



## **Management's Discussion and Analysis**

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**For The Nine Months Ended November 30, 2018**

## CONDOR RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Date* – The effective date of this MD&A is January 29, 2019.

*Introduction* - This management's discussion and analysis ("MD&A") focuses on significant factors that affected Condor Resources Inc. and its subsidiaries (collectively, "Condor" or the "Company") during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine months ended November 30, 2018. Consequently, the following discussion and analysis should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine months ended November 30, 2018 and the audited consolidated financial statements, and the notes thereto, for the year ended February 28, 2018. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

The results for the nine months ended November 30, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at this date, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the nine months ended November 30, 2018 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors.

*Company Overview* - Condor Resources Inc. was incorporated on November 26, 2003 under the *Company Act* (British Columbia), and the address of its registered office is 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, BC, Canada, V6E 3X1. The Company was listed on the TSX Venture Exchange on March 3, 2006. At January 29, 2019 there were 104,557,308 shares issued and outstanding. The principal business objectives of the Company are to acquire and explore mineral properties located in Peru. The Company explores for minerals with a strong emphasis on gold and copper prospects and currently has no producing mines. The Company has no earnings and therefore finances these exploration activities by the sale of shares, and by payments from the sale or option of its mineral properties. The key determinants of the Company's operating results are the following:

- (a) the state of capital markets, which affects the ability of the Company to finance its exploration activities. The present equity finance markets for the junior exploration entities are enduring a pronounced lack of liquidity resulting in a very challenging finance market to fund further exploration activities, and;
- (b) the write-down and abandonment of mineral properties as exploration results provide further information relating to the underlying value of such properties;

Additional information on Condor Resources Inc. can be found at [www.sedar.com](http://www.sedar.com) or on the Company's website located at [www.condorresources.com](http://www.condorresources.com).

The Company's portfolio of mineral exploration projects is summarized below:

## PERU

### *Pucamayo*

At March 1, 2016, the Pucamayo project consisted of 4 concessions totalling 19 sq. km. Three of the concessions were acquired by staking or assignment, with the Company having a 100% interest. The Pucamayo 14 concession was acquired by purchase agreement in August 2007, as amended in February 2009, and the Company has an 85% interest, with the seller of this concession holding a 1% NSR. During July 2016, the Company arranged to acquire unencumbered ownership of a third party's mineral right holdings on an additional 94 sq. km of concessions contiguous with the core 19 sq. km Pucamayo project area. In May 2018, the Company acquired, by staking, a 2 sq. km concession, bringing the total area of the project to 115 sq. km.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. ("Sandstorm") to sell a package of royalties, including the grant of a 0.5% NSR on the Pucamayo project, exclusive of the Pucamayo 14 concession, and the assignment of Condor's right to repurchase the existing 1% NSR on the Pucamayo 14 concession.

At Pucamayo East, a residual quartz-alunite lithocap has been mapped over an area of 3 x 2 kilometres with anomalous gold and silver mineralization hosted in large hydrothermal breccia bodies and residual quartz, locally with a vuggy texture. In addition, a separate stockwork veinlet zone with anomalous copper and gold has been defined which may be related to the top of a gold-copper porphyry system, not necessarily related to the outcropping lithocap. There are a series of at least seven precious metal enriched intermediate sulphidation quartz epithermal veins in the area.

The Company has made the decision to advance the Pucamayo project internally. The company retained Dr. Jeff Hedenquist, an independent consultant who specializes in this geological environment, to visit the project in July 2017 and comment on the geological setting and exploration potential. Amongst his comments, Dr. Hedenquist recommended initial drill testing of the gold-bearing breccia body and related structural feeders of the lithocap, as well as drill testing the stockwork veinlet zone which may be the top of a porphyry gold-copper system. The full text of Dr. Hedenquist's report is available on the Company's website.

In June 2018 the Company received written confirmation from the Peruvian Ministry of Energy and Mines ("MEM") that its Declaración de Impacto Ambiental ("DIA") at Pucamayo east, issued in 2015 with an expiry in March of 2018, has had its expiry extended until March 5, 2020.

In August 2018, the Company completed a program of ground geophysical surveys, consisting of 23 line kilometers of IP and magnetics at Pucamayo East. The program achieved the primary objective of defining additional drill targets and expanding the target areas to the south and east of the original drill target. The area of the geophysics survey coincides with both a large high sulphidation epithermal target and a porphyry-type target. The 3 x 2 km high sulphidation epithermal target is evidenced with mapped areas of hydrothermal breccias, vuggy silica, residual silica, and clay assemblages. The results of the geophysics program confirm the conceptual model, and the significant exploration potential at Pucamayo East.

### *Andrea*

The Company acquired a 100% interest in the 22 sq. km. Andrea project by staking and by sealed bid auction conducted by the Peruvian Ministry of Energy and Mines. The Andrea property is not subject to any royalties. Andrea is located in the Department of Ayacucho, approximately 480 km south-east of Lima in the south-central Andes, approximately 15 km north of the Breapampa mine, and situated at elevations ranging from 4100 to 4600m. Condor acquired the Andrea project because our initial evaluation recognized a high sulphidation epithermal type gold and silver target within an approximate 800m diameter target area.

