



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

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**For The Year Ended February 29, 2020**

## CONDOR RESOURCES INC.

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

**Date** – The effective date of this MD&A is August 10, 2020.

**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 audited consolidated financial statements of the Company and the notes thereto for the year ended February 29, 2020. Consequently, the following discussion and analysis should be read in conjunction with the audited consolidated financial statements, and the notes thereto, for the year ended February 29, 2020. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

The results for the year ended February 29, 2020 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.

As of March 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The consolidated audited financial statements and the notes thereto for the year ended February 28, 2019 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board. 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 2500 Park Place, 666 Burrard Street, Vancouver, B.C., V6C 2X8. The Company was listed on the TSX Venture Exchange ("TSX-V") on March 3, 2006. At August 10, 2020, there were 123,422,308 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; 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*

Pucamayo currently encompasses 109 sq. km of contiguous concessions located in the Departments of Ica, Lima, and Huancavelica, approximately 185 km south-east of Lima. At March 2016, the Pucamayo project consisted of 4 concessions totalling 19 sq. km. Three of the 100% owned concessions were acquired by staking or assignment. The Pucamayo 14 concession was acquired by purchase agreement in August 2007, as amended in February 2009. The Company owns an 85% interest in Pucamayo 14, with the seller of Pucamayo 14 holding a 1% NSR. In 2016, the Company arranged to acquire an unencumbered 100% ownership of a third party's mineral right holdings on an additional 94 sq. km of concessions contiguous with the 19 sq. km Pucamayo East project area. In May 2018, the Company acquired, by staking, an additional 2 sq. km 100% owned concession, bringing the total area of the project to 115 sq. km. In June 2019, the Company relinquished two of the concessions, reducing the project area to 109 sq. km.

In February 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 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 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.

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 January 2020, the Company received 'Autorización de Inicio de Actividades de Exploración' from the MEM, which extends the expiry of the DIA for 2 years. The Company has reached agreement with the local community regarding community engagement and surface access, and with local community's support is negotiating land access with the relevant individuals holding surface rights.

On March 15, 2020, Peru imposed a State of National Emergency in response to Covid-19, and the area of Pucamayo project remains subject to the State of National Emergency until at least August 31, 2020. Travel in the area is severely restricted, and the Company is not allowed to travel to the project, which has impacted the ability to advance the negotiations for surface rights access.

## ***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 are 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.

The area where Andrea is located remains subject to the Covid-19 related State of National Emergency until at least August 31, 2020.

## ***Huiñac Punta***

Huiñac Punta is a 100% owned 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 February 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 replacement system hosted in a carbonate dominated 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. Over 24 of the 145 samples returned silver values greater than 100g/t, and up to 1,295 g/t. This 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's DIA application was approved in July 2020.

Once the Covid-19 related State of National Emergency in the area of Huinac Punta has been lifted (currently set to expire August 31, 2020), the Company is planning to conduct drone-assisted magnetometer survey and ground-based IP survey to better define drill targets on the project.

## *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 is currently subject to a farm-out and sale agreement to Chakana Resources S.A.C. (“Chakana”).

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-chalcocopyrite 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. Three of these holes were designed to provide more information on the extent of the breccias (#1, #5, and #6), and to test for evidence of porphyry style mineralization at depth. The fourth hole was designed to test an epithermal high sulphidation target located in the north-east area of the project, and assay results from this hole returned no significant results. 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, 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\$400,000 in cash payments, 500,000 Chakana shares, and the drilling commitment has been satisfied.

In March of 2019, the Company and Chakana amended the NSR terms of their April 2017 agreement. In exchange for 900,000 Chakana shares and US\$275,000 cash, on exercise of the purchase option, Condor will retain a 1% NSR on the concessions, and a 2 km area of influence around the Company’s concessions. Chakana will have the right to buy down Condor’s NSR to a 0.5% NSR by further payment of US\$1 million. In the event Chakana does not exercise their option to acquire the Soledad concessions, Chakana will retain a 1% NSR royalty on the concessions, which royalty Condor will have the option to reduce to a 0.5% NSR by payment of US\$1 million.

