration and environmental regulations in Nicaragua and local tax and employment laws.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management
  - Review of Board minutes, including environmental reports
  - Review of legal and regulatory correspondence; and
  - Review of legal and professional expenses during the year for indications of possible non-compliance.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of assets held for sale, and, at the parent company level, investments in subsidiaries and recoverability of intragroup debts. We addressed this by challenging the assumptions and judgements made by management as described in the Key audit matters section above.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We instructed the component auditor to undertake testing to identify instances of non-compliance with laws and regulations, including fraud, particularly with regard to compliance with the terms within the exploration licenses and concessions held, together with the conditions contained within the environmental license.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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](http://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.

**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
*17 May 2024*

15 Westferry Circus  
Canary Wharf  
London E14 4HD



**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 2023**

## **Opinion**

We have audited the financial statements of Condor Gold Plc and its subsidiaries (the “group”) for the year ended 31 December 2023 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 2023 and 31 December 2022 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.

## **Material uncertainty related to going concern**

We draw attention to note 1c in the financial statements, which states that the group’s and company’s ability to continue as a going concern is dependent on the ability to secure additional funding within the 12 months following the date of approval of these financial statements. The timing and amounts of any potential sources of income, including those relating to the potential sale of the La India Project and related assets and the exercise of warrants and options, are uncertain and uncommitted at the current time. As stated in note 1c, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group’s and company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- A review of budgets and cash flow forecasts covering a period to 30 June 2025, providing appropriate challenge to management surrounding key inputs and assumptions used in the forecasts;
- Considering the appropriateness of stress testing scenarios as put forward by management, including cash preservation measures, and the likelihood of obtaining potential sources of income for the group and company;
- Confirmation of the most recent cash position of the group and company;
- Identifying subsequent events impacting the going concern position;
- Discussion with management surrounding the progress of the ongoing sale process relating to the assets held for sale at year end; and
- Reviewing accuracy of forecasting through reference to prior year budgets and current year actual results.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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. In addition to the matter described in the ‘Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**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 2023**

<b>Key Audit Matter</b>	<b>How our scope addressed this matter</b>
<p><b>Classification and recoverability of assets held for sale (Note 1 ‘critical accounting estimates and judgements’, Note 11)</b></p> <p>Towards the end of 2022, the Board announced a change in strategy whereby they are actively seeking to sell its assets related to the La India Project, rather than progressing through to the financing and construction phase. As such and in accordance with IFRS 5, the assets have been classified as held for sale as at 31 December 2022 and 31 December 2023. Under IFRS 5, a non-current asset should be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.</p> <p>There is a risk that the related assets, being capitalised exploration and evaluation expenditure (intangible assets) of £34.5m at 31 December 2023 (2022: £34.8m) and property, plant and equipment of £7.9m at 31 December 2023 (2022: £8.2m), are not measured at the lower of their carrying value and fair value less costs to sell in accordance with the Standard and that an impairment should be recorded.</p> <p>There is a further risk that this classification is not appropriate as at 31 December 2023.</p> <p>As a result of the level of judgement management are required to exercise in reaching these conclusions, we have assessed this matter to be a Key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining copies of any available draft agreements/correspondence relating to the planned sale, and reviewing key terms including details of assets to be disposed of, indicative consideration, any conditions that may be present, and expected timing of the transaction;</li> <li>• Ensuring the conditions within IFRS 5 relating to classification as held for sale are met as at 31 December 2023 through corroboration to supporting documentation, relevant correspondence, and discussion with management;</li> <li>• Reviewing management’s assessment of the recoverability of exploration and evaluation (‘E&amp;E’) assets classified as held for sale by reference to impairment indicators detailed within IFRS 6;</li> <li>• Obtaining license documentation to ensure ownership as at the year end;</li> <li>• Obtaining and reviewing any available technical reports in relation to the E&amp;E assets in support of the carrying value;</li> <li>• Ensuring appropriate challenge is made to any assumptions used by management in assessing the fair value and need for impairment to these assets;</li> <li>• Obtaining direct confirmation from the group’s financial advisers in respect of the status of the ongoing sale process and indicative offers received; and</li> <li>• Reviewing disclosures made in respect of the disposal group and ensuring these are accurate and in accordance with IFRS 5.</li> </ul>

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**CONDOR GOLD PLC IN RESPECT OF CANADIAN NATIONAL INSTRUMENT 52-107**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

<p><b>Recoverability of investment in subsidiaries and intragroup balances (Company only) (Note 1 ‘critical accounting estimates and judgements’, Note 13)</b></p> <p>The Company holds on its statement of financial position investments in subsidiaries of £752k and intragroup receivables totaling £46.1m. The recoverability of these assets will be dependent on the ability to recover value, through development or sale, from the underlying assets held by the subsidiaries, largely relating to the La India Project. The sale process in relation to these assets is ongoing, and the structure of any potential sale is unknown at the current time. There is a risk that the investment in subsidiaries and the related intragroup receivables are not fully recoverable and that an impairment is required.</p> <p>As a result of the level of judgement management are required to exercise in reaching these conclusions, we have assessed this matter to be a Key audit matter.</p>	<p><b>Our work in this area included:</b></p> <ul style="list-style-type: none"> <li>• Consideration of the audit work performed on the valuation and recoverability of assets classified as held for sale as above, including intangible assets and property, plant and equipment, held within the subsidiary companies. The recoverability of the net investment in the subsidiaries is directly dependent on the ability of the subsidiaries to successfully realise the value of those assets;</li> <li>• Assessment of whether there is a requirement for provisions against intragroup receivables under the expected credit loss model within IFRS 9, taking into consideration the quasi-equity nature of the intragroup receivable; and</li> <li>• Consideration of the forecasts provided for the going concern assessment.</li> </ul>
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**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 performed the following:

**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 2023**

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from International Financial Reporting Standards (IFRS), Companies Act 2006, exploration and environmental regulations in Nicaragua and local tax and employment laws.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management
  - Review of Board minutes, including environmental reports
  - Review of legal and regulatory correspondence; and
  - Review of legal and professional expenses during the year for indications of possible non-compliance.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of assets held for sale, and, at the parent company level, investments in subsidiaries and recoverability of intragroup debts. We addressed this by challenging the assumptions and judgements made by management as described in the Key audit matters section above.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We instructed the component auditor to undertake testing to identify instances of non-compliance with laws and regulations, including fraud, particularly with regard to compliance with the terms within the exploration licenses and concessions held, together with the conditions contained within the environmental license.

