



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

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**For The Year Ended February 28, 2017**

## CONDOR RESOURCES INC.

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

**Date** – The effective date of this MD&A is June 28, 2017.

**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 28, 2017. 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 28, 2017. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

The results for the year ended February 28, 2017 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, 2017 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 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 June 28, 2017 there were 102,057,308 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**

***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 breccia bodies in an extensively altered system (“Breccias”) associated with abundant gossans and quartz tourmaline veins exposed over an area of approximately 2 km by 2 km. In addition, multiple quartz-tourmaline mineralized structures are present on the property, measuring 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 litho cap 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 a vectoring to porphyry-type mineralization at depth. In late 2016 the Company increased the size of the property to 10.29 sq km with the acquisition of a 3.16 sq km concession partially adjacent and to the west of the primary Soledad concession.

In April 2012 an orientation geophysics program of 16.8 line-kilometers was completed, followed in June 2012 by a further 8.65 line-kilometer ground magnetic and IP geophysical survey. The geophysical results are complex and reveal a number of resistivity and conductivity anomalies. The Breccia pipes are easily identified by the geophysics and appear to be part of a low resistivity semi-circular structure at depth, with chargeability halos around a mineralized core, which may represent a porphyry type system signature.

A Phase I diamond drill program consisting of 12 holes and 2,084 metres was completed in June 2014. Results are summarized in the following table.

**Table 1: 2014 Summary of Significant Intersections, Holes 1 through 12, Soledad**

Hole	Target	From (m)	To (m)	Width (m)	Au g/t	Ag g/t	Cu %	AuEq g/t*
SDH-001	Breccia #1	54	87	33	3.45	22.8	0.95	5.35
SDH-002	Cima Blanca	no significant results						
SDH-003	Cima Blanca	43	48	5	3.94	13.4	<.01	4.14
SDH-004	Breccia #3	5	10	5	<0.1	18.8	<.01	0.29
SDH-006	Breccia #3	72	76	4	0.10	11.2	0.19	0.59
SDH-005	Breccia #6	0	76	76	0.53	33.4	.02	1.04
SDH-007	Breccia #5	33	129	96	0.92	15.2	0.22	1.48
SDH-008	Breccia #2	no significant results						
SDH-009	Breccia #1	92	266	174	0.74	114.2	1.18	4.41
SDH-010	Breccia #5	hole abandoned						
SDH-011	Breccia #2			6		19		0.29
SDH-012	Breccia #5	87	248	161	1.29	12.7	0.38	2.10

\*AuEq assumes US \$1200/oz gold, US \$18.25/oz silver, US \$2.85/lb copper, and 100% recovery

In late 2014 a deep sensing IP geophysical survey was completed over a 2km x 3km area, consisting of 6 north-south lines, spaced at 400m, and totalling 12.3 km in length. The program was designed to gain a better understanding of the geology and geometry of the system to a depth of 500m. In February 2015 preliminary results from the geophysical survey were published, and indicated three drill targets with deep porphyry potential: Soledad Central, Faro, and Cima Blanca. In March 2015, three north-south in-fill IP lines were completed on the Faro target, which is located in the south-west area of the main concession, and to the west of the 2012 geophysics work. Each line was 1800m in length, and spaced at 200m. A further north-south in-fill line, also 1800m in length, was run over the area of Breccia #5 and #6, at the Soledad Central target. The 2014 drill program, and subsequent geophysics work was completed by Mariana Resources Ltd.; Mariana terminated their option to earn 70% of the Soledad project in September 2015.

In November 2015 the Company signed a Memorandum of Understanding (“MOU”) with Compañía Minera Casapalca S.A. (“Casapalca”) with respect to the Soledad project. The MOU was supplemented by a comprehensive agreement (the “Agreement”) in February 2016. The Agreement gave Casapalca the option to earn a 51% interest by completing 9,000m of diamond drilling and making cash payments totalling US\$375,000 over 3 years, with the option to increase its interest to 70% by making a further payment of US\$350,000, and completing an additional 6,500m of diamond drilling in the fourth year.