Chakana commenced their initial drill program in August 2017. To February 28, 2019 Chakana had completed 25,211 metres of drilling in 94 holes (SDH 017 to SDH-106) in breccia pipes #1, #3, #5 and #6. These holes were designed to provide detailed information on the geometry and mineralized grades of these tourmaline breccia pipes. Results from all 94 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, January 10, 2019, February 7, 2019, and April 2, 2019.

Chakana commenced their 20,000m Phase 3 drill program June 23, 2019, with the first drill hole of Phase 3 on Breccia #7. Results from the first 4 drill holes on Breccia #7 were released on July 9, 2019; results from 12 additional drill

holes on Breccia #5 and #6 were released on September 10, 2019; and results from 5 drill holes (Breccia #5E, Corral Breccia #1, and Breccia #1 SE) were released on November 10, 2019.

After completion of SDH19-136, and 5,717m of their planned Phase 3, Chakana suspended drilling due to permitting delays. Chakana have indicated they intend to drill the Huancarama and Paloma breccia pipes south of Condor's concessions, but within our area of influence, after approval of the EIAsd (Environmental Impact Assessment, semi-detailed) modifications.

Chakana announced approval of the EIAsd modification in July 2020 and plans to re-commence the Phase 3 drill program with 15,000 metres focussed on testing several targets including the Paloma East and Paloma West breccia pipes, and the Huancarama breccia complex, in mid August.

**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**
SDH17-018	Breccia #1	0	209.0	209.0	2.22	69.6	0.96	3.01	4.60
SDH17-020	Breccia #1	0	113.0	113.0	3.58	51.5	1.17	3.95	6.04
SDH17-024	Breccia #1	0	69.0	69.0	3.15	11.3	0.39	2.55	3.89
SDH17-031	Breccia #1	59.0	135.0	76.0	0.93	53.1	1.04	2.10	3.22
SDH17-041	Breccia #5	12.0	176.0	164.0	1.68	27.4	0.51	1.84	2.82
SDH18-046	Breccia #1	70.0	122.0	52.0	5.14	60.2	1.48	5.35	8.19
SDH18-049	Breccia #1	76.9	121.0	44.1	8.50	27.1	2.02	7.81	11.94
SDH18-053	Breccia #1	0	119.4	119.4	3.36	61.3	1.14	3.86	5.91
SDH18-059	Breccia #1	46.0	233.0	187.0	1.18	64.9	1.05	2.38	3.63
SDH18-071	Breccia #1	0	439.8	439.8	1.45	50.4	0.69	2.07	3.16
SDH18-075	Breccia #1	0	102.0	102.0	3.77	55.9	0.75	3.69	5.65
SDH18-080	Breccia #1	0	264.0	264.0	1.30	24.3	0.71	1.77	2.70
SDH18-086	Breccia #5	13.0	153.4	140.4	1.70	23.5	0.46	1.77	2.71
SDH18-102	Breccia #6	28.0	87.3	59.3	1.28	497.2	0.53	5.63	8.59
SDH18-103	Breccia #6	64.0	93.0	29.0	1.24	227.7	0.76	3.52	5.37
SDH19-111	Breccia #7	157.0	188.0	31.0	0.68	205.9	0.23	2.43	3.72
SDH19-126	Breccia #5E	238.0	270.0	32.0	2.99	33.0	1.52	3.76	5.75
SDH19-128	Breccia #5E	385.0	426.00	41.0	0.12	6.0	0.79	0.92	1.41