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 Imogen Massey.

**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
*17 May 2024*

15 Westferry Circus  
Canary Wharf  
London E14 4HD

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Year Ended 31.12.23 £	Year Ended 31.12.22 £
Administrative expenses		(1,701,922)	(2,537,459)
Operating loss	5	<u>(1,701,922)</u>	<u>(2,537,459)</u>
Finance income	4	14,745	4,899
Loss before income tax		<u>(1,687,177)</u>	<u>(2,532,560)</u>
Income tax expense	6	-	-
<b>Loss for the year</b>		<b><u>(1,687,177)</u></b>	<b><u>(2,532,560)</u></b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Currency translation differences		(2,675,987)	3,232,610
<b>Other comprehensive income/(loss) for the year</b>		<b><u>(2,675,987)</u></b>	<b><u>3,232,610</u></b>
<b>Total comprehensive income/(loss) for the year</b>		<b><u>(4,363,164)</u></b>	<b><u>700,050</u></b>
<b>Loss attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(1,687,177)	(2,532,560)
		<b><u>(1,687,177)</u></b>	<b><u>(2,532,560)</u></b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(4,363,164)	700,050
		<b><u>(4,363,164)</u></b>	<b><u>700,050</u></b>
<b>Earnings per share expressed in pence per share:</b>			
Basic and diluted (in pence)	8	<u>(1.06)</u>	<u>(1.60)</u>

The notes in pages 51 to 74 form an integral part of these financial statements

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Notes	31.12.23 £	31.12.22 £
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	-	-
Intangible assets	10	-	-
		-	-
<b>CURRENT ASSETS</b>			
Assets classified as held for sale	11	42,422,705	42,937,116
Trade and other receivables	13	575,389	916,963
Cash and cash equivalents		1,969,249	2,444,093
		44,967,343	46,298,172
<b>TOTAL ASSETS</b>		<b>44,967,343</b>	<b>46,298,172</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	187,845	406,207
<b>TOTAL LIABILITIES</b>		<b>187,845</b>	<b>406,207</b>
<b>NET CURRENT ASSETS</b>		<b>44,779,498</b>	<b>45,891,965</b>
<b>NET ASSETS</b>		<b>44,779,498</b>	<b>45,891,965</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Called up share capital	16	31,767,151	31,747,809
Share premium		49,603,132	46,681,635
Exchange difference reserve		(1,925,415)	750,572
Retained earnings		(34,665,370)	(33,288,051)
		<b>44,779,498</b>	<b>45,891,965</b>
Non-controlling interest		-	-
<b>TOTAL EQUITY</b>		<b>44,779,498</b>	<b>45,891,965</b>

The financial statements were approved and authorised for issue by the Board of directors on 16 May 2024 and were signed on its behalf by:

M L Child – Chief Executive Officer  
Company No: 05587987

The notes in pages 51 to 74 form an integral part of these financial statements

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2023**

	Share Capital	Share premium	Exchange difference reserve	Retained earnings	Total	Non-Controlling Interest	Total Equity
	£	£	£	£	£	£	£
At 1 January 2022	29,326,143	42,528,627	(2,482,038)	(31,198,756)	38,173,976	-	38,173,976
Comprehensive income:							
Loss for the year	-	-	-	(2,532,560)	(2,532,560)	-	(2,532,560)
Other comprehensive income:							
Currency translation differences	-	-	3,232,610	-	3,232,610	-	3,232,610
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3,232,610</b>	<b>(2,532,560)</b>	<b>700,050</b>	<b>-</b>	<b>700,050</b>
New shares issued	2,421,666	4,168,008	-	-	6,589,674	-	6,589,674
Issue costs	-	(15,000)	-	-	(15,000)	-	(15,000)
Share based payment	-	-	-	443,265	443,265	-	443,265
<b>Total transactions with owners, recognised directly in equity</b>	<b>2,421,666</b>	<b>4,153,008</b>	<b>-</b>	<b>443,265</b>	<b>7,017,939</b>	<b>-</b>	<b>7,017,939</b>
At 31 December 2022	31,747,809	46,681,635	750,572	(33,288,051)	45,891,965	-	45,891,965
Comprehensive income:							
Loss for the year	-	-	-	(1,687,177)	(1,687,177)	-	(1,687,177)
Other comprehensive income:							
Currency translation differences	-	-	(2,675,987)	-	(2,675,987)	-	(2,675,987)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(2,675,987)</b>	<b>(1,687,177)</b>	<b>(4,363,164)</b>	<b>-</b>	<b>(4,363,164)</b>
New shares issued	19,342	2,921,497	-	-	2,940,839	-	2,940,839
Issue costs	-	-	-	-	-	-	-
Share based payment	-	-	-	309,858	309,858	-	309,858
<b>Total transactions with owners, recognised directly in equity</b>	<b>19,342</b>	<b>2,921,497</b>	<b>-</b>	<b>309,858</b>	<b>3,250,697</b>	<b>-</b>	<b>3,250,697</b>
At 31 December 2023	31,767,151	49,603,132	(1,925,415)	(34,665,370)	44,779,498	-	44,779,498

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 51 to 74 form an integral part of these financial statements

**CONDOR GOLD PLC**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Notes	31.12.23 £	31.12.22 £
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	-	-
Investments	12	751,977	751,977
Other receivables	13	46,075,477	43,500,630
		<u>46,827,454</u>	<u>44,252,607</u>
<b>CURRENT ASSETS</b>			
Assets classified as held for sale	11	4,474,402	4,474,402
Trade and other receivables	13	22,862	333,101
Cash and cash equivalents		1,916,322	2,407,187
		<u>6,413,586</u>	<u>7,214,690</u>
<b>TOTAL ASSETS</b>		<b><u>53,241,040</u></b>	<b><u>51,467,297</u></b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	190,329	249,357
<b>TOTAL LIABILITIES</b>		<b><u>190,329</u></b>	<b><u>249,357</u></b>
<b>NET CURRENT ASSETS</b>		<u>6,223,257</u>	<u>6,965,333</u>
<b>NET ASSETS</b>		<b><u>53,050,711</u></b>	<b><u>51,217,940</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	16	31,767,151	31,747,809
Share premium		49,603,132	46,681,635
Retained earnings		(28,319,572)	(27,211,504)
<b>TOTAL EQUITY</b>		<b><u>53,050,711</u></b>	<b><u>51,217,940</u></b>

The loss for the financial year dealt with in the financial statement of the parent company was £1,417,926 (2022: £2,193,751).

