

THE CONTENT OF THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF FSMA. RELIANCE ON THIS DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL AMOUNTS INVESTED.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA who specialises in advising in connection with shares and other securities.

If you have sold or transferred all of your Existing Ordinary Shares in the Company, please send this Document and the accompanying Application Form (if any) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Existing Ordinary Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Open Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document is not a prospectus for the purposes of the Prospectus Rules. This Document does not comprise an admission document under the AIM Rules. As such, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

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## CONDOR GOLD PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 05587987)*

**Open Offer to Qualifying Shareholders of up to 26,438,255 Open Offer Shares**

**at an Issue Price of £0.15 per Open Offer Share**

**Notice of Extraordinary General Meeting**

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This Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. **The Open Offer Shares have not been, and will not be, registered under the Securities Act, or under the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with state securities laws.**

The Existing Ordinary Shares are admitted to trading on AIM and listed on the TSX. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Open Offer Shares to the Official List. The Open Offer Shares will not be dealt on any recognised investment exchange other than AIM and the TSX and no other such application will be made.**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and the TSX has conditionally approved the listing of the Open Offer Shares on the TSX. It is expected that admission of the Open Offer Shares will become effective and that dealings will commence on 23 December 2022. The New Shares will, on Admission, rank *pari*

*passu* in all respects with, and will rank equally for all dividends and other distributions declared, made or paid in respect of, the Existing Ordinary Shares after the relevant date of Admission.

A notice convening an Extraordinary General Meeting of the Company to be held at the Company's registered office address on 21 December 2022 at 11 a.m. is set out on page 54 of this document. A form of proxy for the EGM may be enclosed with this Document. **To be valid, the form of proxy must be completed and returned so as to be received by the Company Secretary in the UK, or the Company's registrar in Canada, in either case, no later than 11 a.m. on 19 December 2022.**

**You should read the whole of this Document.** Your attention is drawn, in particular, to the "Important Information" section of this Document, the letter from the Chairman of the Company set out in Part I of this Document which explains the background to, and reasons for, the Open Offer, and the risk factors set out in Part II of this Document.

## IMPORTANT INFORMATION

The offer or transfer of the Open Offer Shares, and the transmission of this Document, into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document comes who are not resident in the UK should inform themselves about, and observe, any applicable restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Open Offer is not being made in Canada or any other Restricted Jurisdiction or to Canadian shareholders or any other Excluded Overseas Shareholders and any person (including, without limitation, nominees and trustees) who has a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

The Company and the Directors accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and makes no omission likely to affect the import of such information.

The total consideration under the Open Offer shall be less than €8 million (or an equivalent pounds sterling amount) in aggregate and so, in accordance with section 85 of FSMA, the Open Offer does not require the issue of a prospectus for the purposes of the Prospectus Regulation Rules. Therefore, the Open Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA. In addition, this Document does not constitute an admission Document drawn up in accordance with the AIM Rules. It is emphasised that no application is being made for the admission of the Existing Ordinary Shares or the New Shares to the Official List of the FCA.

**This Document should be read in its entirety and, in particular, your attention is drawn to the section headed “Risk Factors” in Part II of this Document.**

This Document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Open Offer Shares have not been, and will not be, registered under the Securities Act or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada (or any province or territory thereof), Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

Subject to certain exemptions, this Document and the Application Form do not constitute an offer of Open Offer Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside the United States, the Open Offer Shares are being offered in reliance on Regulation S under the US Securities Act. The Open Offer Shares will not qualify for distribution under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Accordingly, unless a relevant exemption from such requirements is available, the Open Offer Shares may not, subject to certain exceptions, be offered, sold, taken up, re-sold or delivered, directly or indirectly, into or within the United States, Canada, Japan, Australia, the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations (each, a “**Restricted Jurisdiction**”). Shareholders who believe that they, or persons on whose behalf they hold Ordinary Shares, are eligible for an exemption from such requirements should refer to paragraph 6 of Part IV of this Document to determine whether and how they may participate.

**Overseas Shareholders and any person (including, without limitation, nominees, custodians and trustees) who has a contractual or other legal obligation to forward this Document or**

**an Application Form to a jurisdiction outside the UK should read paragraph 6 of Part IV of this Document.**

Qualifying non-CREST Shareholders will find an Application Form enclosed with this Document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11 a.m. on 20 December 2022 and the procedure for application and payment is set out in Part IV of this Document.

No person has been authorised to give any information or to make any representation about the Company and about the matters which are the subject of this Document other than those contained in this Document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this Document shall not imply that no change has occurred in the Company’s affairs since the date of issue of this Document or that the information in this Document is correct as at any time after the date of this Document, save as shall be required to be updated by law or regulation.

Beaumont Cornish Limited (“**BCL**”), which is authorised and regulated in the UK by the FCA and is a member of the London Stock Exchange, is the Company’s nominated adviser for the purposes of the AIM Rules. BCL is acting exclusively for the Company and will not regard any other person (whether or not a recipient of this Document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this Document or any other matter referred to herein. BCL’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person in respect of their decision to acquire Open Offer Shares in reliance on any part of this Document. BCL has not authorised the contents of this Document for any purpose and no liability whatsoever is accepted by BCL nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this Document or for the omission of any information. BCL expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Document.

This Document has been prepared for the purposes of complying with the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws or regulatory requirements of jurisdictions outside the UK. The statements contained in this Document are not to be construed as legal, business, financial or tax advice.

This Document includes statements that are, or may be deemed to be, “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, liquidity, the results of operations, business strategy, prospects, plans, growth, strategies, markets, objectives of management for future operations and the timing, completion and effects of the Open Offer and the Sub-Division. These forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

In accordance with the AIM Rules, this Document will be available on the Company's website ([www.condorgold.com](http://www.condorgold.com)) from the date of this Document, free of charge, subject to certain restrictions relating to persons in any jurisdiction where release, publication or distribution of this Document would constitute a violation of the securities law of such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks to or on the Company's website is incorporated in, or forms part of, this Document.