The initial reconnaissance mapping was completed in May 2017, with a total of 117 rock chip channel samples collected and analyzed. Exploration sampling and mapping was concentrated in the central part of the project, within a much larger advanced argillic alteration envelope. Gold and silver mineralization is hosted in hydrothermal breccia

ledges, with the surface area exposure of the largest identified breccia being up to 200m in diameter. The breccia exhibits halos of advanced argillic, granular silica and vuggy silica. The sample results confirmed the anomalous presence of pathfinder elements typical of high sulphidation gold-bearing epithermal systems.

Gold assays range from negligible to 4.2 g/t Au, with 23 of the samples showing anomalous gold values exceeding 50 ppb, including 13 samples exceeding 500 ppb, and 7 samples greater than 1 g/t. Samples taken in the 800m diameter 'core target area' – 81 of the 117 samples – exhibited more consistent gold values, ranging from 5 ppb to 4180 ppb, and averaged 41 ppb.

In September 2018, the Company acquired historic sampling results from a former owner of a portion of the Andrea project, which identified anomalous areas previously unrecognized by the Company. The Company subsequently completed additional mapping and sampling in this area. Discussions continue with the local community to obtain the surface permits required prior to applying for a drill permit at Andrea.

### ***Huiñac Punta***

Huiñac Punta is a prospect of approximately 20 sq km located within the polymetallic belt of the central Andes, about 65 km south-east of the Antamina mine, and about 90 km east of the Company's Soledad project. The original Huiñac Punta concession was acquired in 2016 at nominal cost. In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including the grant of a 0.5% NSR on the Huiñac Punta project. Two additional concessions were acquired by staking in late 2017 which are also subject to the Sandstorm 0.5% NSR.

This project hosts potential for the discovery of a silver and copper associated with an intrusive related and replacement system hosted in a carbonaceous sedimentary sequence. Small scale underground mining of silver, copper, and lead occurred on the neighbouring concessions until around 1970. A small prospecting and sampling program was undertaken by Condor personnel in October 2017, and the results were summarized in a press release dated January 9, 2018. Results from the 26 rock chip samples included silver values up to 4,115 g/t, and anomalous copper and zinc values. In March of 2018, a further 145 rock chip samples, all 2m in length, were collected, and results issued in an April 19, 2018 press release. Follow up sampling has confirmed the mineralized system hosts potential for discovery of a bulk tonnage, disseminated silver-base metal deposit, related to brecciation and silicification in a metasomatic carbonate replacement type model.

The Company has now secured long term access and surface rights agreements with two local communities. The Company has applied to the MEM for its DIA permit, the necessary prerequisite for a drill permit, and expect receipt of the DIA approval shortly.

### ***Soledad***

The Soledad Au-Ag-Cu property is located in the Yanacocha – Pierina epithermal precious metals Tertiary-aged volcanic belt of the Central Andes, approximately 34 km south of the Pierina gold mine. The property comprises a cluster of nine mineralized hydrothermal quartz tourmaline-sulphide breccia bodies and quartz tourmaline veins in an extensively altered system exposed over an area of approximately 2 km by 2 km. The multiple quartz-tourmaline mineralized structures measure up to 500m long and 10m wide, and there are numerous polymetallic veins with Ag-Cu-Pb-Zn mineralization currently being mined by third parties located adjacent and to the south-east of the Soledad property. On the property, an advanced argillic cap is exposed at higher elevations, with observed quartz-alunite, granular silica, vuggy silica, anomalous gold/silver, and the presence of pathfinder elements. This advanced argillic cap is interpreted as a lithocap with potential for undiscovered porphyry style mineralization at depth, as evidenced by clasts of porphyry-style mineralization observed within the breccias, and the observed alteration in core indicating assemblages of quartz-biotite-magnetite-pyrite-pyrrhotite-chalcopyrite that confirm potential for porphyry-type mineralization at depth. The Company owns 3 concessions with a net area of 10.55 sq. km.

A Phase I diamond drill program consisting of 12 holes and 2,084 metres was completed in June 2014 by Mariana Resources Limited, with encouraging results. Mariana subsequently completed a deep penetrating IP geophysical survey over a 2km x 3km area, in-fill IP lines on the Faro target, and an in-fill IP over the area of Breccia #5 and #6.

Mariana terminated their option to earn 70% of the Soledad project in September 2015; Mariana did not retain any interest in the Soledad project.

The Company completed an agreement with Compañía Minera Casapalca SA (“Casapalca”) in February 2016, which agreement gave Casapalca the option to earn up to 70% interest in the project by completing certain work and payment obligations over a four year period. Casapalca completed a four hole, 2,808m drill program in May of 2016. These holes were designed to provide more information on the extent of the Breccias, and to test for evidence of porphyry style mineralization at depth. Significant results from SDH-13, 14 and 16 are shown in Table 1. SDH-015 was designed to test an epithermal high sulphidation target located in the north-east area of the project, and assay results returned no significant results.