The financial statements were approved and authorised for issue by the Board of directors on 16 May 2024 and were signed on its behalf by:

M L Child – Chief Executive Officer  
Company No: 05587987

The notes in pages 51 to 74 form an integral part of these financial statements



**CONDOR GOLD PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2023**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2022	29,326,143	42,528,627	(25,461,018)	46,393,752
Comprehensive income: Loss for the period	-	-	(2,193,751)	(2,193,751)
Total comprehensive income	-	-	(2,193,751)	(2,193,751)
New shares issued	2,421,666	4,168,008	-	6,589,674
Issue costs	-	(15,000)	-	(15,000)
Share based payment	-	-	443,265	443,265
Total transactions with owners recognised directly in equity	2,421,666	4,153,008	443,265	7,017,939
At 31 December 2022	31,747,809	46,681,635	(27,211,504)	51,217,940
Comprehensive income: Loss for the period	-	-	(1,417,926)	(1,417,926)
Total comprehensive income	-	-	(1,417,926)	(1,417,926)
New shares issued	19,342	2,921,497	-	2,940,839
Issue costs	-	-	-	-
Share based payment	-	-	309,858	309,858
Total transactions with owners recognised directly in equity	19,342	2,921,497	309,858	3,250,697
At 31 December 2023	31,767,151	49,603,132	(28,319,572)	53,050,711

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.

The notes in pages 51 to 74 form an integral part of these financial statements

**CONDOR GOLD PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Year Ended 31.12.23 £	Year-Ended 31.12.22 £
<b>Cash flows from operating activities</b>			
Loss before tax		(1,687,177)	(2,532,560)
Share based payment	17	309,858	443,265
Depreciation		-	68,315
Exchange differences		(84,368)	3,187
Finance income	4	(14,745)	(4,899)
		<u>(1,476,432)</u>	<u>(2,022,692)</u>
Decrease / (Increase) in trade and other receivables		341,574	(141,270)
(Decrease) / Increase in trade and other payables		(218,362)	158,031
		<u>(1,353,220)</u>	<u>(2,005,931)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets – held for sale	11	(64,691)	(446,853)
Purchase of intangible fixed assets – held for sale	11	(2,012,517)	(3,754,742)
Interest received	4	14,745	4,899
		<u>(2,062,463)</u>	<u>(4,196,696)</u>
<b>Cash flows from financing activities</b>			
Net proceeds from share issue	16	2,940,839	6,574,674
		<u>2,940,839</u>	<u>6,574,674</u>
(Decrease) / Increase in cash and cash equivalents		(474,844)	372,047
Cash and cash equivalents at beginning of year		2,444,093	2,072,046
Cash and cash equivalents at end of year		<u>1,969,249</u>	<u>2,444,093</u>

The notes in pages 51 to 74 form an integral part of these financial statements

**CONDOR GOLD PLC**

**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

		Year Ended 31.12.23 £	Year Ended 31.12.22 £
<b>Cash flows from operating activities</b>			
Loss before tax		(1,417,926)	(2,193,751)
Share based payment	17	309,858	443,265
Finance income	4	(14,745)	(4,899)
		<u>(1,122,813)</u>	<u>(1,755,385)</u>
Decrease / (Increase) in trade and other receivables		310,239	(299,772)
(Decrease) / Increase in trade and other payables		<u>(59,028)</u>	<u>79,901</u>
Net cash used in operating activities		<u>(871,602)</u>	<u>(1,975,256)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	9	-	(164,447)
Interest received	4	14,745	4,899
Loans to subsidiaries	18	<u>(2,574,847)</u>	<u>(3,989,150)</u>
Net cash used in investing activities		<u>(2,560,102)</u>	<u>(4,148,698)</u>
<b>Cash flows from financing activities</b>			
Proceeds from share issue	16	2,940,839	6,574,674
Net cash from financing activities		<u>2,940,839</u>	<u>6,574,674</u>
(Decrease) / Increase in cash and cash equivalents		<u>(490,865)</u>	<u>450,720</u>
Cash and cash equivalents at beginning of year		2,407,187	1,956,467
Cash and cash equivalents at end of year		<u>1,916,322</u>	<u>2,407,187</u>

The notes in pages 51 to 74 form an integral part of these financial statements

## **CONDOR GOLD PLC**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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 Functional currency of the Nicaraguan entities, including Condor SA, La India Gold SA, and La India Inversiones SA, is Nicaraguan Cordobas (NIO). The consolidated financial statements are presented in British Pounds (sterling - £) which is the Parent Company and Group's presentational and functional currency.

##### **Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted 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"), 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.

##### **Standards, amendments and interpretations to published standards not yet effective**

New standards and amendments to standards and interpretations which were effective for the financial period beginning on or after 1<sup>st</sup> January 2023 were not material to the Group or the Company.

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 IAS 1: Classification of Liabilities as Current or Non-current (effective 1 January 2024)
- Amendments to IAS 1: Non-current Liabilities with Covenants (effective 1 January 2024)

##### **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.

##### **Assets classified as held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

## CONDOR GOLD PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### **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 an 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

## CONDOR GOLD PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### **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.

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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.

## CONDOR GOLD PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### **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%

Land and buildings are not depreciated.

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 asset's 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.



