Management's Discussion and Analysis
For the three and six months ended June 30, 2023
Dated August 14, 2023

BUSINESS DESCRIPTION AND READER GUIDANCE

Condor Energies Inc. is an internationally focused energy transition company incorporated on October 20, 2006 ("Condor" or the "Company") that is uniquely positioned on the doorstep of European and Asian markets. With producing gas assets, an ongoing initiative to construct and operate Central Asia's first LNG facility, a separate initiative to develop and produce lithium brine and another initiative focused on gas field redevelopments, the Company has built a strong foundation for reserve, production and cashflow growth while also striving to minimize its environmental footprint. Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2022, is available on SEDAR+ at: www.sedarplus.com.

The Company's Management's Discussion and Analysis ("MD&A") which follows should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and 2022 (the "Financial Statements"), and the audited consolidated financial statements for the years ended December 31, 2022 and 2021. The Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' under International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. This MD&A is dated August 14, 2023, the date the Condor Board of Directors approved the Financial Statements and MD&A.

All financial amounts are in Canadian dollars, unless otherwise stated.

OVERALL PERFORMANCE

Highlights

- In July 2023, the Government of Kazakhstan awarded Condor a 100% working interest in a contiguous 37,300-hectare lithium brine mining license in Kazakhstan for a six-year term.
- The Company is awaiting final approval from the Government of Kazakhstan for its 95% working interest in a separate lithium brine mining license in Kazakhstan.
- In June 2023, the Company established a USD 5.9 million (CAD 7.8 million) three-year term loan facility that bears interest at 9.0% per annum and is available for working capital requirements and general corporate purposes.
- The Company continues with final negotiations and approval of the definitive legal documents for a production redevelopment project to assume full operations of eight existing gas-condensate fields in Uzbekistan.
- In Kazakhstan, discussions are ongoing to secure a long-term LNG feed gas supply contract.

Lithium Licenses in Kazakhstan

In July 2023, the Government of Kazakhstan awarded Condor a contiguous 37,300-hectare lithium brine mining license in Kazakhstan (the “First Lithium License”). The Company holds a 100% working interest in the First Lithium License which provides the subsurface exploration rights for solid minerals for a six-year term.

A prior well drilled in the First Lithium License for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of 67 milligrams per litre in Carboniferous-aged intervals as reported by the Ministry of Geology of the Republic of Kazakhstan. A 670-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. This well also penetrated the very top of the Devonian-aged sediments and reservoir sands were encountered but not tested.

As previously disclosed, Condor has also entered into a binding sale and purchase agreement for a separate lithium brine mining license (the “Second Lithium License”) with a state-owned entity (the “Seller”). A prior well drilled in the Second Lithium License for hydrocarbon exploration encountered and tested brine deposits with lithium concentrations of up to 130 milligrams per litre in Devonian and Carboniferous-aged intervals as reported by the Ministry of Geology of the Republic of Kazakhstan. A 1000-meter column of tested and untested brine reservoir has been identified from historical wireline log and core data. Condor will hold a 95% working interest in the Second Lithium License and operate and be responsible for funding all activities while the Seller will maintain a 5% carried working interest. The Second Lithium License was originally assigned to the Seller on April 3, 2019 and provides the subsurface exploration rights for solid minerals on a contiguous 6,800-hectare area for a six-year term. The Company is awaiting final approval from the Government of Kazakhstan for the Second Lithium License.

The First and Second Lithium Licenses are strategically located between Europe and China, providing direct access to existing and robust lithium markets. The Company intends to produce the lithium by utilizing closed-looped Direct Lithium Extraction (“DLE”) technologies. Given that the Company’s Lithium Licenses are not associated with legacy oil wells nor any reported presence of hydrogen sulphide, a less complex and less capital intensive modular DLE technology is envisioned for the separation of lithium from the brine when compared with lithium extraction projects targeting oilfield brines. By applying proven DLE production technologies, the Company expects to have a much smaller environmental footprint than existing lithium production operations which use open-pit mining or brine evaporation ponds. The Company is also evaluating the construction of a renewable power generation project to achieve net-zero emissions for its lithium production.