Casapalca completed a four hole, 2,808m drill program during April and May of 2016. Results for holes SDH-13 and SDH-14 were released June 2, 2016, and the results for holes SDH-15 and SDH-16 were released July 6, 2016. SDH-13 and 14 were near vertical holes, located on the surface exposure of Breccias 5 and 6, about 500 meters apart. 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 and 14 are shown in Table 2.

**Table 2: 2016, Summary of Significant Intersections, Holes SDH-013 and SDH-014, Soledad**

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
	<i>includes</i>	59	118	59	1.79	32.9	0.48		2.8
SDH-014	Breccia #6	0	164	164	0.42	70.0	0.13		1.5
	<i>includes</i>	0	119	119	0.43	35.2	0.11		1.0
	<i>includes</i>	119	123	4	0.69	1,666.0	1.81		25.1
	<i>includes</i>	123	164	41	0.37	15.2	0.05		0.6
SDH-014	Breccia #6	582	607	25			0.34	320	

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

SDH-016, a near vertical hole (80° dip), located on the surface exposure of Breccia 1, confirmed the extent of the polymictic Breccia 1, both to depth and width, and also confirmed alteration consistent with a halo to potassic porphyry style mineralization at depth. The hole contains significant mineralization from surface to 490 metres depth, and significant results are shown in the table below. SDH-016 encountered an alteration zonation within the breccia vectoring to the northwest. The drill hole initiates in an interpreted 40 metre deep oxidized zone with elevated gold and low base metals (includes 4.96 g/t gold from surface to 24 metres) within phyllic sericitic alteration. The phyllic alteration is observed with decreasing sericite content at depth and increasing to pervasive potassic assemblages of quartz, secondary biotite-magnetite-pyrrhotite-pyrite-chalcopyrite down hole and to the northwest. The zonation is clearly evident, and near the bottom of the hole a transition to the siliceous potassic core is interpreted to commence associated with more intense stockwork and copper sulphides.

**Table 3: 2016, Summary of Significant Intersections, Hole SDH-016**

Hole	From (m)	To (m)	Interval* (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn%	AuEq g/t**
SDH-016	0	490	490	0.74	30.3	0.39	0.17	0.33	1.6
SDH-016	0	290	290	1.04	33.5	0.47	0.15	0.23	2.1
	<i>Includes</i>	0	24	4.96	31.3	0.02	0.04	0.00	5.4
	<i>Includes</i>	24	40	0.48	11.8	0.01	0.09	0.00	0.6
	<i>Includes</i>	40	75	3.48	37.1	0.72	0.16	0.35	4.8
	<i>Includes</i>	75	116	0.47	88.6	1.12	0.34	0.56	3.0
	<i>Includes</i>	116	172	0.10	4.2	0.05	0.03	0.06	0.2
	<i>Includes</i>	172	223	0.18	45.5	0.79	0.21	0.32	1.7
	<i>Includes</i>	223	255	0.06	4.02	0.09	0.05	0.09	0.2
	<i>Includes</i>	255	290	0.56	35.4	0.53	0.21	0.27	1.7
SDH-016	290	490	200	0.30	25.8	0.28	0.21	0.48	1.0

\*True widths are unknown. \*\*AuEq assumes US \$1200/oz gold, US \$16.00/oz silver, US \$2.10/lb copper, and 100% recovery. Lead and zinc are not included in the AuEq calculation.

SDH-015 is located in the north-east area of the project, approximately 1km to the north of SDH-016 and 200m higher in elevation. The hole was designed to test an epithermal high sulphidation target. SDH-015 was completed to a depth of 443m and returned no significant results.

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

In February 2017 the Company signed an MOU with Chakana Resources S.A.C. (“Chakana”), which would allow Chakana to earn a 100% interest in Soledad, with Condor retaining a 2% NSR. In April, the MOU was replaced and supplanted by a comprehensive agreement. In order to earn their 100% interest, Chakana is required, over 4.5 years, to complete 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\$2million. To date, the Company has received US\$25,000 in cash payments. The agreement includes a mandatory drill requirement of 3000m. Timing for the drill program and cash payments starts when Chakana has secured assignment of the surface rights agreements from the Company’s subsidiary, or obtained new surface rights agreements directly. These conditions were satisfied on June 23, 2017.