The technical and scientific information in this Document has been reviewed, verified and approved by Andrew Cheate, P.Geol., a director of the Company, and Gerald D. Crawford, P.E., the Chief Technical Officer of Condor Gold plc, each of whom is a "qualified person" as defined by Canadian National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

## OPEN OFFER STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this Document <sup>(1)</sup>	158,629,530
Closing Price on AIM per Existing Ordinary Share <sup>(2)</sup>	£0.1925
Issue Price per Open Offer Share	£0.15
Discount of Issue Price to Closing Price per Existing Ordinary Share	22 per cent.
Basis of Open Offer <sup>(3)</sup>	1 Open Offer Share for every 6 Existing Ordinary Shares
Maximum number of Open Offer Shares to be offered pursuant to the Open Offer	26,438,255
Maximum Enlarged Share Capital following Admission <sup>(5)</sup>	191,734,451
Maximum percentage of the Enlarged Share Capital represented by the Open Offer Shares <sup>(5)</sup>	14 per cent
Estimated aggregate net proceeds of the Open Offer <sup>(4)</sup>	£3,965,000
ISIN for Basic Entitlements under the Open Offer	GB00BPGCL012
ISIN for Excess Entitlements under the Open Offer	GB00BPGCL129

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(1) As at 2 December 2022, being the last practicable business day prior to the publication of this Document.

(2) The Closing Price on AIM on 2 December 2022, being £0.1925.

(3) The actual number of Open Offer Shares to be issued under the Open Offer will be subject to rounding down to eliminate fractions.

(4) Assuming the maximum number of Open Offer Shares are subscribed for by Qualifying Shareholders.

(5) Assuming conversion of the principal amount of the Convertible Loan Notes.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date and time for entitlements under the Open Offer	6 p.m. on 1 December 2022
Canadian Record Date for Extraordinary General Meeting	6 p.m. on 1 December 2022
Announcement of the Open Offer	7 a.m. on 5 December 2022
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 5 December 2022
Posting of this Document, Forms of Proxy and Application Forms	5 December 2022
Basic Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	As soon as possible after 8 a.m. on 6 December 2022
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 14 December 2022
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3 p.m. on 15 December 2022
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3 p.m. on 16 December 2022
<b>Latest time and date for receipt of Forms of Proxy</b>	<b>11 a.m. on 19 December 2022</b>
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	<b>11a.m. on 20 December 2022</b>
Extraordinary General Meeting	11 a.m. on 21 December 2022
Record Date for the Sub-Division	6 p.m. on 21 December 2022
Announcement of result of Open Offer and EGM Voting Results	21 December 2022
Effective Date of the Sub-Division	22 December 2022
Admission and commencement of dealings in Open Offer Shares on AIM	8.00 a.m. on 23 December 2022
CREST accounts expected to be credited for the Open Offer Shares to be held in uncertificated form	23 December 2022
Latest date for posting of share certificates for the Open Offer Shares in certificated form	9 January 2023

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### Notes:

*Each of the times and dates referred to above and where used elsewhere in this Document refer to GMT (unless otherwise stated) and are subject to change by the Company, in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.*

*In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part IV of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Computershare Investor Services PLC on 0370 707 4040 or, if calling from outside the United Kingdom, +44 (0)370 707 4040, where relevant, quoting the entitlement number of their Application Form.*

*Calls to the Receiving Agent's telephone number from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Receiving Agent cannot provide advice on the merits of participating or not in the Open Offer and cannot give any financial, legal or tax advice.*

## DIRECTORS, SECRETARY AND ADVISERS

Directors	Jim Mellon ( <i>Non-Executive Chairman</i> ) Mark Child ( <i>Chief Executive Officer</i> ) Kate Harcourt ( <i>Non-Executive Director</i> ) Ian Stalker ( <i>Non-Executive Director</i> ) Andrew Cheatle ( <i>Non-Executive Director</i> )
Company Secretary	Kate Doody
Registered Office	7/8 Innovation Place, Douglas Drive, Godalming, Surrey, GU7 1JX
Company website	<a href="http://www.condorgold.com">www.condorgold.com</a>
Nominated Adviser	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA
Legal advisers to the Company as to English law	GBH Law Limited 7/8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX
Legal advisers to the Company as to Canadian Law	Blake, Cassels & Graydon LLP 199 Bay Street Suite 4000, Commerce Court West Toronto ON M5L 1A9
Receiving Agent for the Open Offer	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
UK Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6AH
Canadian Registrar	Computershare Investor Services Inc. 100 University Avenue 8 <sup>th</sup> Floor Toronto Ontario M5J 2Y1 Canada

## DEFINITIONS

The following words and expressions shall have the following meanings in this Document unless the context otherwise requires:

<b>“£”, “Pounds Sterling” or “pence”</b>	the lawful currency of the United Kingdom;
<b>“Act”</b>	the Companies Act 2006;
<b>“Admission”</b>	admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time;
<b>“applicant”</b>	a Qualifying Shareholder or a person by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer;
<b>“Application Form”</b>	the application form relating to the Open Offer and enclosed with this Document for use by Qualifying non-CREST Shareholders
<b>“Articles”</b>	the articles of association of the Company in force at the date of this Document;
<b>“Basic Entitlement(s)”</b>	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part IV of this Document;
<b>“Board” or the “Directors”</b>	the directors of the Company, as at the date of this Document, whose names are set out on page 8 of this Document;
<b>“CCSS”</b>	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities;
<b>“certificated” or “in certificated form”</b>	an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST);
<b>“Company”</b>	Condor Gold Plc, a company incorporated and registered in England and Wales under the Act with company number 05587987 whose registered office is at 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX;
<b>“Convertible Loan Notes”</b>	the convertible loan notes issued to Galloway Limited on 25 November 2022 further details of which are set out in Part I of this Document;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations;
<b>“CREST Manual”</b>	the rules governing the operation of CREST, as published by Euroclear;
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a “system-member” (as defined in the CREST Regulations);
<b>“CREST participant”</b>	a person who is, in relation to CREST, a “system participant” (as defined in the CREST Regulations);
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear;
<b>“CREST Regulations”</b>	Uncertificated Securities Regulations 2001, as amended;