**Table 1: 2016, Summary of Significant Intersections, Holes SDH-013, SDH-014 and SDH-0016**

| Hole    | Target     | From (m) | To (m) | Width (m) | Au g/t | Ag g/t | Cu % | Moly ppm | AuEq g/t* |
|---------|------------|----------|--------|-----------|--------|--------|------|----------|-----------|
| SDH-013 | Breccia #5 | 0        | 119    | 119       | 1.30   | 27.1   | 0.32 |          | 2.1       |
| SDH-014 | Breccia #6 | 0        | 164    | 164       | 0.42   | 70.0   | 0.13 |          | 1.5       |
| SDH-014 | Breccia #6 | 582      | 607    | 25        |        |        | 0.34 | 320      |           |
| SDH-016 | Breccia #1 | 0        | 490    | 490       | 0.74   | 30.3   | 0.39 |          | 1.6       |

\*AuEq assumes US \$1200/oz gold, US \$16.00/oz silver, US \$2.10/lb copper, and 100% recovery.

In January 2017 the Company received termination notice from Casapalca; Casapalca did not retain any interest in the Soledad project.

In April 2017 the Company signed an agreement with Chakana Resources S.A.C. (“Chakana”), which allows Chakana to earn a 100% interest, over 4.5 years, by completing 12,500m of drilling (or work equivalent), make cash payments totalling US\$5.375m, issue 500,000 Chakana shares to Condor, and grant a 2% NSR to Condor. Chakana has the option to repurchase half of the NSR by payment of US\$2 million. To date, the Company has received US\$150,000 in cash payments, and the 500,000 Chakana shares.

Prior to drilling, Chakana completed initial petrography on high grade gold samples, and completed 1,000m of hyperspectral core scanning by Terracore. A geophysics program, consisting of surface EM and CSAMT in the area around and between breccias five and six, was completed in July 2017.

Chakana commenced their initial drill program in August 2017. To November 30, 2018, Chakana had completed 18,894 metres of drilling in 70 holes (SDH 017 to SDH-086) in breccia pipes #1 and #5. Fifty-three of these holes were drilled at breccia pipe #1, and seventeen at breccia pipe #5, and were designed to provide detailed information on the geometry and mineralized grades of these tourmaline breccia pipes. Results from all 70 drill holes were published by Chakana press releases dated October 6, 2017; October 25, 2017; January 31, 2018; February 7, 2018; February 22, 2018; March 2, 2018; April 4, 2018; May 28, 2018, June 26, 2018, September 11, 2018, October 18, 2018, November 13, 2018 and January 10, 2019.

Chakana have also drilled 6,317 metres in 25 drillholes at breccia pipes #3 and #6; no results have been released by Chakana on these breccia pipes to date. In total, Chakana has completed 25,211 metres of drilling on Condor’s Soledad concessions.

On November 26, 2018 Chakana announced receipt of the Semi-detailed Environmental Impact Assessment (“EIASd”) covering the original area of the DIA on the Soledad exploration permit. Chakana subsequently applied to modify the EIASd to cover the concessions to the south, and contiguous to the Soledad concessions, which ground includes the Huancarama and Paloma breccia pipes. Chakana have indicated they intend to recommence drilling on the ground to the south after approval of the EIASd modifications.

Chakana completed additional soil sampling and geophysics work at the project, as detailed in their press releases of November 13, 2018 and January 10, 2019. This work program is continuing as of the date of this report.