To date, Chakana has consolidated drill core from the 2014 and 2016 drill programs in Lima, 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, is scheduled for late June – early July 2017. Chakana anticipates that their initial drill program will commence in the third quarter of 2017.

### ***Condor de Oro***

The Company had an option to acquire 85% of Exploraciones Aguila Dorada SAC (“EAD”), the owner of the 102 sq. km Condor de Oro prospect in northern Peru, situated along the Peruvian border with Ecuador. In May 2016, the Company terminated the option due to the remote location in Peru and resultant high carrying cost to maintain and explore the concessions.

### ***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, bringing the total area of the project to 113 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, alteration and mineralization is hosted in hydrothermal breccias outcropping as an erosion window which has partially exposed a high sulphidation epithermal system with disseminated precious metals mineralization covering a target area approximately 1200m long by 200m to 700m in width, and a surrounding series of at least seven quartz epithermal veins classed as intermediate sulphidation. Mapping and sampling has identified precious metal values hosted in vuggy silica, and a porphyry system with anomalous gold and copper values.

The Company has made the decision, subject to financing, to advance the Pucamayo project without a partner. Recently announced changes to the mining regulations in Peru indicate that the previously expired Declaración de Impacto Ambiental (“DIA”) issued for drilling at Pucamayo east, will be retroactively re-instated with a new expiry date. These announced changes have not been officially published.

## **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 November 2015, the Company signed an MOU with Casapalca on the Ocros project, which MOU was replaced by a comprehensive agreement in February 2016. Per the agreement, Casapalca could earn a 51% interest by completing 6,000m of drilling and making cash payments totalling US\$250,000 within 3 years of receipt of the initial Ocros drill permit, with the option to increase its interest to 70% by making a further payment of US\$300,000, and completing an additional 4,000m of drilling in the fourth year. In January 2017 the Company received termination notice from Casapalca, and Casapalca's option on the Ocros property has expired. Casapalca did not retain any interest in the Ocros project.

In January 2017, the Company signed a MOU with Compañía Minera Virgen de la Merced S.A.C. ("Merced"), which MOU was supplanted with a comprehensive agreement in May. Under the agreement, Merced has the option 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. The Company received payment of US\$75,000 on signing the comprehensive agreement. 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.

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.

The Ocros property is located 180 km NW of Lima on a continental-scale NW trending fault system, in the Central Andes of Peru, that hosts significant copper resources. The property covers an intensely altered, copper-mineralized target measuring 2 sq. km in area, with mineralization presently exposed over a vertical extent of more than 700m. An old adit and workings (circa 1950's) in a valley on the eastern side of the concessions were re-entered in 2014 by a company related to Merced which was seeking access to high grade copper ore. In August 2014, Condor geologists were able to access over 300m of the adit, and collected 18 samples (see October 16, 2014 news release). Exposed rock in the adit is characterized as feldspar-hornblende-porphyry, with strong potassic alteration throughout, and mineralization in the form of disseminated chalcopyrite-bornite, as well as chalcopyrite and bornite in sulphide vein stockwork and quartz veins. Native copper is also observed in the samples. Condor subsequently completed a more detailed and systematic sampling over the entire length of the reopened adit (the '200 level adit'), and collected an additional 44 representative five-metre long horizontal rock chip samples. (see news release of February 10, 2015). Compilation of the combined 62 sample results from the two sampling programs yielded 326m of 0.68% copper over the full length of the adit. From a second re-opened adit (the '150 level adit') the Company announced by news release of July 9, 2015, results from 59 channel samples taken from the second adit. This adit runs roughly parallel to, and 50m below, the 200 level adit, and yielded 325m of 0.56% copper, 0.1g/t Au, and 3.7 g/t Ag. The sampled wallrock in the 150 level adit exhibits intense quartz-biotite-magnetite-chalcopyrite-bornite with stockwork of quartz-magnetite-chalcopyrite-bornite. A recently received Oligocene age estimate at Ocros is similar to the age estimates at Las Bambas, and other copper projects being developed in Peru.