<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST participant admitted to CREST as a sponsored member (which includes all CREST personal members);
<b>“Deferred Shares”</b>	the 158,629,530 deferred shares of £0.199 each in the capital of the Company expected to be in issue following the Sub-Division;
<b>“Document”</b>	this open offer document and notice of general meeting dated 5 December 2022;
<b>“EGM”</b>	the extraordinary general meeting of Shareholders to be held at the registered office of the Company, 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX at 11 a.m. on 21 December 2022;
<b>“Enlarged Share Capital”</b>	the issued Ordinary Share capital of the Company immediately following the issue of the New Shares and the automatic conversion of the principal amount of the Convertible Loan Notes (if applicable);
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer;
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scale back in accordance with the provisions of this Document;
<b>“Excess Entitlement(s)”</b>	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part VI of this Document;
<b>“Excess Open Offer Shares”</b>	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement;
<b>“Excluded Overseas Shareholders”</b>	other than as determined by the Company, or as permitted by applicable law, the Overseas Shareholders;
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 5 December 2022;
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue as at the date of this Document being the entire issued share capital of the Company at the date of this Document;
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority of the UK, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry and the competent authority for the purposes of Part VI of FSMA;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“GMT”</b>	Greenwich Mean Time;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Issue Price”</b>	£0.15 per Open Offer Share;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;

<b>“member account ID”</b>	the identification code or number attached to any member account in CREST;
<b>“Money Laundering Regulations”</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006;
<b>“New Shares”</b>	the New Ordinary Shares issued under the Open Offer;
<b>“New Ordinary Shares”</b>	the ordinary shares of £0.001 each in the capital of the Company expected to be in issue following the Sub-Division;
<b>“Official List”</b>	the Official List of the FCA;
<b>“Open Offer”</b>	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this Document and, where relevant, in the Application Form;
<b>“Open Offer Entitlements”</b>	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Entitlement;
<b>“Open Offer Placing”</b>	the proposed placing by the Company as principal, of any Open Offer Shares not taken up under the Open Offer at the Issue Price;
<b>“Open Offer Record Date”</b>	1 December 2022;
<b>“Open Offer Shares”</b>	up to 26,438,255 New Ordinary Shares to be issued pursuant to the Open Offer;
<b>“Ordinary Shares”</b>	ordinary shares in the capital of the Company having the rights and being subject to the restrictions contained in the Articles;
<b>“Overseas Shareholders”</b>	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in, countries outside of the UK;
<b>“participation ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>“Prospectus Regulation”</b>	EU Regulation 2017/1129 (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018) on the requirements for a prospectus to be published when securities are offered to the public or admitted to trading;
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules published by the FCA pursuant to section 73A of FSMA (as amended from time to time);
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST;
<b>“Qualifying non-CREST Shareholders”</b>	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form;
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares other than Excluded Overseas Shareholders, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document;

<b>“Receiving Agent”</b>	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6AH;
<b>“Resolution”</b>	the resolution to be proposed at the EGM, the full text of which is set out in the Notice of Extraordinary General Meeting at the end of this Document;
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange;
<b>“Restricted Jurisdictions”</b>	the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law;
<b>“Securities Act”</b>	the United States Securities Act of 1933, as amended;
<b>“Shareholders”</b>	registered holders of Existing Ordinary Shares;
<b>“Sub-Division”</b>	the sub-division of 158,629,530 Existing Ordinary Shares into 158,629,530 New Ordinary Shares and 158,629,530 Deferred Shares;
<b>“Sub-Division Record Date”</b>	the record date for the Sub-Division, being 21 December 2022;
<b>“TSX”</b>	Toronto Stock Exchange;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and
<b>“USE”</b>	unmatched stock event.

**PART I**  
**LETTER FROM THE CHAIRMAN**  
**CONDOR GOLD PLC**

*(Incorporated and registered in England under the Companies Act 1985  
with registered number 05587987)*

**Directors:**

Jim Mellon (*Non-Executive Chairman*)  
Mark Child (*Chief Executive Officer*)  
Kate Harcourt (*Non-Executive Director*)  
Ian Stalker (*Non-Executive Director*)  
Andrew Cheatle (*Non-Executive Director*)

**Registered Office:**

7/8 Innovation Place  
Douglas Drive  
Godalming  
Surrey  
GU7 1JX

5 December 2022

*To: Holders of Existing Ordinary Shares and, for information purposes only, to the holders of options and warrants over Ordinary Shares*

**Open Offer of up to 26,438,255 Open Offer Shares  
at an Issue Price of £0.15 per Open Offer Share**

**1 INTRODUCTION**

The Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 26,438,255 Open Offer Shares, to raise up to approximately £3,965,000 (before expenses), on the basis of one Open Offer Share for every six Existing Ordinary Shares held on the Open Offer Record Date, at the Issue Price of £0.15. When aggregated with the £1,000,000 raised by the issue of the Convertible Loan Notes (as announced on 28 November 2022), this would allow the Company to raise up to approximately £4,965,000. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

The New Shares will be issued pursuant to existing Shareholder authorities granted at the general meeting of the Company held in May 2022. Application will be made for the Open Offer Shares to be admitted to trading on AIM, and the TSX has granted conditional approval with regard to the listing of the Open Offer Shares on the TSX. Admission is expected to occur at 8.00 a.m. on 23 December 2022 or such later time and/or date as the Company may agree.