**Table 2: Soledad: 2017/2018/2019 Summary of Chakana’s Significant Intersections, by Chakana News Release**

| Hole    | Target     | From (m) | To (m) | Width (m)* | Au g/t | Ag g/t | Cu % | CuEq** % | AuEq g/t** |
|---------|------------|----------|--------|------------|--------|--------|------|----------|------------|
| SDH-018 | Breccia #1 | 0        | 209.0  | 209.0      | 2.22   | 69.6   | 0.96 | 3.01     | 4.60       |
| SDH-020 | Breccia #1 | 0        | 113.0  | 113.0      | 3.58   | 51.5   | 1.17 | 3.95     | 6.04       |
| SDH-024 | Breccia #1 | 0        | 69.0   | 69.0       | 3.15   | 11.3   | 0.39 | 2.55     | 3.89       |
| SDH-031 | Breccia #1 | 59.0     | 135.0  | 76.0       | 0.93   | 53.1   | 1.04 | 2.10     | 3.22       |
| SDH-041 | Breccia #5 | 12.0     | 176.0  | 164.0      | 1.68   | 27.4   | 0.51 | 1.84     | 2.82       |
| SDH-046 | Breccia #1 | 70.0     | 122.0  | 52.0       | 5.14   | 60.2   | 1.48 | 5.35     | 8.19       |
| SDH-049 | Breccia #1 | 76.9     | 121.0  | 44.1       | 8.50   | 27.1   | 2.02 | 7.81     | 11.94      |
| SDH-053 | Breccia #1 | 0        | 119.4  | 119.4      | 3.36   | 61.3   | 1.14 | 3.86     | 5.91       |
| SDH-059 | Breccia #1 | 46.0     | 233.0  | 187.0      | 1.18   | 64.9   | 1.05 | 2.38     | 3.63       |
| SDH-071 | Breccia #1 | 0        | 439.8  | 439.8      | 1.45   | 50.4   | 0.69 | 2.07     | 3.16       |
| SDH-075 | Breccia #1 | 0        | 102.0  | 102.0      | 3.77   | 55.9   | 0.75 | 3.69     | 5.65       |
| SDH-080 | Breccia #1 | 0        | 264.0  | 264.0      | 1.30   | 24.3   | 0.71 | 1.77     | 2.70       |
| SDH-086 | Breccia #5 | 13.0     | 153.4  | 140.4      | 1.70   | 23.5   | 0.46 | 1.77     | 2.71       |

\*True widths are unknown. \*\*CuEq and AuEq assumes US \$1300/oz gold, US \$17.00/oz silver, US \$2.90/lb copper, and 100% recovery.

### **Ocros**

Under an August 2007 agreement, as amended February 2009, Condor acquired an 85% interest in the Ocros porphyry copper project in northern Peru, subject to a 1% NSR. The project consists of 3 concessions covering 19.7 sq. km. In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, which package included the assignment of Condor’s right to repurchase the 1% NSR on the Ocros concessions. In late 2017, the Company acquired by staking, 2 contiguous concessions to the north and east, adding approximately 12 sq km to the project.

The Company completed a comprehensive agreement with Compañía Minera Casapalca SA (“Casapalca”) in February 2016. Per the agreement, Casapalca could earn up to a 70% by a combination of cash payments and work commitments over a four year period. In December 2016, Casapalca completed one near vertical hole on the project to a depth of 500m. Results of this drillhole were released March 1, 2017, and showed anomalous but uneconomic copper values throughout the length of the hole. In January 2017 the Company received termination notice from Casapalca, and Casapalca’s option on the Ocros property expired. Casapalca did not retain any interest in the Ocros project.

In May 2017, the Company signed a comprehensive agreement with Compañía Minera Virgen de la Merced S.A.C. (“Merced”) on the Ocros project. Under the agreement, Merced has two exclusive options to earn up to a 70% interest in the Ocros concessions over four years, by making cash payments totaling US\$550,000, and completing 10,000m of drilling, including a mandatory 2,000m of drilling. To date, the Company received aggregate payments of US\$225,000. Merced is the owner of the mineral concessions adjacent and to the south of Ocros, and is operating a small mining operation on the Merced concessions.

Merced commenced their drill program in July 2017, and completed the first hole to a depth of 737m, the second hole to a depth of 701m, and the third hole to a depth of 671m. After completion of third hole in early 2018, Merced completed a magnetic geophysical survey, and recommenced drilling in April. The fourth drillhole was completed to a depth of 818m, the fifth hole to a depth of 677m, the sixth hole to a depth of 1,024m, and the seventh hole to a depth of 1,008m. Merced commenced drilling of their eighth hole on January 22, 2019. As of January 20, 2019, Merced had completed 5,637m of diamond drilling. To date, no results have been reported by the Company from Merced’s Ocros drilling.

In June 2015, the Company's 85% owned subsidiary signed an agreement with Sociedad Minera de Responsabilidad Limitada Virgen de la Merced ("Virgen"). Under the agreement, which had a one-year term, Virgen was given the right to exploit a limited and defined area of Ocros (approximately 7.6 hectares), in consideration of a monthly royalty payable to the local community, and payment of the annual concession taxes on all the Ocros concessions. Virgen assumed all responsibilities with respect to compliance with labour and environmental regulations. On May 16, 2017, Condor's 85% owned subsidiary and Merced entered into a one year (renewable) agreement with David Bedon ("DB"), which agreement is similar to the prior agreement with Virgen. DB has the right to exploit a limited and defined area at Ocros (approximately 8.9 hectares largely within the historic underground workings), in consideration of an annual and monthly royalty payable to the local community. DB is a related party to Merced and Virgen.