The Company’s initial development plan over the next twelve months includes drilling and testing two wells to verify deliverability rates, confirm the lateral extension and concentrations of lithium in the tested and untested intervals, conduct preliminary engineering for the production facilities, and prepare a mineral resources or mineral reserves report compliant with National Instrument 43-101 (“NI 43-101”) Standards of Disclosure for Mineral Projects (the “Mineral Report”). Procurement of long-lead equipment and contracting a drilling rig is underway.

New 9.0% Loan Facility Established

On June 30, 2023, the Company established a USD 5.9 million (CAD 7.8 million) three-year term loan facility (“Loan Facility”) that bears interest at 9.0% per annum. The Loan Facility is unsecured, non-revolving, requires quarterly interest payments and is available for working capital requirements and general corporate purposes, including the advancement of the lithium brine and Uzbekistan gas field redevelopment initiatives.

The Loan Facility comprises separate loans from a group of arm's length lenders (each a "Lender") made pursuant to credit agreements between Condor and each Lender on substantially the same terms other than the timing for principal repayment. The Loan Facility was completed in two tranches comprising USD 0.5 million (CAD 0.7 million) with an effective date of June 30, 2023 and principal due at maturity on June 30, 2026 and, subsequent to period end, USD 5.4 million (CAD 7.1 million) with an effective date of July 14, 2023 of which USD 2.6 million (CAD 3.4 million) of principal is due at maturity on July 14, 2026 and USD 2.8 million (CAD 3.7 million) of principal is due in eight equal quarterly payments commencing on October 14, 2024 and the final payment due on July 14, 2026.

In connection with the Loan Facility, Condor issued a total of 2,600,002 common share purchase warrants at an exercise price of $0.48 per share ("Warrants"). Each Lender received 1/3 of a Warrant for each dollar contributed to the Loan Facility for a total of 1,966,669 Warrants and an intermediary received 1/6 of a Warrant for each dollar of the Loan Facility loaned by a Lender introduced by the intermediary to the Company for a total of 633,333 Warrants.

Uzbekistan Production Contract and LNG Strategy

The Company continues with final negotiations and approval of the definitive legal documents for a production redevelopment project to assume full operations of eight existing gas-condensate fields in Uzbekistan, along with two additional exploration blocks in the surrounding area. The intent is to optimize production and increase domestic gas supply by utilizing modern production technologies and techniques. Included with the eight producing gas fields are the associated gathering pipelines, and gas treatment infrastructure.

In addition, the Company has presented a proposal to the Government of Uzbekistan to use a portion of the increased gas production for LNG feedstock and provide the resulting LNG to mining operators and other users to displace diesel fuel usage. The Company's LNG strategy in Uzbekistan would create a vertically integrated business with self-sufficient gas supply to replace expensive diesel with cleaner and cheaper LNG, decrease the mines operating costs, reduce the country's dependency on diesel imports, and positively impact the country's carbon reduction efforts by reducing overall carbon emissions.

LNG Initiatives in Kazakhstan

The Company continues to mature opportunities to implement proven North American modular LNG technologies and processes in Central Asia to displace diesel fuel usage in the industrial, transportation and power generation sectors. Kazakhstan is experiencing a natural gas shortage as internal demand continues to increase without sufficient new gas field development, which is impacting the Company's ability to secure a long-term LNG feedstock gas supply contract.

Front-end engineering for a 125,000 gallons per day modular LNG facility has been completed. Design on a scaled down trailer-mounted version is also underway to utilize feed gas supplied from stranded gas assets that aren't commercially viable due to pipeline infrastructure costs or from the associated gas from producing crude oil fields. The potential to profitably generate LNG at feed gas site locations is one of the many advantages that the Company's LNG approach provides.

Turkiye Operations

Gas production for the second quarter of 2023 decreased 69% to 9,007 Mcf or an average of 99 Mcf/d from 29,053 Mcf or an average of 319 Mcf/d for the second quarter of 2022. The Poyraz Ridge field has been producing for over five years with water production and natural pressure declines impeding gas production

rates. Gas production during the second quarter of 2022 was also much higher due to the successfully drilled Poyraz 7 infill well that began producing in June 2022 and has since naturally declined.

Posted Turkish gas prices for the second quarter of 2023 averaged $17.89 per Mcf as compared to $23.14 per Mcf in the second quarter of 2022, in Canadian dollar terms, but have decreased to $13.31 per Mcf as of August 1, 2023.