## **CONDOR GOLD PLC**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **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 is 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 indicators. 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 Group have considered the impact of IFRS 9 Expected Credit Losses in relation to intercompany loans, and the repayment thereof. Whereby there is an expectation of credit losses these will be provided for in line with IFRS 9.

The carrying value of the Group's exploration and evaluation intangible assets at 31 December 2023 is £NIL (2022: NIL). The Company's investment in, and loan to subsidiaries at 31 December 2023 is £46,075,478 (2022: £43,500,630). The current anticipated price of any assets held for sale is expected to be in excess, after costs, of the carrying values above.

##### **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 17.

The expense charged to the Statement of Comprehensive Income during the year in relation to share based payments was £309,858 (2022: £443,265).

## CONDOR GOLD PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### **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 £1,969,249 of cash. In common with many exploration and development companies, the Company raises finance for its exploration and technical studies 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. The Directors have also considered significant cost saving exercises to preserve cashflows. In addition, the timing, quantum, and structure of any asset sale is currently uncertain. These conditions may cast doubt on the Group and Company's ability to continue as a going concern. It is not the Company's intention to cease trading after the potential sale of the Nicaraguan assets.

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 and therefore a material uncertainty exists, which the auditors have made reference to in their audit 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.

##### **d) Classification and valuation of assets held for sale**

In the group financial statements, the assets and liabilities of the subsidiary entities have been classified as held for sale.

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. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

The Group reviews the classification of the held for sale basis of its assets and liabilities on a quarterly basis. Only assets and liabilities which the group are actively holding for sale are included within this classification. The assets are currently being actively marketed and are ready for sale in the assets' current condition and therefore the conditions within IFRS 5 are considered to be met, in respect of the classification of held for sale.

#### **Segment Reporting**

In line with IFRS 8, the Group's reportable segments are based on the Group's geographic business units. This includes the Group's operations in Nicaragua and the corporate head office in the United Kingdom. This reflects the way information is presented to the Board of Directors.

#### **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 Directors' 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' Chair, 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.

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. REVENUE AND SEGMENTAL REPORTING - continued**

The Group's results by reportable segment for the year ended 31 December 2023 are as follows:

	<b>UK</b> <b>£</b>	<b>Nicaragua</b> <b>£</b>	<b>Group</b> <b>£</b>
<b>RESULTS</b>			
Operating loss	(1,653,574)	(48,348)	(1,701,922)
Interest income	14,745	-	14,745
<b>Included in operating loss</b>			
Depreciation	-	-	-

The Group's results by reportable segment for the year ended 31 December 2022 are as follows:

	<b>UK</b> <b>£</b>	<b>Nicaragua</b> <b>£</b>	<b>Group</b> <b>£</b>
<b>RESULTS</b>			
Operating loss	(2,416,932)	(120,527)	(2,537,459)
Interest income	4,899	-	4,899
<b>Included in operating loss</b>			
Depreciation	-	(68,315)	(68,315)

**Assets - 2023**

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

	<b>UK</b> <b>£</b>	<b>Nicaragua</b> <b>£</b>	<b>Consolidation</b> <b>£</b>
<b>ASSETS</b>			
Total assets	<u>7,163,159</u>	<u>37,804,184</u>	<u>44,967,343</u>
<b>LIABILITIES</b>			
Total liabilities	<u>190,329</u>	<u>(2,484)</u>	<u>187,845</u>

The Company had intercompany debt owed at 31 December 2023 split segmentally as follows:

Due from Nicaragua           £46,075,478

**Assets - 2022**

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

	<b>UK</b> <b>£</b>	<b>Nicaragua</b> <b>£</b>	<b>Consolidation</b> <b>£</b>
<b>ASSETS</b>			
Total assets	<u>7,964,263</u>	<u>38,333,909</u>	<u>46,298,172</u>
<b>LIABILITIES</b>			
Total liabilities	<u>249,357</u>	<u>156,850</u>	<u>406,207</u>

The Company had intercompany debt owed at 31 December 2022 split segmentally as follows:

Due from Nicaragua           £43,500,630

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. STAFF COSTS**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Wages and salaries	585,111	665,471	63,514	68,789
Social security costs	102,832	168,471	2,154	2,048
Share options charge	309,858	443,265	309,858	443,265
	997,801	1,277,207	375,526	514,102

There were no pension costs incurred. Staff costs included within additions to exploration costs during the year were £603,698 (2022: £705,237).

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

	Group		Company	
	2023	2022	2023	2022
Directors	1	1	1	1
Employees	43	58	1	1
	44	59	2	2

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 £Nil (2022: £102,730).

	Salary Payments		Related Party Payments		Total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
M L Child	200,000	200,000	-	-	200,000	200,000
K Harcourt (retired Sept 2023)	19,514	25,000	1,125	6,000	20,639	31,000
J Mellon	-	-	25,000	25,000	25,000	25,000
A Cheatle	-	6,250	25,000	18,750	25,000	25,000
I Stalker	-	-	31,950	44,675	31,950	44,675
D Eke	-	-	25,000	-	25,000	-
Total Remuneration of Directors	219,514	231,250	108,075	94,425	327,589	325,675
Total Remuneration of key management	127,887	110,730	-	-	127,887	110,730
Total Remuneration of Directors and key management	347,401	341,980	108,075	94,425	455,476	436,405

\* Refer to Note 18 for listing of related parties

During the 12 months ended 31 December 2023, Mr Child additionally received £4,561 of other short-term benefits (2022: £5,505).

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.

In March 2023, Mr Child received a cash bonus of £62,000, as well as a bonus issue of 258,333 shares at 24 pence each. The total bonus value of £124,000 related to the year ended 31 December 2022. No provision has been made for any bonus relating to the year ended 31 December 2023.

In the event of a sale, there is a bonus scheme, based on a long standing arrangement, whereby the CEO is due a bonus calculated on a sliding scale ranging from a flat fee of £500,000 to 3% of the transaction value based upon the share price at sale, so long as such share price is no lower than 40 pence.