### ***Lucero***

Condor acquired via staking a 100% interest in 22.66 sq. km, 3 concessions, within the ex-Shila Au-Ag epithermal mining district in Peru. The property is 130 km NW of Arequipa and 25 km SE of Buenaventura's Orcopampa mine, at elevations ranging between 5000m and 5500m. Buenaventura operated three underground mines on the concessions, and stopped mining in approximately 2005. Buenaventura's public production records at the Shila mine are available for the years 1998 through 2004, and during this period the average gold grade reported was 14 g/t, and the average silver grade reported was 375 g/t. Lucero is one of many areas of low to intermediate sulphidation epithermal Au-Ag vein deposits hosted in Tertiary volcanics of the Central Cordillera of southern Peru. Condor believes that potential remains for the discovery of additional high grade ore shoots below, and in the area of the three former producing principal vein mines on the Lucero concessions, and in the numerous other veins and structures located on the property. Condor geologists have also identified a previously unmined and unexplored high-sulphidation epithermal zone in the north-west part of the concession with anomalous gold/silver values.

In November 2015 the Company concluded a production royalty agreement with Casapalca on the Lucero project. Under the royalty agreement, Casapalca will pay the Condor Peru a net smelter royalty of 3%, subject to an annual minimum of US\$75,000, payable in advance. If the price of gold exceeds US\$2,000 per ounce, the royalty increases to 4.5%, and conversely, if the price of gold is below US\$1,000, the royalty will decrease to 1.5%. The first year's minimum royalty was paid on signing, and the second and third year's annual minimum was received in November 2016 and 2017, respectively. Casapalca is obligated to complete a minimum of 1,000m of diamond drilling on the project within one year of obtaining the necessary permits.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including a 50% interest in the Lucero production royalty. In the event the Company receives only the annual minimum royalty, Sandstorm does not participate until the fifth year of the production royalty agreement.

Casapalca intends to re-initiate production at Lucero (formerly the Shila Mine) and complete further exploration. Casapalca is presently negotiating the community access agreements to facilitate their plans.

### ***Chavin***

The 8 sq. km Chavin property was acquired by staking and is 100% owned. Chavin is located within the central Andes precious metals belt in northern Peru, some 45 km NW of the Pierina gold-silver mine and 10 km SW of the Pashpap Cu-Mo porphyry project. The project hosts a polymetallic precious and base metals vein system, and also shows anomalous copper and molybdenum values, at a porphyry-type target. In November 2015, the Company concluded a production royalty agreement with Casapalca on the Chavin project. Under the royalty agreement, Casapalca will pay Condor Peru a net smelter royalty of 3%, subject to an annual minimum of US\$25,000, payable in advance. The first year's minimum royalty was paid on signing, and the second and third year's annual minimum was received in November 2016 and 2017, respectively. Casapalca is obligated to complete a minimum of 1,000m of diamond drilling on the project within one year of obtaining the necessary permits. In May 2016 agreement was reached with the local community for exploration and exploitation at the project, and in October 2017, Casapalca received their DIA - the primary environmental permit - for the project. Casapalca commenced their initial drill program in August, 2018.

Casapalca did not make the annual minimum royalty payment in November 2018, and the non-payment effectively terminated the production agreement. No results have been received from Casapalca on the Chavin drilling. The Company is working with Casapalca to obtain the data, and to ensure that Casapalca's remediation work is completed satisfactorily.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including a 50% interest in the Chavin production royalty. On termination of the Casapalca production royalty agreement, Sandstorm's interest at Chavin converted to a 0.5%NSR.

### ***Quriurqu***

In 2011, the Company acquired by staking a 100% interest in this 2.5 sq. km precious metals project in northern Peru which is located approximately 10 km south of the Soledad project. In 2016 the Company acquired a further 6 sq. km by sealed bid auction conducted by the Peruvian Ministry of Energy and Mines increasing the project area to 8.5 sq. km. Quriurqu's high to intermediate sulphidation epithermal system is hosted in Tertiary volcanics. Condor believes the property, which has never been drill tested, has potential to host a disseminated bulk tonnage gold-silver deposit at depth. No work was conducted at Quriurqu during the current quarter. The Company is seeking a joint venture partner to continue to explore and advance the project.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including the grant of a 0.5% NSR on the Quriurqu project.

### ***San Martin***

Condor has a 100% interest in the 5.9 sq. km San Martin property located in the Department of Arequipa, approximately 7 km southeast of the Orcopampa gold mine. An initial drill program completed in April 2012 consisted of 2,001m of diamond core drilling in 10 holes. Analysis of the drill results indicates mineralization is primarily disseminated low grade silver, with smaller intervals of high grade, with the potential to host high grade silver open to the southeast and at depth. Condor believes additional drilling is warranted at San Martin to evaluate the remaining surface target not tested, and to explore the mineralized system at depth. In early 2018, restoration work was completed on the access roads and drill pads from the 2012 drill program. The Company is seeking a joint venture partner to continue to explore and advance the San Martin project.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including the grant of a 0.5% NSR on the San Martin project.