The Company is seeking a partner to fund development activities at the Yakamoz field, which is located 2 km north of the existing Poyraz Ridge field and within the Poyraz Ridge operating license. The Company was encouraged with the results from the previously drilled Yak 1-ST, as it encountered numerous strong gas shows while confirming reservoir-quality formations and an active hydrocarbon system and, despite being temporarily suspended, casing pressure has built up at the surface, indicating a gas presence. Development of the Yakamoz field would consist of re-entering, casing and fully evaluating the Yak 1-ST well, drilling the Yak-2 well and additional production wells as required. If successful, the Yakamoz field would be tied by pipeline into the Poyraz Ridge production and sales facilities.

RESULTS OF OPERATIONS

Production

For the three months ended June 30	2023	2022	Change	Change %
Natural gas (Mcf)	9,007	29,053	(20,046)	(69%)
Natural gas (Mcf per day)	99	319	(220)	(69%)

For the six months ended June 30	2023	2022	Change	Change %
Natural gas (Mcf)	27,542	47,056	(19,514)	(41%)
Natural gas (Mcf per day)	152	260	(108)	(41%)

Natural gas production decreased 69% to 9,007 Mcf or an average of 99 Mcf per day for the three months ended June 30, 2023 from 29,053 Mcf or an average of 319 Mcf per day in the same period in 2022, and decreased 41% to 27,542 Mcf or an average of 152 Mcf per day for the six months ended June 30, 2023 from 47,056 Mcf or an average of 260 Mcf per day in the same period in 2022. The decreases were due mainly to water production and natural pressure declines impeding gas production rates. The Company also produced 10 barrels of condensate in the six months ended June 30, 2023 (2022: 69).

Operating Netback

The Company adopted *IAS 29, Financial Reporting in Hyper-Inflationary Economies* during 2022 which requires the restatement of non-monetary assets, non-monetary liabilities, revenues and expenses of the Company's Turkish subsidiary from the original transaction date into the purchasing power that reflects the price index prevailing at the end of the reporting period. The operating netback tables and analysis herein includes the respective year-to-date inflation adjustments and has been presented to provide additional insight into the netback revenue and expense components to better measure and analyze the Company's sales on a per unit basis and the Company's ability to generate funds.

2023 Operating netback[1]	Natural Gas		
	Q1	Q2	Total[2]
Natural gas sales ($000's)	396	134	530
Royalties ($000's)	(57)	(18)	(75)
Production costs ($000's)	(226)	(274)	(500)
Transportation and selling ($000's)	(7)	(3)	(10)
Operating netback ($000's)[1]	106	(161)	(55)
Natural gas sales (Mcf)	15,556	7,841	23,397
Natural gas sales ($/Mcf)	25.46	17.09	22.65
Royalties ($/Mcf)	(3.66)	(2.30)	(3.21)
Production costs ($/Mcf)	(14.53)	(34.94)	(21.37)
Transportation and selling ($/Mcf)	(0.45)	(0.38)	(0.43)
Operating netback ($/Mcf)[1]	6.82	(20.53)	(2.36)

2022 Operating netback[1]	Natural Gas		
	Q1	Q2	Total[3]
Natural gas sales ($000's)	260	606	866
Royalties ($000's)	(34)	(80)	(114)
Production costs ($000's)	(151)	(134)	(285)
Transportation and selling ($000's)	(26)	(6)	(32)
Operating netback ($000's) [1]	49	386	435
Natural gas sales (Mcf)	16,335	26,581	42,916
Natural gas sales ($/Mcf)	15.92	22.80	20.18
Royalties ($/Mcf)	(2.08)	(3.01)	(2.66)
Production costs ($/Mcf)	(9.24)	(5.04)	(6.64)
Transportation and selling ($/Mcf)	(1.59)	(0.23)	(0.75)
Operating netback ($/Mcf)[1]	3.01	14.52	10.13

Operating netback reconciliation for the six months ended June 30, 2023[1 4]	Natural Gas	Condensate	Inflation Q1	Inflation Q2	Total
Natural gas sales ($000's)	530		(92)	(27)	411
Condensate sales ($000's)		15	(3)	-	12
Royalties ($000's)	(75)	(2)	14	3	(60)
Production costs ($000's)	(500)	(10)	53	55	(402)
Transportation and selling ($000's)	(10)	(3)	2	-	(11)
Operating netback ($000's)[1]	(55)	-	(26)	31	(50)

1. Operating netback is a non-GAAP measure and is a term with no standardized meaning as prescribed by GAAP and may not be comparable with similar measures presented by other issuers. See "Non-GAAP Financial Measures" in this MD&A. The calculation of operating netback is aligned with the definition found in the Canadian Oil and Gas Evaluation Handbook.
2. See below reconciliation to financial statement amounts for each netback component.
3. Agrees to totals per financial statements as there was no condensate sales or inflation adjustment impact on the operating netback sales and expense components for the three or six months ended June 30, 2022.
4. Per unit measures are not presented for condensate, inflation adjustment or total amounts.