\*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

The Ocros property is located in the Department of Ancash, Peru. 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 to the Vendor. The project consists of 3 concessions covering 19.7 sq. km. In February 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 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. To exercise the first option to earn 51%, Merced must complete 6,000m of diamond drilling, and make cash payments of US\$250,000 (received) by May 2020. Upon earning 51%, Merced has the option to earn up to a 70% interest by making an additional cash payment of US\$300,000, and completing an additional 4,000m of drilling by May 16, 2021. 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 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 2018. The fourth drill hole was completed to a depth

of 818m, the fifth hole to 706m, the sixth hole to 1,024m, the seventh hole to 1,008m, the eighth hole to 537m, and the ninth hole to a depth of 359m in May 2019. In sum, Merced have completed 6,562m in 9 drill holes. Drill core was transported from site to Merced's facilities in Lima, where the core was split, and samples prepared. As of July 2020, Merced have completed analysis of all drill holes except for DDH-004 and DDH-006. Analytical results of the seven holes analyzed reported anomalous, but subeconomic levels of copper within a copper porphyry-type geological setting. The Company has not publicly reported the results received to date 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. This agreement was renewed in 2018, 2019 and 2020. 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***

The Lucero property is located in the Department of Arequipa, Peru approximately 130 km NW of Arequipa and 25 km SE of Buenaventura's Orcopampa mine, at elevations ranging between 5000m and 5500 m. Condor acquired via staking a 100% interest in 21 sq. km, 3 concessions, within the ex-Shila Au-Ag epithermal mining district. Buenaventura previously operated three underground mines on the Lucero property, 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. In November 2019, Casapalca terminated the production royalty agreement. No work has been conducted on the project by the Company since Casapalca terminated the lease.

In February 2017 the Company reached agreement with Sandstorm Gold Ltd. to sell a package of royalties, including a 50% interest in the Lucero production royalty. On termination of the Casapalca production royalty agreement, Sandstorm's interest at Chavin converted to a 0.5% NSR. The Company is currently considering its strategic alternatives for the Lucero project.

### ***Chavin***

The 100% owned Chavin property is located the Department of Ancash 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 original 8 sq. km Chavin property was acquired by staking in 2010 and 2011. 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 was obligated to pay Condor Peru a net smelter royalty of 3%, subject to an annual minimum of US\$25,000, payable in advance. The first, second year, and third year's annual minimum royalty payments were received in November 2015, 2016 and 2017, respectively. Casapalca was 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 fulfilled its obligations and completed 1,219m of drilling in 5 drill holes in late 2018. Casapalca did not make the annual minimum royalty payment in November 2018, and effectively terminated the production royalty agreement. Results from Casapalca's drilling at Chavin were received in March 2019. Casapalca's primary objective was to confirm the continuity to depth of a high-grade polymetallic vein, traced at surface for over 1km. Casapalca's drill program was unsuccessful in confirming the vein continuity. However, their drilling did confirm anomalous molybdenum and copper values, and evidence of copper porphyry-type alteration and mineral assemblages.

On termination of the Casapalca mineral lease, Casapalca transferred title of 5 adjoining concessions (approximately 34 sq. km) to the Company; the current Chavin property total size is now approximately 42 sq. km. The Company has not completed any work on the project since Casapalca terminated their lease. The Company is seeking a joint venture partner to continue to explore and advance the project.

In February 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***

The Quriurqu property is located in the Department of Ancash, northern Peru approximately 10 km south of the Soledad project. In 2011, the Company acquired by staking a 100% interest in this 2.5 sq. km precious metals 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 February 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***

The 100% owned San Martin property is 5.9 sq. km in size and located in the Department of Arequipa, southern Peru approximately 7 km southeast of the Orcopampa gold mine. An initial drill program completed by the Company 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 which has not been thoroughly 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 February 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***

The 100% owned Humaya property is 7 sq. km in size and located in the Department of Ayacucho, south central Peru approximately 190 km east of the city of Ica. The neighbouring concessions are held by majors. In August 2016 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 glacial and fluvial material. 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 seeking a joint venture partner to continue to explore and advance the Humaya project.