**CONDOR GOLD PLC**

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**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 2023	Granted during the year	Exercised in the year	Lapsed in the year	As at 31 December 2023
<b>DIRECTORS</b>							
M L Child	42	23 Sept 2023	800,000			(800,000)	-
	22	13 July 2024	1,000,000				1,000,000
	42	31 May 2025	1,000,000				1,000,000
	48	31 May 2026	1,250,000				1,250,000
	28.5	13 Sept 2027	1,250,000				1,250,000
	23	05 July 2028		1,250,000			1,250,000
	42	23 Sept 2023	150,000			(150,000)	-
J Mellon	22	13 July 2024	300,000				300,000
	42	31 May 2025	300,000				300,000
	48	31 May 2026	400,000				400,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
I Stalker	22	20 Nov 2024	100,000				100,000
	42	31 May 2025	300,000				300,000
	48	31 May 2026	400,000				400,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
K Harcourt	42	23 Sept 2023	150,000			(150,000)	-
	22	13 July 2024	150,000		(70,000)	(80,000)	-
	42	31 May 2025	300,000			(300,000)	-
	48	31 May 2026	300,000			(300,000)	-
	28.5	13 Sept 2027	300,000			(300,000)	-
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
	42	31 May 2025	300,000				300,000
	48	31 May 2026	300,000				300,000
	28.5	13 Sept 2027	300,000				300,000
	23	05 July 2028		300,000			300,000
Denham Eke	23	05 July 2028		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 2023 was 25.50 pence (2022: 15.40 pence).

The market price during the year ranged from 14.00 pence to 34.50 pence (2022: 15.35 pence to 36.00 pence).

Directors held 4,250,118 warrants as at 31 December 2023 (2022: 20,238,339), to subscribe for ordinary shares of the Company. 2,654,887 warrants held by the directors expired during the year (2022: 1,054,167). Further details are included in Note 16.

**4. FINANCE INCOME**

	31.12.23 £	31.12.22 £
Deposit account interest	14,745	4,899

**5. LOSS BEFORE TAX**

The loss before tax is stated after charging:

	31.12.23 £	31.12.22 £
Depreciation – owned assets	53,895	68,315
Fees payable to the company's auditor for the audit of parent company and consolidated financial statements	31,250	37,424
Foreign exchange differences	14,163	17,624

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. TAXATION**

<b>Analysis of the tax charge</b>	31.12.23	31.12.22
	£	£
Current tax: Tax	-	-
	<hr/>	<hr/>
Total tax charge in income statement	-	-
	<hr/>	<hr/>

**Reconciliation of the tax charge**

	31.12.23	31.12.22
	£	£
	<hr/>	<hr/>
Group Loss before tax	(1,687,177)	(2,532,560)
	<hr/>	<hr/>
Loss before tax multiplied by domestic tax rates (between 20% - 30%) applicable to losses in the respective countries	(421,794)	(709,117)
Effects of: Non-taxation income/(non-deductible expenses) Losses on which no deferred tax is recognised	-	-
	421,794	709,117
	<hr/>	<hr/>
Total tax charge in income statement	-	-
	<hr/>	<hr/>

The weighted average applicable tax rate was 25% (2022: 28%).

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 £7,321,247 (2022: £7,551,193). The unrecognised deferred tax asset relating to Nicaraguan tax losses, which expire after 3 years, and included above amounted to approximately £590,293 (2022: £1,174,720).

**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 £1,417,926 (2022: £2,193,751).

**8. EARNINGS PER SHARE**

Basic earnings per share are 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:

	31.12.23	31.12.22
	£	£
<b>Basic earnings per share</b>		
Loss for the year	(1,687,177)	(2,532,560)
Weighted average number of shares	158,776,728	158,631,933
	<hr/>	<hr/>
Loss per share (in pence)	(1.06)	(1.60)
	<hr/>	<hr/>

**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.

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. PROPERTY, PLANT AND EQUIPMENT**

	Land £	Buildings at cost	Improvements to rental property £	Plant & machinery £	Fixtures & Fittings £
<b>Group Cost:</b>					
At 1 January 2022	3,016,634	7,927	198,479	4,513,210	49,183
Additions	273,532	-	-	168,409	3,009
Disposals	-	-	-	-	-
Exchange difference	294,109	773	19,351	19,817	4,530
Reclassification to assets held for sale	(3,584,275)	(8,700)	(217,830)	(4,701,436)	(56,722)
At 31 December 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange difference	-	-	-	-	-
Reclassification to assets held for sale	-	-	-	-	-
At 31 December 2023	-	-	-	-	-
<b>Accumulated depreciation and impairment:</b>					
At 1 January 2022	-	-	(198,863)	(155,202)	(30,340)
Charge for period	-	-	(1,636)	(19,295)	(7,778)
Disposals	-	-	-	-	-
Exchange difference	-	-	(19,193)	(15,132)	(2,656)
Reclassification to assets held for sale	-	-	217,692	189,629	40,774
At 31 December 2022	-	-	-	-	-
Charge for period	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange difference	-	-	-	-	-
Reclassification to assets held for sale	-	-	-	-	-
At 31 December 2023	-	-	-	-	-
<b>Net Book Value:</b>					
At 31 December 2022	-	-	-	-	-
At 31 December 2023	-	-	-	-	-

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. PROPERTY, PLANT AND EQUIPMENT – continued**

	Motor vehicles	Computer equipment & software	Totals
	£	£	£
<b>Group Cost:</b>			
At 1 January 2022	211,313	92,399	8,089,145
Additions	-	2,466	447,416
Disposals	-	(382)	(382)
Exchange difference	20,602	7,231	366,413
Reclassification to assets held for sale	(231,915)	(101,714)	(8,902,592)
At 31 December 2022	-	-	-
Additions	-	-	-
Disposals	-	-	-
Exchange difference	-	-	-
Reclassification to assets held for sale	-	-	-
At 31 December 2023	-	-	-
<b>Accumulated depreciation and impairment:</b>			
At 1 January 2022	(145,542)	(87,765)	(615,712)
Charge for period	(29,716)	(9,890)	(68,315)
Disposals	-	-	-
Exchange difference	(14,190)	(6,817)	(57,988)
Reclassification to assets held for sale	189,448	104,472	742,014
At 31 December 2022	-	-	-
Charge for period	-	-	-
Disposals	-	-	-
Exchange difference	-	-	-
Reclassification to assets held for sale	-	-	-
At 31 December 2023	-	-	-
<b>Net Book Value:</b>			
At 31 December 2022	-	-	-
At 31 December 2023	-	-	-

The current year depreciation charge for the subsidiaries of £53,895 (2022: £68,315) is included within the addition to exploration costs in the year held for sale.