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 19, 2017, Condor's 85% owned subsidiary and Merced entered into a one year 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), in consideration of an annual and monthly royalty payable to the local community. DB is a related party to Merced and Virgen.

In June 2016, a long term agreement was reached with the local community at Ocros, for exploration and exploitation on the project, and in August the Declaración de Impacto Ambiental, or “DIA”, was received from the Peruvian Ministry of Energy and Mines. In December 2017, 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.

Merced mobilized a drill rig to the Ocros project in late June, and is expected to commence their drill program in July 2017. Merced is obligated to complete a minimum of 2,000m of drilling.

### ***Lucero***

Condor acquired via staking a 100% interest in 21 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 on the concessions 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 unworked 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 Company 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 year’s annual minimum was received during the current quarter. 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 and the Company are presently negotiating the community access agreements.

### ***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 centre. 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 year’s annual minimum was received during the current quarter. 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 the application for the drill permit was filed by Casapalca in early 2017.

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. In the event the Company receives only the annual minimum royalty, Sandstorm does not participate until the fifth year of the production royalty agreement.

### ***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 January 2016 the Company (and others) applied for an additional 6 sq km of concessions, adjacent and to the south of Quriurqu. Condor had the winning bid at the sealed bid auction conducted by Peruvian officials in mid-October, increasing the project area to 8.5 sq km. Quriurqu's high to intermediate sulphidation epithermal system is hosted in Tertiary volcanics. Condor geologists believe 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 4.45 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 during the drill program, and to test the mineralized system at depth. 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.

### ***Andrea***

The Company acquired a 100% interest in the 8 sq km Andrea project by staking. Andrea is located in the Department of Ayacucho, approximately 480 km south-east of Lima in the south-central Andes, approximately 20 km north of the Breapampa mine, and situated at elevations ranging from 4100 to 4600m. Condor acquired the Andrea project because it hosts a compelling high sulphidation epithermal type gold and silver target within a core area approximately 800m in diameter.

An initial reconnaissance mapping effort was completed in May 2017, and a total of 117 rock chip channel samples were 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 larger breccia being up to 200m in diameter. The breccias exhibit halos of advanced argillic, granular silica and vuggy silica. The sample results confirmed the anomalous presence of pathfinder elements typical of high sulphidation 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 area' – 81 of the 117 samples – exhibited more consistent gold values, ranging from 5 ppb to 4180 ppb, and averaged 41 ppb. Measurable silver values were present in all but 6 of the 117 samples, but none of the silver assays exceeded 1 g/t.

### ***Cazador Memorandum of Understanding***

In December 2015 the Company signed an MOU with a private Peruvian company with respect to properties which Condor would petition on January 4<sup>th</sup>, 2016, and thereon acquire, pursuant to areas of free petitioning (in Spanish, "áreas de libre disponibilidad"), as published by INGEMMET on November 30, 2015. In exchange for funding Condor's expenses to petition these projects, Condor agreed to grant to the Peruvian company an exclusive option until April 30, 2016 to determine if they wished to acquire up to 70% interest in each of the new properties. On January 4, 2016, Condor applied for 6 projects, and the Peruvian company reimbursed Condor for its expenses to

petition these projects. For 3 of the 6 projects, Condor was the only applicant, and subsequently the Peruvian company chose not to exercise their option to acquire an interest, and these 3 projects are now exclusively Condor's. On the fourth project, the Peruvian company chose not to exercise their option to acquire an interest, and Condor acquired clear title at the sealed bid auction conducted by the Peruvian officials in early September. This fourth project was contiguous to one of the original three, and has been amalgamated with it.

The three new projects acquired by Condor were named Humaya, Quilisane, and Huiñac Punta.

For 2 of the 6 projects, Condor and the Peruvian company party to the MOU reached agreement that Condor would not participate in these two projects. The private company and Condor have terminated the MOU.