### ***Humaya***

Humaya is a 7 sq. km copper prospect in south central Peru, approximately 190 km east of the city of Ica, acquired in 2016 at nominal cost. The neighbouring concessions are held by majors. In late August an initial sampling and mapping program was undertaken on the 1.1 km length of exposed outcrop along the creek in the north-east part of the concession. The outcropping is described as having intense alteration and stockwork, typical of a copper-gold porphyry system. The local geology is Cretaceous sedimentary rocks overlain by Tertiary volcanic post-mineral rocks, and intruded by Tertiary feldspar-hornblende-porphyry (FHP). The potassic porphyry type alteration and mineralization center is hosted principally within the FHP, with halos of hydrothermal breccias hosted in sedimentary rocks. Also observed is secondary biotite-sericite-pyrite, minor chalcopyrite, within very strong multiphase stockwork of many types of multidirectional veinlets, including B type veins with quartz-pyrite-chalcopyrite. This stockwork is directly related to a copper-gold mineralizing system which has been weathered with the potassic alteration preserved in some zones as patches. This alteration zone has been exposed in an area that is more than 2 kms in diameter. The porphyry is covered in part by post mineral tuffs and fluvio-glacials. The initial 31 chip samples were collected, and tested up to 0.4 g/t Au, 0.35% Cu and 37 g/t Ag, with anomalous molybdenum values. The Company is actively looking for a partner on this project.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including the grant of a 0.5% NSR on the Humaya project.



### ***Quilisane***

Quilisane is an 18.4 sq. km gold/silver prospect located approximately 75 km north-west of the city of Puno, and about 12 km south-east of the Arasi gold mine of the Aruntani group. Quilisane was acquired in 2016 at nominal cost. Quilisane is host to a large epithermal alteration, with anomalous geochemical results for gold and pathfinder elements. There is evidence of several shallow drillholes at the eastern part of the property that were thought to have been completed in 2003.

In January 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including the grant of a 0.5% NSR on the Quilisane project.

### ***Cobreorco***

Cobreorco covers approximately 1.7 sq. km in south-central Peru, and was acquired by staking as a copper skarn-related prospect. The Company is working on perfecting title to an additional 2.3 sq. km, which would increase the project area to 4 sq. km.

### ***Property Summary***

Condor presently has a high quality portfolio of twelve precious and base metals projects in Peru. The Company has completed option/earn-in agreements on the Soledad and Ocros projects, and production royalty agreements on the Lucero project.

On the remaining properties, the Company intends to self-fund or enter into option/earn-in agreements in order to advance them. The Company continues to evaluate the acquisition of new properties as opportunities arise.

A detailed breakdown of property expenditures can be found in Note 6 of the condensed consolidated financial statements for the year ended February 28, 2018, and the interim financial statements for the nine months ending November 30, 2018.

### ***Financing Activity during the Nine Months Ended November 30, 2018***

2,500,000 common shares were issued upon the exercise of 2,500,000 warrants with an exercise price of \$0.075 for gross proceeds of \$187,500.

### ***Incentive Stock Options***

At November 30, 2018, the Company had the following stock options outstanding enabling holders to acquire the following common shares of the Company:

| Number<br>of options | Exercise<br>Price | Expiry Date        |
|----------------------|-------------------|--------------------|
| 200,000              | \$ 0.12           | January 23, 2019*  |
| 550,000              | \$ 0.06           | February 4, 2019   |
| 650,000              | \$ 0.12           | July 28, 2019      |
| 550,000              | \$ 0.05           | January 27, 2020   |
| 1,750,000            | \$ 0.05           | March 9, 2021      |
| 1,080,000            | \$ 0.08           | August 11, 2021    |
| 3,800,000            | \$ 0.12           | September 21, 2022 |
| <u>500,000</u>       | \$ 0.09           | August 1, 2023     |
| 9,080,000            |                   |                    |

\* Subsequent to November 30, 2018, these incentive stock options expired unexercised.

### Share Purchase Warrants

At November 30, 2018, the Company had the following share purchase warrants outstanding enabling holders to acquire the following common shares of the Company:

| Number of Warrants | Exercise Price | Expiry Date      |
|--------------------|----------------|------------------|
| 2,300,000          | \$0.10         | July 8, 2019     |
| 6,666,667          | \$0.15         | February 9, 2022 |
| <u>8,966,667</u>   |                |                  |

In June 2018, the Company implemented a warrant exercise incentive program (the “Incentive Program”) designed to encourage the early exercise of up to 7,665,000 of its 10,150,000 outstanding \$0.075 warrants. The warrants were exercisable at a price of \$0.075 per common share until October 11, 2018, October 22, 2018, or November 14, 2018.

Pursuant to the Incentive Program, the Company offered an inducement to each warrant holder that exercised their warrants between June 17, 2018 and July 6, 2018 (“Early Exercise Period”), by the issuance of one additional share purchase warrant for each warrant exercised early. Each new warrant (the “Incentive Warrant”) will entitle the holder to purchase one additional share on or before July 8, 2019 at a price of \$0.10.

Upon closing of the Incentive Program, the Company received gross proceeds of \$172,500 from the exercise of 2,300,000 share purchase warrants, of which 300,000 were exercised by insiders of the Company. The exercising warrant holders received 2,300,000 Incentive Warrants.