In February 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***

The 100% owned Quilisane gold/silver property is about 4 sq. km in size and located in the Department of Puno, approximately 75 km north-west of the city of Puno, and about 12 km south-east of the Arasi gold mine. Quilisane was acquired by staking in 2016 at nominal cost. In 2019 the Company reduced the concession areas from about 18.4 sq. km in size to approximately 4 sq. km. Quilisane is host to a large epithermal alteration system, with anomalous geochemical results for gold and pathfinder elements. There is evidence of several shallow drill holes at the eastern part of the property that were thought to have been completed in 2003. The Company is seeking a joint venture partner to continue to explore and advance the Quilisane project.

In February 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***

The 100% owned Cobreorco copper property is about 5 sq. km in size and located in the Department of Apurimac, south central Peru. Cobreorco was acquired by staking as a copper porphyry and copper skarn-related prospect. Cobreorco is not subject to any royalty.

A drone supported magnetic survey was completed in July 2020, and results are pending. The Company has commenced community consultation in preparation for filing its DIA application, in anticipation of a Phase I drill program on the project at the earliest possible date.

### ***Cantagallo***

The Company acquired one concession totaling 2 sq. km. by staking in 2019 which is located in the Lima Department.

### ***Property Summary***

Condor presently has a high-quality portfolio of twelve precious and base metals projects in Peru. The Company has entered into optional farm-out or sale agreements on the Soledad and Ocros projects.

On the remaining properties, the Company intends to initially self-fund four of the projects in the portfolio and on the remaining projects enter into farm-out or sale 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 7 of the interim condensed consolidated financial statements for the year ended February 29, 2020.

### ***Financing Activity during the Year Ended February 29, 2020***

In November 2019, the Company completed a private placement consisting of 4,000,000 units priced at \$0.05 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.10 into one common share for a period of three years. No commissions or finder's fees were paid in connection with the private placement.

In January 2020, 670,000 stock options with an exercise price of \$0.05 were exercised for gross proceeds of \$33,500.

Subsequent to February 29, 2020, the Company completed a private placement consisting of 13,200,000 units priced at \$0.075 per unit for gross proceeds of \$990,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable into one common share for a period of three years, with an exercise price of \$0.115 per share during the first year, and then \$0.15 thereafter. No commissions or finder's fees were paid in connection with the private placement. Insiders of the Company purchased 600,000 units of the private placement.

Subsequent to February 29, 2020, 995,000 stock options with a weighted average exercise price of \$0.07 were exercised for gross proceeds of \$72,750.

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

At February 29, 2020, the Company had the following stock options outstanding enabling holders to acquire the following common shares of the Company:

Number of Options	Exercise Price	Expiry Date
1,455,000	\$0.05	March 9, 2021
880,000	\$0.08	August 11, 2021
3,760,000	\$0.12	September 21, 2022
500,000	\$0.09	August 1, 2023
500,000	\$0.07	February 13, 2024
600,000	\$0.06	February 13, 2024
<b>7,695,000</b>		

Subsequent to February 29, 2020, 995,000 stock options with a weighted average exercise price of \$0.07 were exercised for gross proceeds of \$72,750. The Company also granted 3,475,000 incentive stock options with an exercise price of \$0.10, and expiring on June 19, 2025.

### ***Share Purchase Warrants***

At February 29, 2020, 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
6,666,667	\$0.15	February 9, 2022
4,000,000	\$0.10	November 8, 2022
<b>10,666,667</b>		

Subsequent to February 29, 2020, 13,200,000 warrants were issued as part of the private placement financing completed in June 2020. Each warrant is exercisable into one common share for a period of three years, an exercise price of \$0.115 per share during the first year, and thereafter at an exercise price of \$0.15.