### **Humaya**

Humaya is a 7 sq km copper prospect in south central Peru, approximately 190 km east of the city of Ica. 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 interpreted to be 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, and to date has signed several confidentiality agreements, and conducted two field visits.

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 (aka, Quilca-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. Quilca, the fourth project noted above under the Cazador MOU, and acquired by auction in September, is contiguous to Quilisane, and has been added to this project. Quilisane is host to a large epithermal alteration, with anomalous geochemical results for gold and pathfinder elements. There is evidence in one sector of several shallow drillholes 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.

### **Huiñac Punta**

Huiñac Punta is a 10 sq km prospect 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. This project hosts potential for the discovery of a silver and copper 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.

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.

### ***Property Summary***

Condor presently has a high quality portfolio of eleven 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 and Chavin projects.

A detailed breakdown of property expenditures can be found in Note 6 of the audited condensed consolidated financial statements for the year ended February 28, 2017.

### ***Financing Activity during the Year Ended February 28, 2017***

In February 2017, the Company completed a \$500,000 private placement financing with Sandstorm Gold Ltd. which consisted of 6,666,667 units at \$0.075, with each unit consisting of one common share and one warrant. Each warrant is exercisable at \$0.15 into one common share for a period of five years. No commissions or finder's fees were paid in connection with the private placement. The shares issued pursuant to the private placement were subject to a hold period that expired on June 10, 2017.

1,445,000 common shares were issued upon the exercise of 1,445,000 incentive stock options with a weighted average exercise price of \$0.05 for gross proceeds of \$72,250.

4,500,000 common shares were issued upon the exercise of 4,500,000 share purchase warrants with a weighted average exercise price of \$0.05 for gross proceeds of \$225,000.

### ***Financing Activity Subsequent to February 28, 2017:***

The Company settled \$111,180 in accounts payable by the issuance of 1,482,000 shares at \$0.075 per share. The shares are subject to a four month hold period which expires September 11, 2017.

100,000 common shares were issued upon the exercise of 100,000 incentive stock options with an exercise price of \$0.08 for gross proceeds of \$8,000;

2,000,000 common shares were issued upon the exercise of 2,000,000 share purchase warrants with an exercise price of \$0.075 for gross proceeds of \$150,000.

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

At February 28, 2017, 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
405,000	\$ 0.20	October 9, 2017
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
<u>1,180,000</u>	\$ 0.08	August 11, 2021
5,285,000		

3,175,000 incentive stock options with a weighted average exercise price of \$0.06 were granted during the year ended February 28, 2017 and 2,390,000 incentive stock options with an exercise price of \$0.12 expired unexercised during the same period.

### Share Purchase Warrants

At February 28, 2017, the Company had the following share purchase warrants outstanding enabling holders to acquire the following common shares of the Company:

Number of Shares	Exercise Price	Expiry Date
5,650,000	\$0.075	October 11, 2018
4,000,000	\$0.075	October 22, 2018
2,500,000	\$0.075	November 14, 2018
6,666,667	\$0.15	February 9, 2022
<u>18,816,667</u>		

### 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 28, 2017</b>		<b>Year Ended February 29, 2016</b>		<b>Year Ended February 28, 2015</b>	
Revenues	\$	NIL	\$	NIL	\$	NIL
Total expenses	\$	400,003	\$	321,661	\$	559,000
Net loss	\$	(246,942)	\$	(1,628,973)	\$	(946,384)
Basic and diluted net loss per share	\$	(0.00)	\$	(0.02)	\$	(0.01)
Weighted average number of shares outstanding		89,777,218		85,280,041		80,994,885

  

<b>BALANCE SHEET DATA</b>	<b>Year Ended February 28, 2017</b>		<b>Year Ended February 29, 2016</b>		<b>Year Ended February 28, 2015</b>	
Cash	\$	944,963	\$	94,641	\$	25,004
Working capital surplus (deficiency)	\$	711,793	\$	(101,646)	\$	(2,222)
Total assets	\$	2,540,478	\$	1,845,327	\$	3,078,508
Shareholders' equity	\$	2,293,889	\$	1,614,462	\$	3,023,329