**The Open Offer is conditional upon Shareholder approval of the Sub-Division, which will be sought at the EGM to be held at 11 a.m. on 21 December 2022, a notice of which is set out at the end of this Document.** Under the Act, a company is prohibited from issuing new shares at a price less than the nominal value of its shares. The Company's Existing Ordinary Shares have a nominal value of £0.20. The middle market share price of each Existing Ordinary Share on the date prior to the date of this letter was £0.1925. In order to enable the Company to offer New Ordinary Shares at a discount to Qualifying Shareholders to fund the Company through its sales process, the Company proposes subdividing each Existing Ordinary Share into one New Ordinary Share of £0.001 and one Deferred Share of £0.199. The Company expects that the Deferred Shares will never have any real value. The Deferred Shares will have no rights to vote or to dividends. The rights of the Deferred Shares to participate on a winding-up of the Company are unlikely to be realised, as such rights will be subject to the prior payment to the holders of New Ordinary Shares of the nominal capital paid up or credited as paid up on the New Ordinary Shares together with the sum of £10,000,000 on each New Ordinary Share.

The Issue Price represents a discount of 22 per cent. to the closing price of the Existing Ordinary Shares on AIM on 2 December 2022.

Further details of the Open Offer and the Sub-Division are set out in this Document, which you are encouraged to read carefully. No part of the Open Offer has been underwritten.

The purpose of this Document is to provide you with details of and the background to and reasons for the Open Offer and the Sub-Division and to explain why the Directors believe that both the

Open Offer and the Sub-Division are in the best interests of the Company and its Shareholders as a whole.

## 2 INFORMATION ON CONDOR GOLD PLC

Condor Gold Plc is a UK incorporated gold exploration and development company, with a focus on Nicaragua. The Company's shares are admitted to trading on AIM in London and to listing on the TSX in Toronto.

The Company's principal asset is La India Project, Nicaragua, which comprises of a large, highly prospective land package of 588 sq km comprising of 12 contiguous and adjacent concessions. The Company has filed a feasibility study technical report dated 25 October 2022 and entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2022" (the "**2022 FS**") which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and was prepared in accordance with the requirements of NI 43-101. The 2022 FS indicated that La India Project hosts a high grade Mineral Resource Estimate ("**MRE**") of 9,672 kt at 3.5g/t gold for 1,088,000 oz gold in the indicated mineral resource category and 8,642 kt at 4.3 g/t gold for 1,190,000 oz gold in the inferred mineral resource category. The open pit MRE is 8,693 kt at 3.2 g/t gold for 893,000 oz gold in the indicated mineral resource category and 3,026 kt at 3.0 g/t gold for 291,000 oz gold in the inferred mineral resource category. Total underground MRE is 979 kt at 6.2 g/t gold for 194,000 oz gold in the indicated mineral resource category and 5,615 kt at 5.0 g/t gold for 898,000 oz gold in the inferred mineral resource category.

In August 2018, the Company announced that the Ministry of the Environment in Nicaragua had granted the Environmental Permit ("**EP**") for the development, construction and operation of a processing plant with capacity to process up to 2,800 tonnes per day at its wholly-owned La India gold Project ("**La India Project**"). The EP is considered the master permit for mining operations in Nicaragua. The Company has purchased a new semi autogenous Mill ("**SAG Mill**"), which has mainly arrived in Nicaragua. Site clearance and preparation is at an advanced stage.

Environmental Permits were granted in April and May 2020 for the Mestiza and America open pits respectively, both located close to La India. The Mestiza open pit hosts 92 Kt at a grade of 12.1 g/t gold (36,000 oz contained gold) in the Indicated Mineral Resource category and 341 Kt at a grade of 7.7 g/t gold (85,000 oz contained gold) in the Inferred Mineral Resource category. The America open pit hosts 114 Kt at a grade of 8.1 g/t gold (30,000 oz) in the Indicated Mineral Resource category and 677 Kt at a grade of 3.1 g/t gold (67,000 oz) in the Inferred Mineral Resource category.

Other assets include approximately 1,000 hectares of land purchased for the mine site infrastructure for circa US\$4,200,000 and a new SAG Mill package purchased for US\$6,500,000.

On 25 October 2021 Condor announced the filing of a Preliminary Economic Assessment Technical Report ("**PEA**") for its La India Project, Nicaragua on SEDAR <https://www.sedar.com>. The highlight of the technical study is a post-tax, post upfront capital expenditure NPV of US\$418 million, with an IRR of 54 per cent and 12 month pay-back period, assuming a US\$1,700 per oz gold price, with average annual production of 150,000 oz gold per annum for the initial nine years of gold production. The open pit mine schedules have been optimised from designed pits, bringing higher grade gold forward resulting in average annual production of 157,000 oz gold in the first two years from open pit material and underground mining funded out of cashflow. The Mineral Resource estimate and associated Preliminary Economic Assessment contained in the PEA are considered a historical estimate within the meaning of NI 43-101. A qualified person has not done sufficient work to classify such historical estimate as current, the Company is not treating the historical Mineral Resource estimate and associated studies as current, and the reader is cautioned not to rely upon this data as such. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company believes that the historical Mineral Resource estimate and PEA are relevant to the continuing development of the La India Project.

The 2022 FS was completed on La India vein set open pit only, which has a MRE of 8,487 kt at 3.0g/t gold in for 827,000 oz gold in the indicated mineral resource category and 893 Kt at 2.4 g/t gold for 69,000 oz gold in the inferred mineral resource category.

The Company's strategy has been to develop the fully permitted La India Project in two stages using the new SAG Mill that has already been purchased. The delivery of a Feasibility Study on La India open pit with an average of 81,524 oz gold per annum for the initial six years for a relatively

low total upfront capital cost of US\$106,000,000 is a landmark and further de-risks the Project. At US\$1,600 oz gold, the La India open pit Mineral Reserve produces total revenues of US\$888,000,000, the total operating costs of mining, process and G&A are US\$480,000,000, leading to an operating profit of US\$408,000,000 or a 46 per cent operating margin. After government and other royalties, but before sustaining capital, the operating profit is US\$355,000,000, which in Condor's opinion is ample to repay any project debt on the relatively low upfront capex. At US\$2,000 oz gold after paying royalties, but before sustaining capital the operating profit is US\$563,000,000. In reality, two permitted high grade feeder pits will be added during the early years of production thus increasing production ounces of gold. Early production is targeted at 100,000 oz gold p.a..