## Selected Annual Information

The summary of historical financial information for the last three fiscal years is presented below:

<b>STATEMENT OF OPERATIONS AND DEFICIT DATA</b>	<b>Year Ended February 29, 2020</b>		<b>Year Ended February 28, 2019</b>		<b>Year Ended February 28, 2018</b>	
Revenues	\$	NIL	\$	NIL	\$	NIL
Total expenses	\$	343,297	\$	442,799	\$	741,529
Net loss	\$	(121,161)	\$	(437,765)	\$	(750,636)
Basic and diluted net loss per share	\$	(0.00)	\$	(0.00)	\$	(0.01)
Weighted average number of shares outstanding		104,862,763		103,620,870		101,461,280

  

<b>BALANCE SHEET DATA</b>	<b>Year Ended February 29, 2020</b>		<b>Year Ended February 28, 2019</b>		<b>Year Ended February 28, 2018</b>	
Cash	\$	61,088	\$	113,443	\$	389,775
Working capital surplus (deficiency)	\$	139,195	\$	232,841	\$	371,968
Total assets	\$	2,227,952	\$	2,105,962	\$	2,225,430
Shareholders' equity	\$	2,125,823	\$	1,992,213	\$	2,181,664

## Summary of Quarterly Results (unaudited)

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

Three months ended:	29-Feb-20	30-Nov-19	31-Aug-19	31-May-19	28-Feb-19	30-Nov-18	31-Aug-18	31-May-18
Basis of preparation	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
General and administrative expenses	(94,295)	(64,882)	(104,191)	(79,929)	(148,791)	(86,492)	(117,731)	(89,785)
Other income (expenses)	(766)	(154,687)	(146,232)	523,821	108,270	(34,278)	(69,647)	689
Income (loss) for the period	(95,061)	(219,569)	(250,423)	443,892	(40,521)	(120,770)	(187,378)	(89,096)
Earnings (Basic and diluted loss) per	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Financial Results of Operations – For the year ended February 29, 2020

The financial results discussed herein have been prepared in accordance with IFRS standards. All references to 2019 in the following commentary of the Financial Results of Operations refer to the comparative results for the year ended February 28, 2019.

During the year ended February 29, 2020, the Company incurred a net loss of \$121,161 comprised of general and administrative (“G&A”) expenses of \$343,297 and a gain from other items of \$222,136. (2019 – loss of \$437,765 comprised of \$442,799 in G&A and a gain from other items of \$5,034). The decrease was mainly due to a decrease in project generation costs to \$29,298 (2019 - \$117,833) as the Company was less active in its search for new projects due to financial constraints. Stock-based compensation, a non-cash expense, also decreased to \$28,769 (2019 - \$60,814). These decreases were offset by an increase in professional fees to \$44,388 (2019 - \$26,012) due to higher legal fees.

Other items in the year ended February 29, 2020 consisted of other income of \$571,208 comprised of a portion of the proceeds received from Chakana upon the sale of a 1% NSR on the Soledad property and a portion of the Ocos option payment, a loss of \$34,172 on the sale of marketable securities and an unrealized loss on marketable securities of \$314,900 which are revalued at their fair market value on the last day of the fiscal year.

Other items in the year ended February 28, 2019 consisted of \$1,070 in interest income earned on a variable-rate GIC, other income of \$63,921 comprised of a portion of the Lucero annual royalty payment and Ocros option payment received during the year and a gain \$8,043 on the sale of marketable securities. These three items were offset by an unrealized loss of \$68,000 on marketable securities as they are revalued at their fair market value on the last day of the fiscal year.

During the year ended February 29, 2020, cash used by operating activities was \$325,393 (2019 – \$311,778). The increase was mainly due to a decrease in G&A expenses and a decrease of \$10,426 (2019 – increase of \$64,326) in accounts payable and accrued liabilities.