The operating netback decreased to ($0.16) million or an average of ($20.53) per Mcf for the three months ended June 30, 2023 from $0.39 million or an average of $14.52 per Mcf in the same period in 2022 and decreased to ($0.06) million or an average of ($2.36) per Mcf for the six months ended June 30, 2023 from $0.44 million or an average of $10.13 per Mcf in the same period in 2022. The decreases were primarily due to lower natural gas sales volumes, lower realized gas prices and $0.16 million of non-capital workovers included in production costs in 2023.

The overall impact of the inflation adjustment on total operating netback for the three and six months ended June 30, 2023 was approximately nil, but was mainly comprised of a decrease to natural gas sales of $0.12 million and decrease to production costs of $0.11 million due to changes in the Turkish Consumer Price Index and Turkish Lira to Canadian dollar foreign exchange rates during the three months ended June 30, 2023.

Sales

Excluding the non-cash accounting inflation adjustment for the six months ended June 30, 2023 of $0.12 million (2022: nil), natural gas sales decreased to $0.13 million on 7,841 Mcf or $17.09 per Mcf for the three months ended June 30, 2023 (2022: $0.61 million on 26,581 Mcf or $22.80 per Mcf), and decreased to $0.53 million on 23,397 Mcf or $22.65 per Mcf for the six months ended June 30, 2023 (2022: $0.87 million on 42,916 Mcf or $20.18 per Mcf) due mainly to the lower natural gas volumes and realized sales prices in 2023.

Marketing

Natural gas sales are domestic sales via pipeline at Turkish Lira denominated prices published monthly by the state-owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales is BOTAS Level 2 wholesale tariffs less a marketing differential.

Gas from the neighbouring Destan gas field is produced, compressed and trucked to the Company's owned and operated Poyraz Ridge gas plant and is marketed along with Poyraz Ridge gas production which is directly tied into the gas plant. There has been no production at Destan since the first quarter of 2022 due to a field unit compressor failure and subsequent difficulties in sourcing replacement parts, equipment and servicing technicians. The Company continues repair and procurement activities but it is uncertain when or if production will resume at Destan.

Along with natural gas, the Company produces small amounts of associated condensate. The condensate is trucked to a near-by facility for blending, storage and onward sales. The pricing for condensate sales is based on the nearest accessible global free market and determined by a formula provided for under the Petroleum Market Law and published monthly in Turkish Lira by Turkish Petroleum Corporation, the Turkish national oil company. Condensate sales for the three months ended June 30, 2023 were nil (2022: nil) and for the six months ended June 30, 2023 comprised 118 barrels at $126.95 per barrel (2022: nil).

Royalties

Royalties decreased to $0.02 million for the three months (2022: $0.08 million) and $0.08 million for the six months ended June 30, 2023 (2022: $0.11 million) excluding the non-cash inflation adjustment for the six months ended June 30, 2023 of $0.2 million (2022: nil) due mainly to lower natural gas production and sales volumes in 2023. The Company is subject to a flat royalty rate of 12.5% of natural gas and condensate sales.

Production costs

Production costs increased to $0.27 million or $34.94 per Mcf for the three months ended June 30, 2023 from $0.13 million or $5.04 per Mcf in the same period in 2022, and increased to $0.50 million or $21.37 per Mcf for the six months ended June 30, 2023 from $0.29 million or $6.64 per Mcf in the same period in 2022, excluding the $0.11 million non-cash inflation accounting adjustment for the six months ended June 30, 2023 (2022: nil). The increases are due mainly to $0.16 million of non-capital workovers included in production costs in 2023, decreased sales volumes in 2023 and continued general inflationary pressures on costs which are mainly comprised of personnel, fuel, chemicals, water disposal, insurance, safety and maintenance costs.