The plan has been to materially expand production with a stage two expansion by converting existing Mineral Resources into Mineral Reserves and an associated integrated mine plan. On 25 October 2021, the Company announced the results of a Preliminary Economic Assessment and filed on SEDAR a technical report entitled "Condor Gold Technical Report on the La Indian Gold Project, Nicaragua, 2021" detailing average annual production of 150,000 oz of gold over the initial 9 years of production from open pit and underground Mineral Resources and provides an indication of a production target. Outside the main La India open pit Mineral Reserve, there are additional open pit Mineral Resources on four deposits (America, Mestiza, Central breccia and Cacao) which represent an aggregate 206 Kt at 9.9 g/t gold for 66,000 oz in the indicated Mineral Resource category and 2.1Mt at 3.3 g/t gold for 223,000 oz gold in the inferred Mineral Resource category. In addition, there is an aggregate underground Mineral Resource (La India, America, Mestiza, Central Breccia San Lucas, Cristalito-Tatescame, and Cacao) of 979Kt at 6.2 g/t for 194,000 oz gold in the indicated Mineral Resource category and 5.6Mt at 5.0 g/t gold for 898,000 oz gold in the inferred Mineral Resource category.

### **3 BACKGROUND TO AND REASONS FOR THE OPEN OFFER AND SUB-DIVISION**

On 22 November 2022, the Company announced that the Board has concluded that now is the right time to sell the assets of the Company to a gold producer with mine building expertise, thus ensuring a new mine at La India, a significant investment in the local area and a regeneration of the local communities. The Company has appointed Hannam and Partners to run the sales process.

On 28 November 2022, the Company announced that it had successfully raised £1,000,000 (before expenses) through an issue of Convertible Loan Notes, with warrants attached, to Galloway Limited, an 18.7 per cent shareholder, which is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon, the Company's chairman. The £1,000,000 financing provided the Company with working capital and enables it to cover its short term funding requirements.

On 28 November 2022 the Company also announced that it intended to launch an open offer providing pre-emptive rights to Qualifying Shareholders to subscribe for one New Ordinary Share for every six Existing Ordinary Shares held at the Open Offer Record Date, subject to shareholder approval of the Sub-Division. Galloway Limited will not participate in the Open Offer, but the Convertible Loan Notes will automatically convert into New Ordinary Shares at the Issue Price if the Open Offer raises £1,000,000 before expenses for the Company.

The equity markets have been difficult of late and the impact of US sanctions as announced by the Company on 27 October 2022 delayed a financing by the Company. The Board concluded that the fairest and best way to finance the Company's operations is via existing shareholders. It also considers it important that Shareholders have an opportunity (where it is practicable for them to do so) to subscribe for Open Offer Shares on the same terms as Galloway Limited subscribed for the Convertible Loan Notes, but excluding any entitlement to warrants. Therefore, the Company is making the Open Offer to Qualifying Shareholders.

The Company expects that the proceeds of the Open Offer will fund the Company through the sales process announced on 22 November 2022 and enable it to meet its short term liabilities, which include working capital requirements at the Company's operations in Nicaragua, and the payment of the balance of US\$300,000 due for the SAG Mill purchased by the Company from First Majestic Silver in March 2021.

#### **4 USE OF PROCEEDS OF THE OPEN OFFER**

The net proceeds of the Open Offer will be used to fund the Company through the sales process announced on 22 November 2022, including to:

- finance the working capital requirements at the Company's operations in Nicaragua, including keeping concessions and permits in good standing and re-registering title to land;
- pay the balance of US\$300,000 for the SAG Mill purchased by the Company from First Majestic Silver;
- cover head office expenses; and
- cover interim expenses linked to the sales process.

#### **5 DETAILS OF THE OPEN OFFER**

The Company is making an Open Offer pursuant to which it may raise a further amount of up to approximately £3,965,000 (before expenses). The Issue Price per Open Offer Share is £0.15, which is the same price as the price at which the Convertible Loan Notes were issued to Galloway Limited, an 18.7 per cent shareholder which is wholly owned by Burnbrae Group Limited which is, in turn, wholly owned by Jim Mellon, Condor's Chairman, on 25 November 2022.

Subject to the fulfilment of the conditions set out below and in Part IV of this Document, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Open Offer Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional on, amongst other things, the following conditions being satisfied:

- the approval by shareholders of the Resolution at the EGM; and
- admission of the Open Offer Shares becoming effective by 8.00 a.m. on or around 23 December 2022.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

The Open Offer Shares to be issued pursuant to the Open Offer will, when issued, rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

##### ***Basic Entitlement***

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

##### **One Open Offer Share for every six Existing Ordinary Shares held at the Open Offer Record Date**

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

##### ***Excess Entitlement***

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the New Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not underwritten.

If and to the extent that the Open Offer is not fully taken up by Qualifying Shareholders, the Company may place any Open Offer Shares that have not been subscribed for with non-Qualifying Shareholders or institutional investors at the Issue Price.

**Qualifying Shareholders should note that the Open Offer is not a “rights issue”. Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.**

### ***Overseas Shareholders***

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or any other Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates or warrant certificates for Open Offer Shares outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this Document or the Application Form, the Company reserves the right to permit any Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

**PART VI OF THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING APPLICATION FORM, IN THE CASE OF QUALIFYING NON-CREST SHAREHOLDERS, CONTAINS THE TERMS AND CONDITIONS OF THE OPEN OFFER. IF A QUALIFYING SHAREHOLDER DOES NOT WISH TO APPLY FOR OPEN OFFER SHARES, THEY SHOULD NOT COMPLETE OR RETURN THE APPLICATION FORM OR SEND A USE MESSAGE THROUGH CREST.**

### ***The Open Offer is not being made in Canada***

The Open Offer is not being made in Canada or to Canadian Shareholders and is not available for acceptance by any shareholder in Canada.