### Summary of Quarterly Results (unaudited)

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

Three months ended:	28-Feb-17	30-Nov-16	31-Aug-16	31-May-16	29-Feb-16	30-Nov-15	31-Aug-15	31-May-15
Basis of preparation	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil				
General and administrative expenses	(99,630)	(57,092)	(142,297)	(100,984)	(138,287)	(67,369)	(63,956)	(52,049)
Other income (expenses)	153,061	-	-	-	(1,496,762)	141,200	48,250	-
Income (loss) for the period	53,431	(57,092)	(142,297)	(100,984)	(1,635,049)	73,831	(15,706)	(52,049)
Earnings (Basic and diluted loss) per share	\$ -	\$ -	\$ -	\$ -	\$ (0.02)	\$ -	\$ -	\$ -

## **Financial Results of Operations – For the year ended February 28, 2017**

The financial the results discussed herein have been prepared in accordance with IFRS standards. All references to 2015 in the following commentary of the Financial Results of Operations refer to the comparative results for the year ended February 29, 2016.

During the year ended February 28, 2017, the Company incurred a net loss of \$246,942 comprised of general and administrative (“G&A”) expenses of \$400,003 and income from other items of \$153,061. (2016 – loss of \$1,628,973 comprised of \$321,661 in G&A and a loss from other items of \$1,307,312). The increase in G&A was mainly due to \$134,750 (2016 - \$Nil) in stock-based compensation expense which is a non-cash item. This increase was offset by lower project generation fees and lower legal fees which are included in professional fees. The previous year included additional legal fees related to the sale of the Chilean subsidiary.

Other items in the year ended February 28, 2017 consisted of \$153,061 in revenue earned from the sale of royalties on various properties to Sandstorm. Royalty sales are usually recognized as a recovery of deferred exploration cost. However, for certain properties upon which a royalty was sold to Sandstorm there was not enough deferred exploration to offset the recovery so some or all of the royalty payments on those properties was recognized as other income.

Other items in the year ended February 29, 2016 consisted of the write-off of exploration and evaluation expenditures of \$1,364,624 related to the decision to terminate the option on the Condor de Oro project in Peru, a financing fee of \$4,000 for bonus shares issued per a loan agreement and other income of \$61,312. Other income of \$61,312 consisted of \$13,062 from the sale of some geological data related to a property that was previously abandoned and \$48,250 from the sale of the Company’s Chilean subsidiary, Minera Condor Limitada.

During the year ended February 28, 2017, cash used by operating activities was \$44,797 (2016 – \$133,714). The increase was mainly due to \$153,061 in other income received from the sale of royalties to Sandstorm. This was offset by an increase in accounts payable and accrued liabilities decreased by \$46,235 (2016 - \$131,738) as the Company had more funds to pay expenses on a regular basis.

Cash provided by investing activities was \$145,024 (2016 – Cash used \$52,755) which was made up of exploration and evaluation expenditures of \$367,552 (2016 - \$259,130) which were offset by \$514,264 (2016 - \$206,375) in property option and royalty payments received. \$1,688 (2016 - \$Nil) in equipment was also purchased. Please refer to the mineral property section (note 6) in the audited consolidated financial statements for the year ended February 28, 2017 for a more detailed description of the costs incurred.

During the year ended February 28, 2017, cash provided by financing activities was \$750,095. The Company completed a private placement financing for net proceeds of \$494,368. The Company received \$72,450 upon the exercise of 1,445,000 incentive stock options at \$0.05 and received \$225,000 upon the exercise of 4,500,000 warrants at \$0.05. The Company also repaid a loan that was received in 2016 from a director of the Company. The total amount paid was \$45,391 which included the principle of \$40,000, interest accrued at February 29, 2016 of \$1,523 and interest for fiscal 2017 of \$3,868 calculated to the day of repayment.

During the year ended February 29, 2016, cash provided by financing activities was \$256,106 made up of the net proceeds of \$216,106 from a private placement financing as well as a \$40,000 loan received from a Director of the Company.