In October 2018, an additional 200,000 warrants were exercised at \$0.075 for gross proceeds of \$15,000. The remaining balance of 7,650,000 \$0.075 warrants expired unexercised.

### Summary of Quarterly Results (unaudited)

The summary of historical financial information for the last eight quarters is presented below:

| Three months ended:                         | 30-Nov-18 | 31-Aug-18 | 31-May-18 | 28-Feb-18 | 30-Nov-17 | 31-Aug-17 | 31-May-17 | 28-Feb-17 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Basis of preparation                        | IFRS      | IFRS      | IFRS      | IFRS      | IFRS      | IFRS      | IFRS      | IFRS      |
| Revenue                                     | \$ Nil    | \$ Nil    | \$ Nil    | \$ Nil    | \$ Nil    | \$ Nil    | \$ Nil    | \$ Nil    |
| General and administrative expenses         | (86,492)  | (117,731) | (89,785)  | (140,363) | (448,564) | (92,865)  | (59,737)  | (99,630)  |
| Other income (expenses)                     | (34,278)  | (69,647)  | 689       | (21,875)  | 47,948    | 1,282     | (36,462)  | 153,061   |
| Income (loss) for the period                | (120,770) | (187,378) | (89,096)  | (162,238) | (400,616) | (91,583)  | (96,199)  | 53,431    |
| Earnings (Basic and diluted loss) per share | \$ -      | \$ -      | \$ -      | \$ -      | \$ (0.01) | \$ -      | \$ -      | \$ -      |

### Financial Results of Operations – For the quarter ended November 30, 2018

The financial the results discussed herein have been prepared in accordance with IFRS standards. All references to 2017 in the following commentary of the Financial Results of Operations refer to the comparative results for the three months ended November 30, 2017.

During the three months ended November 30, 2018, the Company incurred a net loss of \$120,770 comprised of general and administrative (“G&A”) expenses of \$86,492 and a loss from other items of \$34,278. (2017 – loss of \$400,616 comprised of \$448,564 in G&A and income from other items of \$47,948). The decrease in G&A was mainly due to a decrease in stock-based compensation, a non-cash expense, to \$6,500 (2017 - \$333,800). Project generation costs also decreased to \$14,417 (2017 - \$29,082) as the Company was less active in its search for new Peruvian properties.

Other items in the three months ended November 30, 2018 consisted mainly of other income of \$55,564 (2017 - \$46,470) related to the annual minimum royalty received on the Lucero project. The royalty received is usually recognized as a recovery of deferred exploration cost. However, the balance of deferred exploration costs for the Lucero project was insufficient to offset the entire amount received so a portion was recognized as other income. This other income was offset by an unrealized loss on marketable securities of \$90,000 (2017 - \$Nil). In June 2018, the Company received 500,000 common shares of Chakana per the Soledad property option agreement. The shares were valued at \$310,000 upon receipt. At November 30, 2018, the shares were re-valued at the market price on that date which resulted in the unrealized loss being recognized.

During the nine months ended November 30, 2018, cash used by operating activities was \$197,773 (2017 - \$332,189). The previous year included a large reduction in accounts payable and accrued liabilities as the Company paid off a number of outstanding payables after completing a financing in February 2017. The current period includes an increase \$23,152 in accounts payable and accrued liabilities.

Cash used by investing activities during the nine months ended November 30, 2018 was \$267,304 (2017 - Cash used \$120,439) which was made up of exploration and evaluation expenditures of \$467,105 (2017 - \$318,910) which were offset by \$204,757 (2017 - \$200,579) in property option payments received. \$4,956 (2017 - \$2,108) in equipment was also purchased. Please refer to the mineral property section (note 6) in the interim condensed consolidated financial statements for the nine months ended November 30, 2018 for a more detailed description of the costs incurred.

During the nine months ended November 30, 2018, cash provided by financing activities was \$187,500 received upon the exercise of 2,500,000 share purchase warrants.

During the nine months ended November 30, 2017, cash provided by financing activities was \$156,371. The Company received \$8,000 upon the exercise of 100,000 incentive stock options at \$0.08 and received \$150,000 upon the exercise of 2,000,000 warrants at \$0.075. \$1,629 in share issue costs were also incurred on the issuance of the shares for debt.

### *Liquidity*

At November 30, 2018 the Company had a deficit of \$22,061,692. The Company expects to incur losses for at least the next 24 months. The Company's continuing operations, as intended, are dependent upon its ability to obtain financing and to generate profitable operations in the future. There can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance one or more of its properties through further exploration in order to bring the properties to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to take such properties to commercial production.

At November 30, 2018, the Company had cash of \$112,198 and working capital of \$204,160.

In June 2018, the Company received US \$50,000 and 500,000 Chakana common shares from Chakana per the terms of the Soledad Comprehensive Agreement.

In July 2018, the Company received gross proceeds of \$172,500 from the exercise of 2,300,000 share purchase warrants at \$0.075 per share. In October 2018, the Company received \$15,000 from the exercise of 200,000 share purchase warrants at \$0.075 per share.