**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. PROPERTY, PLANT AND EQUIPMENT – continued**

<b>Company</b>	Plant & machinery £	Fixtures & fittings £	Computer Equipment £	Totals £
<b>Cost:</b>				
At 1 January 2022	4,309,955	2,722	18,228	4,330,905
Additions	164,447	-	-	164,447
Reclassification to assets held for sale	(4,474,402)	-	-	(4,474,402)
At 31 December 2022	<u>-</u>	<u>2,722</u>	<u>18,228</u>	<u>20,950</u>
Additions				
At 31 December 2023	<u>-</u>	<u>2,722</u>	<u>18,228</u>	<u>20,950</u>
<b>Depreciation:</b>				
At 1 January 2022	-	(2,722)	(18,228)	(20,950)
Charge for the year	-	-	-	-
At 31 December 2022	<u>-</u>	<u>(2,722)</u>	<u>(18,228)</u>	<u>(20,950)</u>
Charge for the year	-	-	-	-
At 31 December 2023	<u>-</u>	<u>(2,722)</u>	<u>(18,228)</u>	<u>(20,950)</u>
<b>Net Book Value:</b>				
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value:</b>				
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**10. INTANGIBLE ASSETS**

	Exploration costs £	Mineral resources £	Licences £	Total £
<b>Group</b>				
<b>Cost or valuation:</b>				
At 1 January 2022	28,436,138	749,573	-	29,185,711
Additions	3,754,745	-	-	3,754,745
Disposals	-	-	-	-
Exchange difference	2,920,993	-	-	2,920,993
Reclassification to assets held for sale	(35,111,876)	(749,573)	-	(35,861,449)
At 31 December 2022	-	-	-	-
Additions	-	-	-	-
Exchange difference	-	-	-	-
Reclassification to assets held for sale	-	-	-	-
At 31 December 2023	-	-	-	-
<b>Accumulated amortisation and impairment:</b>				
At 1 January 2022	(1,084,731)	-	-	(1,084,731)
Impairment for year	-	-	-	-
Reclassification to assets held for sale	1,084,731	-	-	1,084,731
At 31 December 2022	-	-	-	-
Impairment for year	-	-	-	-
At 31 December 2023	-	-	-	-
<b>Net Book Value:</b>				
At 31 December 2022	-	-	-	-
At 31 December 2023	-	-	-	-

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.

In arriving at its assessment as to whether an impairment review is required in relation to its Nicaragua assets, which amounted to £NIL (2022: £NIL) 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 for the La India Gold Project, Nicaragua, 2022*”, dated October 25, 2022 with an effective date of September 12, 2022 (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 Feasibility Study (“FS”), 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 2022 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 FS, 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](http://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.

In light of the RNS dated 22 November 2022, the Nicaragua assets have been reclassified as assets held for sale.

**CONDOR GOLD PLC**

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**11. ASSET CLASSIFIED AS HELD FOR SALE**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Property, plant and equipment	7,983,005	8,160,398	4,474,402	4,474,402
Exploration costs	34,439,700	34,776,718	-	-
<b>Total</b>	<b>42,422,705</b>	<b>42,937,116</b>	<b>4,474,402</b>	<b>4,474,402</b>

Assets classified as held for sale relate to the Nicaraguan assets that intend to be sold. Within Property, plant and equipment above there is a reduction of £177,393 being £64,691 additions and the balance of £242,084 relating to foreign exchange. Within Exploration costs above there is a reduction of £337,018 being £2,012,517 additions and the balance of £2,349,535 relating to foreign exchange.

**12. INVESTMENTS**

Company	Equity in subsidiary undertakings	Capital contribution	Total
	£	£	£
<b>Cost:</b>			
1 January 2022	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
31 December 2022	3,629,843	991,261	4,621,104
Addition relating to share-based payment	-	-	-
Share capital in subsidiary	-	-	-
At 31 December 2023	3,629,843	991,261	4,621,104
<b>Provision for impairment:</b>			
Charge at 1 January 2022	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2022	(2,877,866)	(991,261)	(3,869,127)
Charge for the year	-	-	-
At 31 December 2023	(2,877,866)	(991,261)	(3,869,127)
<b>Net Book Value:</b>			
At 31 December 2022	751,977	-	751,977
At 31 December 2023	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	(Profit)/Loss for the year
					£	£
Condor S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(1,353,655)	11,776
La India Gold S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(2,278,426)	11,716
La India Inversiones S.A.	Nicaragua	100	Ordinary	Gold and silver exploration	(476,902)	24,856

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

**CONDOR GOLD PLC**

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**13. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Current:				
Trade and other receivables	55,691	378,182	13,966	328,546
Prepayments	519,698	538,781	8,896	4,555
	<u>575,389</u>	<u>916,963</u>	<u>22,862</u>	<u>333,101</u>
Non-current:				
Amounts owed by Group undertakings	-	-	46,075,477	43,500,630
	<u>-</u>	<u>-</u>	<u>46,075,477</u>	<u>43,500,630</u>
	<u>575,389</u>	<u>916,963</u>	<u>46,098,339</u>	<u>43,833,731</u>

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 18.