Transportation and selling

Transportation and selling expenses on natural gas sales are comprised of pipeline transmission fees and compressed natural gas trucking costs on Destan sales and on condensate sales are comprised of trucking, blending, storage and loading costs. Transportation and selling expenses decreased to $0.01 million for the six months ended June 30, 2023 (2022: $0.03 million) due mainly to lower sales volumes in 2023 and the higher volume of sales from Destan in 2022 which incur additional trucking costs.

General and administrative

General and administrative expenses, comprised mainly of personnel, professional services, office, and travel costs, decreased to $1.1 million for the three months ended June 30, 2023 from $1.3 million in the same period in 2022, and decreased to $2.3 million for the six months ended June 30, 2023 from $2.6 million in the same period in 2022, due mainly to lower personnel costs.

Depletion and depreciation

Overall depletion and depreciation increased to $0.5 million for the three months ended June 30, 2023 from $0.2 million in the same period in 2022 and to $0.7 million for the six months ended June 30, 2023 from $0.4 million in the same period in 2022. Depletion and depreciation for the six months ended June 30, 2023 is comprised of $0.2 million of depletion (2022: $0.2 million) and $0.5 million of increases in decommissioning obligations which are expensed in the current period (2022: $0.2 million).

Stock based compensation

Stock based compensation expenses increased to $0.07 million for the three months ended June 30, 2023 from $0.05 million in the same period in 2022 and to $0.18 million for the six months ended June 30, 2023 from $0.08 million in the same period in 2022. The expense is recognized on a graded basis and fluctuates based on the timing of the grants and vesting periods.

Foreign currency exchange gains and losses

The foreign exchange gain for the three months ended June 30, 2023 amounted to $0.06 million compared to $0.13 million for 2022, and was $0.06 million for the six months ended June 30, 2023 compared to $0.17 million for 2022, due mainly to gains on USD denominated cash and cash equivalents held by the Company. The Company is exposed to significant foreign currency risk as the Company's natural gas sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies including USD, KZT and TRL, and a significant portion of the Company's cash and cash equivalents is held in USD. The Company had no forward exchange rate contracts in place as at or during the six months ended June 30, 2023 and 2022.

Net monetary gain (loss)

The Company recognized a non-cash net monetary gain of $0.15 million for the six months ended June 30, 2023 due to an increase in the inflation rate of 20% since January 1, 2023 (2022: gain of $0.3 million, increase in inflation rate of 42%). Turkiye was designated a hyper-inflationary economy as of April 1, 2022 for accounting purposes and *IAS 29, Financial Reporting in Hyper-Inflationary Economies,* was adopted by the Company commencing in the second quarter of 2022.

NON-GAAP FINANCIAL MEASURES

The Company refers to "operating netback" in this MD&A, a term with no standardized meaning as prescribed by GAAP and which may not be comparable with similar measures presented by other issuers. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. Operating netback is calculated as sales less royalties, production costs and transportation and selling on a dollar basis and divided by the sales volume for the period on a per Mcf basis. The reconciliation of this non-GAAP measure is presented in the "Operating Netback" section of this MD&A. This non-GAAP measure is commonly used in the oil and gas industry to assist in measuring operating performance against prior periods on a comparable basis and has been presented to provide an additional measure to analyze the Company's sales on a per unit basis and the Company's ability to generate funds.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2023, the Company had cash of $1.7 million and working capital of $0.7 million, as well as long term borrowings of $0.45 million, which were comprised of $0.68 million of non-current principal, zero interest payable for a non-revolving credit facility (the "Credit Facility") and un-amortized issuance costs of $0.23 million.

In July 2023, the Credit Facility was increased by an additional $7.1 million to a total of $7.8 million, and these funds are available for working capital requirements and general corporate purposes, including the advancement of the lithium brine and Uzbekistan gas field redevelopment initiatives.

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkiye. Depending on the timing and availability of capital including funds from operating activities, the Company may use cash on hand to complete additional workovers at Poyraz Ridge and Destan, drill additional wells at Poyraz Ridge, re-enter, case and evaluate the Yak 1-ST well and drill additional wells at Yakamoz in the next twelve months.

The Company was awarded the First Lithium License in July 2023 and became responsible for contractual work commitments of $0.2 million per annum during the first three years and $0.3 million per annum during the final three years of the First Lithium License six-year term.