## **Financial Results of Operations – For the quarter ended February 28, 2017**

The financial the results discussed herein have been prepared in accordance with IFRS standards. All references to 2016 in the following commentary of the Financial Results of Operations refer to the comparative results for the three months ended February 29, 2016.

During the three months ended February 28, 2017, the Company earned net income of \$53,431 comprised of G&A expenses of \$99,630 and income from other items of \$153,061. (2016 – loss of \$1,503,049 comprised of \$138,287

in G&A and a loss of \$1,566,969 from other items). G&A expenses remained consistent with the previous year apart from reductions in professional fees and project generation fees which partially offset by a foreign exchange loss.

Other items in the year ended February 28, 2017 consisted of \$153,061 in revenue earned from the sale of royalties on various properties to Sandstorm. Royalty sales are usually recognized as a recovery of deferred exploration cost. However, for certain properties upon which a royalty was sold to Sandstorm there was not enough deferred exploration to offset the recovery so some or all of the royalty payments on those properties was recognized as other income.

Other items for the three months ended February 28, 2016 were \$1,566,969 consisting mainly of \$1,364,624 in exploration and evaluation expenditure write-offs and the reclassification of \$132,000 in royalty payments from other income to exploration and evaluation assets.

During the three months ended February 28, 2017, cash provided by operating activities was \$53,103 (2016 – cash used of \$72,453). Cash provided by investing activities was \$255,147 (2016 - \$3,712) made up the purchase of \$1,688 (2016 - \$Nil) of equipment, exploration and evaluation expenditures of \$102,079 (40,626) and \$358,914 (2016 - \$44,338) in mineral property option and royalty payments received.

During the three months ended February 28, 2017, cash provided by financing activities was \$452,845. The Company completed a private placement financing for net proceeds of \$494,368. The Company also repaid a loan that was received in 2016 from a director of the Company. The total amount paid was \$45,391 which included the principle of \$40,000, interest accrued at February 29, 2016 of \$1,523 and interest for fiscal 2017 of \$3,868 calculated to the day of repayment.

### ***Liquidity***

At February 28, 2017 the Company had a deficit of \$20,913,812. 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 28, 2017, the Company had cash of \$944,963 and working capital of \$711,793.

### ***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 28, 2017, the Company completed the following transactions with related parties:

- a) Paid or accrued management fees of \$54,000 (2016 - \$54,000) to the President, Chief Executive Officer and director of the Company;
- b) Paid or accrued legal fees of \$10,560 (2016 - \$55,325) recorded as professional fees and \$Nil (2016 - \$6,894) recorded as share issue costs to a law firm in which a director was a partner;
- c) Paid or accrued legal fees of \$23,942 (2015 - \$Nil) recorded as professional fees and \$2,982 (2016 - \$Nil) recorded as share issue costs to a law firm in which a director is associate counsel;
- d) Paid or accrued management fees of \$26,400 (2016 - \$26,400) to the Chief Financial Officer of the Company;

e) Paid or accrued management supervision and oversight fees capitalized to mineral properties of \$75,437 (2016 - \$65,445) to the Vice-President, Exploration of the Company;

f) Paid or accrued management fees and project generation fees of \$15,748 (2016 - \$15,758) and \$15,748 (2016 - \$15,758) respectively to the Vice-President, Exploration of the Company;

g) Paid or accrued directors' fees totaling \$19,200 (2016 - \$20,800) to the independent directors of the Company;

h) Re-paid a loan received from an insider in October 2015, whereby the Company borrowed \$40,000 (the "Loan"), for a term of one year, repayable in cash at the expiry of the term. Under the terms of the Loan, the lender was paid 10% interest, and received a 20% bonus paid in common shares of the Company at a deemed price of \$0.05 per share (160,000 common shares). The total amount re-paid was \$45,392 which included interest of \$5,392, including \$1,523 that had been accrued at February 29, 2016.

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 June 28, 2017***

	Number	Weighted Average	
		Price	Life in Years
Issued shares	102,057,308		
Stock options	5,185,000	\$0.08	2.86
Share purchase warrants	16,816,667	\$0.10	2.63
Fully Diluted	<u>124,058,975</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.