### ***Qualifying non-CREST Shareholders***

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies this Document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part IV of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to arrive as soon as possible and in any event no later than 11 a.m. on 20 December 2022.

### ***Qualifying CREST Shareholders***

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be

credited to stock accounts in CREST on 6 December 2022. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 4 of Part IV of this Document. The relevant CREST instruction must have settled by no later than 11 a.m. on 20 December 2022.

## **6 RISK FACTORS**

Potential investors are strongly advised to read Part II of this Document detailing the risks associated with an investment in the Company. Set out below are two risks the Board would draw to any potential investors' attention in particular:

### ***Sales Process***

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

### ***Open Offer not Underwritten***

There is no guarantee that Open Offer Shares will be taken up by Shareholders and no part of the Open Offer has been underwritten. As such, should the Company not raise any additional funds under the Open Offer it expects to have sufficient cash resources available to it until 31 January 2023; at such time it would require further funding to meet its ongoing liabilities. Furthermore, the Convertible Loan Notes issued to Galloway Limited are, unless converted, due for repayment on 25 November 2023 and therefore the Company would need to raise additional funding to make the repayment or otherwise be in default of the terms of the Convertible Loan Notes; such event could see a significant impact on the value of the Company.

## **7 DETAILS OF THE SUB-DIVISION**

The Sub-Division comprises the sub-division of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares, including voting, dividend, return of capital and other rights. The Deferred Shares shall have the rights set out in the Resolution.

Application will be made for 158,629,530 New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares with Admission expected to become effective at 8 a.m. on 23 December 2022. Subject to Shareholder approval of the Resolution, it is expected that the Sub-Division will become effective on 22 December 2022. No application for Admission or listing on the TSX will be made in respect of the Deferred Shares. Following the Sub-Division, the ISIN Code and the SEDOL Code for the New Ordinary Shares will be the same as for the Existing Ordinary Shares.

Existing share certificates will continue to be valid following the Sub-Division and no new share certificates will be issued in respect of the New Ordinary Shares. No share certificates will be issued in respect of the Deferred Shares.

Following the Sub-Division, all mandates and other instructions, including communication preferences given to the Company by Shareholders and in force at the Sub-Division Record Date shall, unless and until revoked, be deemed to be valid and effective mandates or instructions in relation to the New Ordinary Shares.

Shareholders will not need to take any action in connection with the Sub-Division. In Canada, Computershare Investor Services Inc. will deliver the appropriate number of Deferred Shares to CDS Clearing and Depository Services Inc. ("**CDS**") upon the effectiveness of the Sub-Division for distribution to beneficial owners whose shares are held through CDS. Such beneficial owners who hold their Existing Ordinary Shares in an account with their investment dealer or another

intermediary will have their accounts automatically updated to reflect the Sub-Division in accordance with the applicable brokerage account providers' typical procedures. The Deferred Shares will not be transferrable; as a result, holders of Existing Ordinary Shares who sell or otherwise transfer their New Ordinary Shares following the Sub-Division will not be able to sell or otherwise transfer their Deferred Shares.

## **8 ADMISSION, SETTLEMENT AND CREST**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and the TSX has conditionally approved the listing of the Open Offer Shares on the TSX. It is expected that Admission of the Open Offer Shares will become effective at 8 a.m. on 23 December 2022 and that dealings in the Open Offer Shares will commence at that time.

No application for Admission to trading on AIM or for listing on the TSX will be made in respect of the Deferred Shares arising on the Sub-Division. Following the Sub-Division, the ISIN Code for the New Ordinary Shares and the SEDOL Code will remain the same as for the Existing Ordinary Shares.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic computerised paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the Open Offer Shares will also be eligible for settlement in CREST.

It is expected that the Open Offer Shares due to uncertificated holders will be delivered in CREST on 23 December 2022.

## **9 OVERSEAS SHAREHOLDERS**

The offer of Open Offer Shares and the distribution of this Document and the Application Form to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. The Open Offer is not being made in Canada or to Canadian shareholders and is not available for acceptance by any shareholder in Canada.

Accordingly, any persons into whose possession this Document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company that would permit possession or distribution of this Document in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

## **10 ACTION TO BE TAKEN BY SHAREHOLDERS**

You will find set out at the end of this Document, a notice convening an extraordinary general meeting to be held at the Company's registered office address, 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX on 21 December 2022 at 11 a.m.

Shareholders may find enclosed a Form of Proxy for use at the EGM. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive with the Company Secretary at GBH Law Limited, 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX or by email to [condor2022@condorgold.com](mailto:condor2022@condorgold.com), or, for Canadian shareholders, to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 Canada, as soon as possible and in any event, no later than 11 a.m. on 19 December 2022.

**In order for the Open Offer to proceed, Shareholders will need to approve the Resolution. If the Resolution is not passed, the Open Offer will not proceed with the result that the anticipated net proceeds of the Open Offer will not become available to fund the Company through its sales process and the Company could be materially adversely affected as a result. Accordingly, it is important that Shareholders vote in favour of the Resolution so the Open Offer can proceed.**

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Open Offer Shares must complete the enclosed Application Form in accordance with the instructions set

out in paragraph 4 of Part IV of this Document and on the accompanying Application Form and return it with the appropriate payment to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive no later than 11 a.m. on 20 December 2022.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 4 of Part IV of this Document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4 of Part IV of this Document by no later than 11 a.m. on 20 December 2022.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Document and the Open Offer.