Condor is seeking a partner to fund development plans at Yakamoz which is focused on increasing near term production and cash from operating activities and consists of re-entering, casing and evaluating the Yak 1-ST well, drilling the Yak-2 well and drilling additional production wells. If successful, the Yakamoz field would be tied by pipeline into the Company's existing production and sales facilities. In addition, the Company is awaiting final approval for the Second Lithium License, continues to seek a production contract with the Government of Uzbekistan for fields of interest and is seeking to produce and deliver LNG to displace diesel fuel usage in Central Asia. Any of these initiatives, if successful, would require the Company to use a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. There is no assurance that the Company will be successful with these initiatives.

The Company will need to increase production and cash from operating activities, use cash on hand or raise additional equity or debt financing to fund future operations. There is no assurance the Company will be able to generate positive cash flow from operations or to secure funding from debt or equity financings, dispose of assets or complete other arrangements on favourable terms, or at all, which may require the utilization of all remaining working capital and financial resources.

COMMITMENTS AND CONTINGENT LIABILITIES

There are no work commitments related to the Poyraz Ridge or Destan operating licenses in Turkiye. The licenses had an expiry date of June 8, 2023 and, provided that the Company has performed its obligations under the respective work programs and future production is expected, each license may be extended until 2035 upon approval of the competent authority in Turkiye. The Company has performed its obligations under the work programs and applied for an extension to each license in December 2022. Despite a mandated sixty-day response period by the competent authority, the approvals remain outstanding due to industry and government related delays not specifically related to the Company. During the interim period between the expiry date of the licenses and the extension approvals being granted, the licenses are deemed to be under review and Turkish law provides and requires that production, sales and operations continue on the properties and royalties be accrued and paid until the extensions are approved or the licenses are terminated.

The Company was awarded the First Lithium License in July 2023 and became responsible for contractual work commitments of $0.2 million per annum during the first three years and $0.3 million per annum during the final three years of the First Lithium License six-year term. In addition, upon completion of the Second Lithium License title transfer, the Company would become responsible for contractual work commitments of $0.07 million per annum during the final two years of the Second Lithium License term.

The inquiries from the Dutch Tax Authority ("DTA") have been fully addressed with no taxes or interest being charged or payable. The DTA previously issued notices of assessment to a wholly owned subsidiary of the Company based in the Netherlands related to taxation years 2013–2017 seeking to disallow interest expense deductions related to inter-company loans received in the Netherlands and onward loaned on a back-to-back basis to another wholly owned subsidiary to fund activities in Kazakhstan.

FINANCIAL, HEALTH AND GEOPOLITICAL RISKS

The Company is exposed to a variety of financial, health and geopolitical risks. For a discussion of these risks please see the Company's MD&A and Annual Information Form for the year ended December 31, 2022, filed on SEDAR+ (www.sedarplus.com).

OUTSTANDING SHARE DATA

Common shares

As at June 30, 2023 there were 56,164,453 common shares of the Company outstanding and as at the date of this MD&A there were 56,490,433 common shares of the Company outstanding.

Convertible securities

As of June 30, 2023, outstanding convertible securities are comprised of 4,422,000 stock options with a weighted average exercise price of $0.40 and 580,980 warrants exercisable into an equal number of common shares comprised of 325,980 warrants at $0.38 per share on or before December 14, 2024 and 255,000 warrants at $0.48 per share on or before June 30, 2026.

As of the date of this MD&A, outstanding convertible securities are comprised of 4,422,000 stock options with a weighted average exercise price of $0.40 and 2,600,002 warrants exercisable into an equal number of common shares at $0.48 per share including 255,000 warrants exercisable on or before June 30, 2026 and 2,345,002 warrants exercisable on or before July 14, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at June 30, 2023.

QUARTERLY INFORMATION

The following table sets forth selected financial information of the Company for the eight most recently completed quarters to June 30, 2023:

For the quarter ended (000's except per share amounts)	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**	**Q1 2022**	**Q4 2021**	**Q3 2021**
Sales	12	411	1,129	1,612	606	260	251	47
Net income (loss)[1]	(2,087)	(838)	(943)	35	(771)	(1,385)	(4,770)	(1,251)
Net income (loss) per share [2]	(0.04)	(0.01)	(0.02)	0.00	(0.02)	(0.03)	(0.11)	(0.03)

1. The net income (loss) in all periods has been impacted by, among other things, production and sales volumes, commodity prices, operating costs, depletion, depreciation and impairment expense, foreign exchange gains and losses and net monetary gains and losses in the respective periods. The net income (loss) amounts include specific significant period items of $2.6 million exploration and evaluation expense in Q4 2021.