In November 2018, the Company received US \$75,000 from Casapalca per the Lucero production royalty agreement.

In December 2018, the Company received US\$50,000 from Chakana per the Soledad agreement.

In January 2019, the Company received US\$75,000 from Merced per the Ocros agreement.

### ***Capital Resources***

The Company has no major commitments for capital expenditures, except as otherwise disclosed in this MD&A.

### ***Related Party Transactions***

During the nine months ended November 30, 2018, the Company completed the following transactions with related parties:

- a) Paid or accrued management fees of \$63,000 (2017 - \$55,500) to the President, Chief Executive Officer and director of the Company;
- b) Paid or accrued legal fees of \$9,147 (2017 - \$9,281) recorded as professional fees to a law firm in which a director is associate counsel;
- c) Paid or accrued management fees of \$19,800 (2017 - \$19,800) to the Chief Financial Officer of the Company;
- d) Paid or accrued management supervision and oversight fees capitalized to mineral properties of \$54,724 (2017 - \$55,125) to the Vice-President, Exploration of the Company;
- e) Paid or accrued management fees and project generation fees of \$17,635 (2017 - \$12,884) and \$17,635 (2017 - \$12,884) respectively to the Vice-President, Exploration of the Company;
- f) Paid or accrued directors' fees totaling \$14,400 (2017 - \$14,400) to the independent directors of the Company;
- g) In May 2017, the Company settled \$111,180 in accounts payable due to officers, directors and a law firm in which a director was a partner by issuing 1,482,000 common shares at \$0.075 per share for shares.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

### ***Off-Balance Sheet Transactions***

There are currently no off-balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

### ***Proposed Transactions***

There are currently no proposed transactions, except as otherwise disclosed in this MD&A. Confidentiality agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and or development of certain properties.

### ***New accounting policies***

New standards, amendments and interpretations to existing standards not adopted by the Company

## Future accounting policies

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

### Accounting standards and interpretations issued but not yet effective:

#### Accounting Standards Issued and Effective January 1, 2017 or Later

- IFRS 9 Financial Instruments;
- IAS 7 Statement of Cash Flows – disclosure initiative (Amendment to IAS 7); and
- IAS 12 Income Taxes – recognition of deferred tax assets for unrealized losses (Amendments to IAS 12).

The Company is currently evaluating the impact that the adoption of the amendments and standard will have on its consolidated financial statements. Based upon its current facts and circumstances, the Company does not expect these new and revised standards to have a material impact on its consolidated financial statements except for change in disclosure and in presentation.

### ***Summary of Share Data – as at January 29, 2019***

|                         | Number             | Weighted Average |               |
|-------------------------|--------------------|------------------|---------------|
|                         |                    | Price            | Life in Years |
| Issued shares           | 104,557,308        |                  |               |
| Stock options           | 8,880,000          | \$0.09           | 2.64          |
| Share purchase warrants | 11,466,667         | \$0.14           | 2.37          |
| Fully Diluted           | <u>122,403,975</u> |                  |               |

### ***Risks and Uncertainties***

The Company's principal activity is mineral exploration. As such, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities. There can be no assurances the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs.

Other risks include, but are not limited to, environmental, fluctuating metal prices, political and economical. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Although the Company has taken steps to verify the title to its mineral property, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves. The Company's mineral properties are in the exploration stage only, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties the Company may be subject to.

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

### ***Officers Certification of Evaluation of Disclosure Controls***

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management Discussion and Analysis.

In contrast to the certificate under National Instrument (“NI”) 52-109 (Certification of Disclosure in an Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

The Company has been in the exploration stage and has not had common separation of duties and functions usually found in a larger or revenue generating company with comprehensive internal controls. While the Company’s smaller staff size has not allowed for full separation of duties, its senior management believes that its close involvement with day-to-day business activities and related financial reporting provides a reasonable measure of internal control in lieu of the separation of duties.

### ***Forward Looking Statements***

This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the Company’s capability to execute and implement its future plans. Actual results may differ materially from those projected by management. Although the Company has attempted to identify important factors that could cause the actual events or results to differ materially from those described in forward-looking statements, readers are cautioned that the foregoing list of risks and factors is not exhaustive and there may be other factors that cause events or results not to be anticipated, estimated or intended. Forward-looking statements are based on management’s estimates, beliefs and opinions on the date the statements are made. Although the Company believes that the expectations represented by such forward-looking statements and the assumptions of the Company upon which they are based are reasonable, there can be no assurance that such expectations will prove to be correct. The Company assumes no obligation except as outlined by regulatory requirements to update forward-looking statements if circumstances or management’s estimates, beliefs, or opinions should change. Additional information on these and other potential factors that could affect the Company’s financial results are detailed in documents filed from time to time with the British Columbia and Ontario Securities Commissions. Accordingly, readers should not place undue reliance on forward-looking statements. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995.