**14. 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.

**14.1 Financial instruments by category**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
<b>Financial assets measured at amortised cost</b>				
Loans and receivables:				
Trade and Other receivables	55,691	378,182	13,966	328,546
Receivable from subsidiaries	-	-	46,075,477	43,500,630
Cash and cash equivalents	1,969,249	2,444,093	1,916,322	2,407,187
	<u>1,969,249</u>	<u>2,444,093</u>	<u>1,916,322</u>	<u>2,407,187</u>
Total	<u>2,024,940</u>	<u>2,822,275</u>	<u>48,005,765</u>	<u>46,236,363</u>

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. FINANCIAL INSTRUMENTS – continued**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
<b>Financial liabilities measured at amortised cost</b>				
Loans and payables:				
Trade and other payables	184,859	223,306	171,915	199,327
Total	<u>184,859</u>	<u>223,306</u>	<u>171,915</u>	<u>199,327</u>

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

**14.2 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	
	2023	2022	2023	2022
GBP/USD	0.8060	0.8519	0.7845	0.8306
GBP/NIO	0.0222	0.0219	0.0273	0.0229

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 represents 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.

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. 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 interbank 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 21-24.

At 31 December 2023 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows:

	31.12.23		31.12.22	
	£	Weighted average interest rate	£	Weighted average interest rate
Financial assets:				
GBP – cash and cash equivalents	1,916,322	0.20%	2,407,187	0.20%
USD – cash and cash equivalents	-	0.00%	-	0.00%
NIO – cash and cash equivalents	<u>52,927</u>	0.00%	<u>36,906</u>	0.00%
Total	<u>1,969,249</u>		<u>2,444,093</u>	

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.

**15. TRADE AND OTHER PAYABLES**

	Group		Company	
	31.12.23	31.12.22	31.12.23	31.12.22
	£	£	£	£
Current:				
Social security and other taxes	3,460	26,861	1,117	3,264
Trade and other payables	181,399	196,445	170,798	196,062
Accrued expenses	2,986	182,901	18,414	50,031
Total	<u>187,845</u>	<u>406,207</u>	<u>190,329</u>	<u>249,357</u>

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**16. CALLED UP SHARE CAPITAL AND SHARE PREMIUM**

	Number of shares (thousands)	Ordinary shares £	Deferred shares £	Share premium £	Total £
At 31 December 2021	146,631	29,326,143	-	42,528,627	71,854,770
Proceeds from shares issued	192,531	2,421,666	-	4,168,008	6,589,674
Issue costs	-	-	-	(15,000)	(15,000)
Transfer		(31,567,276)	31,567,276		
At 31 December 2022	339,162*	180,533	31,567,276	46,681,635	78,429,444
Proceeds from shares issued	19,342	19,342	-	2,921,497	2,940,839
Issue costs	-	-	-		
Transfer					
At 31 December 2023	358,504	199,875	31,567,276	49,603,132	81,370,283

*\* Shares split with following nominal values:*

*Ordinary - £0.001 each*

*Deferred - £0.199 each*

The issued share capital of the company comprises 199,874,152 Ordinary shares with a nominal value of £0.001 each, and 158,629,530 Deferred shares with a nominal value of £0.199 each. This follows a sub-division of shares that occurred in the year ended 31 December 2022. All issued Ordinary shares are fully paid.

The deferred shares carry no right to participate in the profits of the Company. On winding up or return of capital, the Company's assets available for distribution shall be applied in paying to the holders of deferred shares the nominal capital paid up or credited as paid up on such deferred shares only after paying of holders of ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with sum of £10,000,000 on each ordinary share. The deferred shares do not carry any further right of participation in the assets of the Company and deferred shareholders have no right to receive notice of any general meeting to attend, speak or vote at any general meeting.

On 17 June 2022 11,607,149 ordinary shares of £0.20 each were issued at a price of 28 pence further to a private placement.

On 23 December 2022 21,902,961 ordinary shares of £0.001 each were issued at a price of 15 pence further to an open offer, private placement, and conversion of loan notes.

On 6 April 2023 258,333 ordinary shares of £0.001 each were issued at a price of 24 pence to the CEO as part payment of a bonus

On 10 July 2023 6,666,667 ordinary shares of £0.001 each were issued at a price of 15 pence, as a result of an exercise of warrants.

On 20 October 2023 70,000 ordinary shares of £0.001 each were issued at a price of 22 pence, as a result of an exercise of share options.

On 4 December 2023 12,346,661 ordinary shares of £0.001 each were issued at a price of 15 pence. Of this, another 6,666,667 of shares were issued as a result of an exercise of warrants.

The following shares were issued pursuant to exercise of warrants and options in the 12 months ending 31 December 2023, raising £2,015,400 for the Company:

Date of Issue	Number of shares issued through subscription	Warrant / option exercise price
20/10/2023	70,000	22p
10/07/2023	6,666,667	15p
14/12/2023	6,666,667	15p
<b>Total</b>	<b>13,403,334</b>	

**CONDOR GOLD PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. 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 2022 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2022 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2022	Date from which options are first exercisable	Lapse date
06/07/2017	0.62	1,346,000	-	-	(1,346,000)	-	06/07/2018	05/07/2022
14/12/2017	0.5	50,000	-	-	(50,000)	-	14/12/2018	13/12/2022
25/01/2018	0.65	70,000	-	-	-	70,000	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	1,719,000	-	-	(271,000)	1,448,000	24/09/2019	23/09/2023
14/07/2019	0.22	3,068,000	-	-	(455,500)	2,612,500	14/07/2020	13/07/2024
21/11/2019	0.22	100,000	-	-	-	100,000	21/11/2020	20/11/2024
01/06/2020	0.42	3,540,500	-	-	(405,500)	3,135,000	01/06/2020	31/05/2025
01/06/2021	0.48	4,200,000	-	-	(191,500)	4,008,500	01/06/2021	31/05/2026
24/06/2021	0.48	75,000	-	-	(75,000)	-	24/06/2021	23/06/2022
27/07/2021	0.48	30,000	-	-	(30,000)	-	27/07/2021	26/07/2022
01/09/2021	0.48	750,000	-	-	(750,000)	-	01/09/2021	31/08/2026
12/12/2021	0.35	150,000	-	-	-	150,000	12/12/2021	11/12/2026
13/09/2022	0.285	-	4,100,000	-	(27,000)	4,073,000	13/09/2022	13/09/2027
		15,148,500	4,100,000	-	(3,631,500)	15,617,000		



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**17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS– continued**

Details of the share options outstanding during 2023 were as follows:

Date of Grant	Weighted average exercise price £	1 January 2023 No. of shares	Issued in Year	Exercised in year	Forfeit or lapsed in year	31 December 2023	Date from which options are first exercisable	Lapse date
25/01/2018	0.65	70,000			(70,000)	-	25/01/2019	24/01/2023
01/06/2018	0.50	20,000			(20,000)	-	01/06/2019	31/05/2023
24/09/2018	0.42	1,448,000			(1,448,000)	-	24/09/2019	23/09/2023
14/07/2019	0.22	2,612,500		(70,000)	(210,000)	2,332,500	14/07/2020	13/07/2024
21/11/2019	0.22	100,000				100,000	21/11/2020	20/11/2024
01/06/2020	0.42	3,135,000			(394,500)	2,740,500	01/06/2020	31/05/2025
01/06/2021	0.48	4,008,500			(425,000)	3,583,500	01/06/2021	31/05/2026
12/12/2021	0.35	150,000				150,000	12/12/2021	11/12/2026
13/09/2022	0.285	4,073,000			(470,000)	3,603,000	13/09/2022	13/09/2027
06/07/2023	0.23		4,600,000		(300,000)	4,300,000	06/07/2023	05/06/2028
		<u>15,617,000</u>	<u>4,600,000</u>	<u>(70,000)</u>	<u>(3,337,500)</u>	<u>16,809,500</u>		

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

Options issued during the year:	£0.23
Options forfeited/lapsed during the year:	£0.40
Options outstanding at 31 December 2023:	£0.21
Options exercisable at 31 December 2023:	£0.32

During the year 3,407,500 share options either expired or were forfeited (2022: 3,631,500). 16,809,500 options were exercisable at the end of the year (2022: 15,617,000).

The weighted average exercise price per share option is 21p (2022: 39p) and the average contractual life is 5 years (2022: 5 years).

The weighted average fair value of options granted during the year is £0.23 (2022: £0.285).

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**17. EQUITY-SETTLED SHARE OPTION SCHEME AND WARRANTS – continued**

The total expense recognised in the Statement of Comprehensive Income during the year was £309,858 (2022: £443,265) 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:

	2023	2022
Number of options issued	4,600,000	4,100,000
Share price	23p	28.5p
Exercise price	23p	28.5p
Expected volatility	26.6%	29.5%
Expected life (yrs.)	5	5
Continuous growth rate	0.5%	0.5%
Dividend yield	0%	0%

A movement through reserves of £309,858 (2022: £443,265) was made during the year reflecting the share options charge on issued options.

Expected volatility was determined with reference to the historical volatility of the Company's share price. Calculation of volatility was based upon the 2 year vesting period of the options.

The weighted average remaining contractual life of the share options outstanding at the end of the period is 5 years (2022: 4 years).

**b) Warrants**

On 14 June 2022 the Company announced a placing of 11,607,149 units at a price of 28p per unit to raise in aggregate gross proceeds of £3,250,000 before expenses. Each unit was comprised of one ordinary share of 20p each in the Company and one half of one ordinary share purchase warrant of the Company. Each warrant, which is unlisted and fully transferable, entitles the holder thereof to purchase one ordinary share at a price of 35p for a period of 36 months from the date on which the shares were issued pursuant to the placing.

On 28 November 2022 the Company announced an issue of convertible loan notes and warrants to Galloway Limited, a company controlled by J Mellon. 2.5 warrants were issued for each share that the principal amount of the Loan Notes may be converted into, resulting in the issue of warrants over 16,666,666 ordinary shares. The warrants have an exercise price of £0.15 and an 18 month term.

On 04 July 2023 the Company announced that Galloway Limited, a company controlled by J Mellon, had sent the Company a signed notice for the exercise of warrants which resulted in the issue of 6,666,667 New Ordinary Shares at 15p for a consideration of £1 million.

On 12 December 2023, the Company announced that Galloway Limited, a company controlled by J Mellon, had sent the Company a signed notice for the exercise of warrants which resulted in the issue of a further 6,666,667 New Ordinary Shares at 15p for a consideration of £1million.

Should all outstanding warrants be exercised in full, the Company would receive £2,531,249 (2022: £10,737,469).

**18. RELATED PARTY TRANSACTIONS**

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

Company	Related party	31.12.23 £	31.12.22 £	Outstanding at year end £
Burnbrae Limited	J Mellon	25,000	25,000	2,083
	M L Child	200,000	200,000	-
AMC Geological Advisory Group	A Cheatle	25,000	18,750	2,083
Promaco	I Stalker	31,950	44,675	-
	K Harcourt	1,125	6,000	-
Galloway Limited	D Eke	25,000	-	-

Mr D Eke is the sole Director of Galloway Ltd.

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**18. RELATED PARTY TRANSACTIONS - continued**

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

	31.12.23	31.12.22
	£	£
<b>Condor S.A.</b>		
Brought forward loan balance	10,479,489	9,752,096
Additional loans during the period	642,647	619,818
Management charges	127,250	107,575
Closing balance	<u>11,249,386</u>	<u>10,479,489</u>
	31.12.23	31.12.22
	£	£
<b>La India Gold S.A.</b>		
Brought forward loan balance	28,889,531	25,927,102
Additional loans during the period	1,625,130	2,854,854
Management charges	127,250	107,575
Closing balance	<u>30,641,911</u>	<u>28,889,531</u>
	31.12.23	31.12.22
	£	£
<b>La India Inversiones S.A.</b>		
Brought forward loan balance	4,131,610	3,832,642
Additional loans during the period	52,570	298,968
Closing balance	<u>4,184,181</u>	<u>4,131,610</u>

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.

**19. OPERATING LEASES AND OPERATING COMMITMENTS**

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 £NIL (2022: £NIL).

Future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.23	31.12.22
	£	£
<b>Group</b>		
No later than 1 year	-	32,462
Later than 1 year and no later than 5	-	-
Later than 5 years	-	-
		<u>32,462</u>

**20. 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.

There is a 3% net-smelter royalty on gold production from the concessions acquired from B2Gold in favour of Royal Gold. 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 2023.

**21. CONTROLLING PARTY**

The Directors consider that there is no ultimate controlling party.