2. Per share amounts are basic and diluted. The Company treats the common shares as either dilutive or anti-dilutive based on net income (loss). If the common shares are anti-dilutive at this level they are treated as anti-dilutive for all other per share calculations.

CRITICAL ACCOUNTING ESTIMATES

The timely preparation of financial statements requires management to make use of judgments, estimates and assumptions regarding the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Further information on the Company's critical accounting estimates can be found in the notes to the annual consolidated financial statements and annual MD&A for the year ended December 31, 2022. There have been no significant changes to the Company's critical accounting estimates as of June 30, 2023.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") as defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

During the six months ended June 30, 2023, there have been no changes to the Company's ICFR that have materially or are reasonably likely to materially affect the ICFR. Because of their inherent limitations, DC&P and ICFR may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control systems are met.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements under applicable securities legislation. Such statements are generally identifiable by the terminology used, such as "anticipate", "intend", "expect", "plan", "estimate", "budget", "may", "will", "would", "continue", "pursue", "prepare", "envision", "project", "potential", "forecast" or other similar wording. Forward-looking information in this MD&A includes, but is not limited to, information concerning: the timing and ability to execute the Company's growth and sustainability strategies; the timing and ability to obtain the final approval from the Government of Kazakhstan and complete the Second Lithium License title transfer; the potential for the First and Second Lithium License areas to contain commercials deposits; future lithium testing results; the timing and ability to fund, permit and complete the planned drilling activities including drilling up to two additional wells and conduct preliminary engineering for the production facilities; the timing and ability to optimize the planned method for direct lithium extraction; the timing and ability of the untested Devonian and Carboniferous sand intervals to provide additional lithium brine potential; the timing and ability to generate a NI 43-101 compliant report; the Company's ability to procure and contract long-lead equipment; the timing and ability to produce the lithium by utilizing closed-looped DLE production technologies; the timing and ability to apply DLE production technologies to have a much smaller environmental footprint than existing lithium production operations; the timing and ability to evaluate the construction of a renewable power generation project to achieve net-zero emissions for lithium production; the timing and ability to conduct future drilling, workover and optimization activities the timing and ability to perform

additional well workovers; the timing and ability of the well workovers to help mitigate water production and natural pressure declines; the timing and ability to resume production at Destan; the Company's ability to secure a partner to fund development plans at the Yakamoz field; the timing and ability to re-enter, case and fully evaluate the Yakamoz structure; the timing of and ability to drill new wells and the ability of the new wells to become producing wells; the ability of the surface casing pressure build up at Yak 1-ST well to indicate a gas presence; the timing and ability to tie the Yakamoz field into the Company's existing gas plant; the result and timing of negotiation with the Government of Kazakhstan regarding the construction and operation of modular LNG facilities; the timing and ability to secure long-term LNG feedstock gas supply contracts under favourable terms, or at all; the potential to profitably generate LNG at feed gas site locations; the impact of declining gas production and increased demand for natural gas in Uzbekistan; the timing and ability to operate gas fields, optimize production, increase domestic gas supply, and utilize modern western production techniques and methods in Uzbekistan; the timing and ability to increase gas production, use a portion of the incremental gas for LNG feedstock, provide LNG to mining operators and other users to displace diesel fuel usage; the timing and ability to create a vertically integrated business with self-sufficient gas supply; the timing and ability to replace diesel fuel with LNG; the expectation that expired licenses related to work at the Poyraz Ridge and Destan operations will be renewed; the timing and ability to decrease the mine's operating costs, reduce Uzbekistan's dependency on diesel imports, and positively impact the country's carbon reduction efforts by reducing overall carbon emissions; the timing and ability to utilize western technologies and improve operational practices to increase production and profitability in Uzbekistan; the timing and ability to execute a production contract with the Government of Uzbekistan under favourable terms, or at all; the areas to be included and the terms and conditions including but not limited to royalty rates, cost recovery, profit allocation, gas marketing and pricing, government participation, governance, baseline production levels and reimbursement methodology; the timing and ability to pursue other initiatives and commercial opportunities; projections and timing with respect to natural gas and condensate production; expected markets, prices, costs and operating netbacks for future oil, gas and condensate sales; the timing and ability to obtain various approvals and conduct the Company's planned exploration and development activities; the timing and ability to access oil and gas pipelines; the timing and ability to access domestic and export sales markets; anticipated capital expenditures; forecasted capital and operating budgets and cash flows; anticipated working capital; sources and availability of financing for potential budgeting shortfalls; the timing and ability to obtain future funding on favourable terms, if at all; general business strategies and objectives; the timing and ability to obtain exploration contract, production contract and operating license extensions; the potential for additional contractual work commitments; the ability to meet and fund the contractual work commitments; the satisfaction of the work commitments; the results of non-fulfilment of work commitments; projections relating to the adequacy of the Company's provision for taxes; and treatment under governmental regulatory regimes and tax laws.