## **11 RECOMMENDATION**

The Board considers the Open Offer to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution at the EGM, as the Directors intend to do so in respect of their own beneficial holdings of the Company's Ordinary Shares, representing approximately 21.5 per cent. of the Company's Existing Ordinary Shares.

Yours faithfully

**Jim Mellon**  
**Chairman**

## PART II

### RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risks set out below as well as the other information contained in this Document and any other publicly available information about the Company before making a decision whether to invest in the Company. The risks described below are not the only risks that the Company faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Company's operations. Any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this Document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors, which are not presented in any order of priority, do not purport to be a complete list or explanation of all the risks involved in investing in the Company. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory, tax and operational requirements.

#### 1 RISKS RELATED TO THE INDUSTRY

##### *Mineral Exploration, Development and Operating Risks*

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and frequently is non-productive. The mineral tenements of the Company are at various stages of exploration and development, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will result in a profitable commercial mining operation.

Resource acquisition, exploration, development, and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines. Furthermore, securing acceptable terms for project funding is not guaranteed and there remains a risk that project funding may not be secured, or it may cost more than anticipated thereby reducing the value of Shareholder returns.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralisation is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration programme of the Company will result in the establishment or expansion of resources or reserves.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including hazards relating to the discharge of pollutants or hazardous chemicals, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls, pillars or dams, fire, explosions, and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

### ***Estimation of Mineralisation, Resources and Reserves***

There is a degree of uncertainty attributable to the calculation of mineralisation, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralisation are actually mined and processed, the quantity of mineralisation and reserve grades must be considered estimates only. These estimates depend upon geological interpretation and statistical inference drawn from drilling and sampling analysis, which may prove unreliable. There can be no assurance such estimates will be accurate. In addition, the quantity of reserves and mineralisation may vary depending on commodity prices. Any material change in quantity of reserves, mineralisation, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resources estimates will be converted into reserves. Different experts may provide different interpretations of Mineral Resource estimates.

### ***Environmental, Health and Safety Regulations of the Resource Industry***

Environmental matters in Nicaragua, including those related to mining, fall primarily under the oversight of Ministry of the Environment and Natural Resources (MARENA). The Company notes a continuing trend toward substantially increased environmental requirements and evolving corporate social responsibility expectations in Nicaragua, including the requirement for more permits, analysis, data gathering, community hearings, and negotiations than have been required in the past for both routine operational needs and for new development projects.

There can be no assurance that all permits (other than the Environmental Permit, receipt of which was announced in August 2018) which the Company may require for construction of mining facilities and conduct of mining operations, will be obtainable on reasonable terms or timeframes or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

All phases of the Company's operations are subject to environmental regulations in various jurisdictions. If the Company's properties are proven to host economic reserves of metals, mining operations will be subject to national and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment.

Mining operations will be subject to national and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received.

No assurance can be given that environmental standards imposed by national or local authorities will not be changed or that any such changes would not have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require

capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damage, which it may not be able to insure against.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulation and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### ***Competitive Conditions***

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential, and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete with other parties in each of these respects, many of which have greater financial resources than the Company. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful, or that it will be able to attract and retain required personnel. Any such failure could have a material adverse impact upon the Company.

## **2 RISKS RELATED TO THE BUSINESS**

### ***Sales Process***

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

### ***Permitting and Licensing Risks***

In addition to concessions, the Company will require some or all of the following additional permits, licences or other regulatory licences/permits to be able to carry out business operations in Nicaragua as it advances La India Project including, but not limited to: (i) imports; (ii) construction; (iii) electricity; (iv) water; and (v) explosives.

There can be no guarantee that the Company will be able to obtain and maintain, at all times, all the necessary licences and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

### ***Operational Risks***

The Company has not previously generated revenues from operations and its mineral projects are at an exploration stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalisation, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Company has historically incurred significant losses as it has no sources of revenue (other than interest income), and has significant cash requirements to meet its exploration commitments and administrative overheads and to maintain its mineral interests. The Company expects to continue to incur net losses unless or until one or more of its properties enters commercial production and generates sufficient revenue to fund continuing

operations. There can be no assurance that current exploration or development programs will result in the discovery of commercial deposits or, ultimately, in profitable mining operations. See also “*Negative Cash Flow Risk*”, “*Liquidity and Financing Risk*” and “*Funding Risk*” below.

### ***Negative Cash Flow***

The Company had negative operating cash flow for the fiscal years ended 31 December 2021, 31 December 2020 and 31 December 2019 and for the three and nine months ended 30 September 2022. The Company anticipates that it will continue to have negative cash flow until such time, if at all, that profitable commercial production is achieved at one or more of its properties. The Company cannot provide assurance that it will ever achieve profitability. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

### ***Liquidity and Financing Risk***

The Company has no source of operating cash flow and may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that additional funding will be available for further exploration and development of the Company’s properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Company.

### ***Funding Risk***

At the date of this Document, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all). Any additional equity funding will dilute existing shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent development, commissioning and operational performance.

### ***Net Smelter Return Royalty Agreement (“NSR Agreement”) Risks***

The Company’s subsidiary, La India SA, has granted a number of rights and provided certain covenants regarding its future operations to International Royalty Company, a subsidiary of Royal Gold, Inc. (“**IRC**”) in respect of certain portions of the La India Project (“**NSR Property**”). These rights and covenants could have an adverse consequence on the Company’s business, including (a) limiting the Company’s ability to obtain project financing for the development of La India Project; and (b) limiting the Company’s ability to dispose of a concession forming part of the NSR Property, which would require IRC’s consent. Further, the NSR Agreement provides IRC with a right of first refusal over additional royalties granted on the NSR Property. IRC’s interests in the NSR Agreement are secured pursuant to the terms of security agreements. Accordingly, if the Company defaults on its obligations under the NSR Agreement, the Company may suffer adverse effects on its operations, business or financial condition.

### ***Exploration Costs***

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company’s viability.