Cash provided by investing activities was \$47,036 (2019 – Cash used \$152,054) which was made up of exploration and evaluation expenditures of \$635,733 (2019 - \$607,249) which were offset by \$601,548 (2019 - \$424,450) in property option and royalty sales payments received. \$1,056 (2019 - \$7,298) of equipment was also purchased. Additionally, the Company received \$82,277 (2019 - \$38,043) upon the sales of marketable securities. Please refer to the mineral property section (note 7) in the audited consolidated financial statements for the year ended February 28, 2019 for a more detailed description of the costs incurred.

During the year ended February 29, 2020, cash provided by financing activities was \$226,002. A private placement financing was completed which raised gross proceeds of \$200,000 offset by share issue costs of \$7,498. 670,000 stock options were also exercised at \$0.05 for gross proceeds of \$33,500. During the year ended February 28, 2019, cash provided by financing activities was \$187,500 received upon the exercise of 2,500,000 warrants at \$0.075.

### **Financial Results of Operations – For the quarter ended February 29, 2020**

The financial the results discussed herein have been prepared in accordance with IFRS standards. All references to 2019 in the following commentary of the Financial Results of Operations refer to the comparative results for the three months ended February 28, 2019.

During the three months ended February 29, 2020, the Company incurred a net loss of \$95,061, comprised of G&A expenses of \$94,295 and a loss from other items of \$766. (2019 – loss of \$40,521 comprised of \$148,791 in G&A and income from other items of \$108,270). The decrease in G&A was mainly due to a decrease in stock-based compensation, a non-cash expense, to \$4,465 (2019 - \$47,814) and a decrease in project generation expenses to \$9,668 (2019 - \$23,407). This increase was offset by an increase in travel and business development to \$3,212 (2019 - \$192).

Other items in the three months ended February 28, 2020 consisted an unrealized gain of \$33,400 (2019 - \$92,000) on marketable securities, and a realized gain of \$Nil (2019 - \$8,043) on the sale of marketable securities. \$34,166 of option and royalty sales was reallocated during the quarter to mineral property recoveries. During the same period of 2019, option and royalty payments received were \$8,227.

### ***Liquidity***

At February 29, 2020 the Company had a deficit of \$22,223,374. 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 February 29, 2020, the Company had cash of \$61,088 and working capital of \$139,195.

Subsequent to February 29, 2020, the Company completed a private placement for gross proceeds of \$990,000 and 995,000 stock options were exercised for gross proceeds of \$72,750.

### ***Capital Resources***

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

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

During the year ended February 29, 2020, the Company completed the following transactions with related parties:

- a) Paid or accrued management fees of \$84,000 (2019 - \$84,000) to the President, Chief Executive Officer and director of the Company;
- b) Paid or accrued legal fees of \$26,144 (2019 - \$10,112) recorded as professional fees and \$5,748 (2019 - \$Nil) recorded as share issue costs to a law firm in which a director is associate counsel;
- c) Paid or accrued management fees of \$26,400 (2019 - \$26,400) to the Chief Financial Officer of the Company;
- d) Paid or accrued management supervision and oversight fees capitalized to mineral properties of \$74,256 (2019 - \$73,141) to the Vice-President, Exploration of the Company;
- e) Paid or accrued management fees and project generation fees of \$23,883 (2019 - \$23,553) and \$23,883 (2019 - \$23,553) respectively to the Vice-President, Exploration of the Company;
- f) Paid or accrued directors' fees totaling \$19,200 (2019 - \$19,200) to the independent directors of the Company;

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 the new and revised accounting pronouncements that are issued and effective as of March 1, 2019.

- IFRS 16 Leases; and
- IAS 12 Income Taxes – Annual Improvements to IFRS Standards.

These new and revised standards did not have a material impact on its consolidated financial statements.

### **Summary of Share Data – as at August 10, 2020**

	Number	Weighted Average	
		Price	Life in Years
Issued shares	123,422,308		
Stock options	10,175,000	\$0.10	2.87
Share purchase warrants	23,866,667	\$0.12	2.31
Fully Diluted	<u>157,463,975</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 economic. 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.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced

significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future periods.

### ***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.