This MD&A and other public disclosure filings of the Company referred to herein also include forward-looking information regarding health risk management including, but not limited to: travel restrictions including shelter in place orders, curfews and lockdowns which may impact the timing and ability of Company personnel, suppliers and contractors to travel internationally, travel domestically and to access or deliver services, goods and equipment to the fields of operation; the risk of shutting in or reducing production due to travel restrictions, Government orders, crew illness, and the availability of goods, works and essential services for the fields of operations; decreases in the demand for oil and gas; decreases in natural gas, condensate and crude oil prices; potential for gas pipeline or sales market interruptions; the risk of changes to foreign currency controls, availability of foreign currencies,

availability of hard currency, and currency controls or banking restrictions which restrict or prevent the repatriation of funds from or to foreign jurisdiction in which the Company operates; the timing and ability to execute a production contract with the Government of Uzbekistan; the Company's financial condition, results of operations and cash flows; access to capital and borrowings to fund operations and new business projects; the timing and ability to meet financial and other reporting deadlines; and the inherent increased risk of information technology failures and cyber-attacks.

By its very nature, such forward-looking information requires Condor to make assumptions that may not materialize or that may not be accurate. Forward-looking information is subject to known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such information. Such risks and uncertainties include, but are not limited to: regulatory changes; the timing of regulatory approvals; the risk that actual minimum work programs will exceed the initially estimated amounts; the results of exploration and development drilling and related activities; factors affecting the Seller's ability to transfer the title of the Second Lithium License to Condor; the risk that prior lithium testing results will not be indicative of future testing results or actual results; imprecision of reserves estimates and ultimate recovery of reserves; the effectiveness of lithium mining and production methods including DLE technology; the risk that historical production and testing rates will not be indicative of future production rates, capabilities or ultimate recovery; the historical composition and quality of oil and gas may not be indicative of future composition and quality; general economic, market and business conditions; industry capacity; uncertainty related to marketing and transportation; competitive action by other companies; fluctuations in oil and natural gas prices; the effects of weather and climate conditions; fluctuation in interest rates and foreign currency exchange rates; the ability of suppliers to meet commitments; actions by governmental authorities, including increases in taxes; decisions or approvals of administrative tribunals and the possibility that government policies or laws may change or government approvals may be delayed or withheld; changes in environmental and other regulations; risks associated with oil and gas operations, both domestic and international; international political events; and other factors, many of which are beyond the control of Condor. Capital expenditures may be affected by cost pressures associated with new capital projects, including labour and material supply, project management, drilling rig rates and availability, and seismic costs.

These risk factors are discussed in greater detail in filings made by Condor with Canadian securities regulatory authorities including the Company's Annual Information Form, which may be accessed through the SEDAR+ website (www.sedarplus.com).

Readers are cautioned that the foregoing list of important factors affecting forward-looking information is not exhaustive. The forward-looking information contained in this MD&A are made as of the date of this MD&A and, except as required by applicable law, Condor does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

ABBREVIATIONS

The following is a summary of abbreviations used in this MD&A:

M	Thousands
MM	Millions
Mcf	Thousands of standard cubic feet
Mcf/d	Thousands of standard cubic feet per day
CAD	Canadian Dollars
KZT	Kazakhstan Tenge
TRL	Turkish Lira
USD	United States Dollars
Q	Quarter
LNG	Liquefied Natural Gas