### ***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, risks, including, but not limited to, unexpected or unusual geological or operating conditions, natural disasters, inclement weather conditions, pollution, rock bursts, cave-ins, fires, flooding, earthquakes, civil unrest, terrorism and political violence may occur. It is not always possible to fully insure against all risks associated with the Company's operations and the Company may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

### ***Conflicts of Interest***

Certain Directors are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in companies, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these Directors may conflict with the interests of the Company. Any Directors with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

## **3 RISKS RELATED TO OPERATING IN NICARAGUA**

### ***Risks of Operating in Nicaragua***

The La India Project and the Company's other projects are located in Nicaragua, and are subject to the risks of operating in foreign countries, including political and economic considerations such as civil and tribal unrest, war (including in neighbouring countries), terrorist actions, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the title to properties or mineral rights in which the Company has interests, problems or delays renewing licenses and permits, opposition to mining from local, environmental or other non-governmental organisations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests, as well as by laws and policies of the United Kingdom affecting foreign trade, investment and taxation.

Furthermore, the Company requires consultants and employees to work in Nicaragua to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Nicaragua, or to obtain all of the necessary services or expertise in Nicaragua, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Nicaragua, the Company may need to seek and obtain those services from service providers located outside of Nicaragua which could result in delays and higher costs to the Company.

Mineral resource companies face increasing public scrutiny of their activities, and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding its properties where it operates. The potential consequences of these pressures include reputational damage, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. As a result of these considerations, the Company may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Nicaragua.

Any of the above events could delay or prevent the Company from exploring or developing its properties even if economic quantities of minerals are found, and could have a material adverse impact upon the Company's foreign operations.

Nicaragua saw considerable social unrest in 2018, with violence erupting, in particular between April and July of that year. The Government subsequently re-asserted control, blockades were cleared and since that time there has been relative calm in the country. The Company continues to closely

monitor this situation and in particular the safety of its employees in the country and promotes peaceful dialogue between parties.

On 24 October 2022 the United States Treasury Department imposed sanctions on the Nicaraguan General Directorate on Mines under US Executive Order 13851. Although the sanctions are unlikely to have any direct impact of the Company's current Nicaraguan operations, there can be no certainty that further sanctions will not be imposed by the US or by other jurisdictions which may have a material adverse impact on the Company's operations in Nicaragua and particularly in potential sources of funding for the Company.

### ***Government Policy Changes***

The mineral exploration activities undertaken by the Company are subject to laws and regulations governing health and worker safety, employment standards, exports, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development and production, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Exploration activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, royalties, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organisations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety.

The Company's exploration programmes with respect to the Company's projects in Nicaragua will, in general, be subject to approval by the MEM and other governmental agencies. Development of any of the Company's properties will be dependent on La India Project meeting social and environmental guidelines set by MARENA.

Failure to comply with applicable laws, regulations and permits, even if inadvertent, may result in enforcement actions thereunder, including the forfeiture of claims, orders by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions, which could have a material adverse impact upon the Company. The Company may be required to compensate those claiming to suffer loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits, which could have a material adverse impact upon the Company.

In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Nicaragua may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

### ***Ownership Risks***

The Company holds its interests in the La India Project through concessions awarded by MEM. Concessions awarded by MEM provide sub-surface mineral rights only. In order to gain access to the land determined by the concession, the concession holder must either separately acquire the surface rights or secure an agreement with the surface rights holder.

The Constitution of Nicaragua vests title in every mineral in its natural state to the State of Nicaragua. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Nicaragua requires a concession to be issued by the Government of Nicaragua acting through MEM. There is no assurance that title to the properties in which the Company has interests will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. The properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects. Consequently, the boundaries may be disputed.

There can be no assurance that there are no prior unregistered agreements, claims or defects that may result in the Company's title to the concessions being challenged. Further, the Company's interests in the concessions are subject to the risks that counterparties will fail to honour their contractual commitments, that courts will not enforce such contractual obligations and that required governmental approvals will not be obtained. A successful challenge to the precise area and location of the concessions comprising the La India Project, or the failure of counterparties to honour or of courts to enforce such contractual obligations could result in the Company being unable to operate on its concessions as anticipated or being unable to enforce its rights with respect to its concessions which could have a material adverse impact upon the Company.

The Company is also required to acquire surface rights in order to gain access to the land determined by a concession. The Company's plan for the La India Project could be adversely affected by an inability to obtain surface rights, or by challenges, regardless of merit, to existing surface rights agreements.

#### ***Artisanal Miners and Community Relations***

The Company's property interests are held in areas of Nicaragua that have historically been mined by artisanal miners. Under the laws of Nicaragua, 1 per cent of any concession area can be mined by artisanal miners. As the Company further explores and advances the La India Project, it may be required to request the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose the Company's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that the Company will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Company. In addition, artisanal work practices are often unsafe and accidents and/or incidents may occur on the Company's property, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of the Company in the event of accidents or incidents, which could have a material adverse impact on the Company.

The goodwill and cooperation from the communities in which the Company operates are also required in order for the Company to operate. State entities such as MEM and MARENA will not approve exploration or production activities without the agreement and acceptance of local communities and stakeholders.

## **4 GENERAL RISKS**

### ***Staggered Board***

The provisions of the Articles provide for a staggered Board, with one-third of the directors retiring from office at each annual general meeting of shareholders. The Company has applied for and received an exemption from the TSX requirements relating to director elections. The existence of a staggered Board can make it more difficult for shareholders to replace or remove incumbent members of the Board. As such, these provisions could also limit the price that investors might be willing to pay in the future for the Company's Ordinary Shares, thereby depressing the market price of the Ordinary Shares. In addition, because the Board is responsible for appointing the members of the Company's senior management team, these provisions may frustrate or prevent any attempts by the Company's shareholders to replace or remove its current management by making it more difficult for shareholders to replace members of the Board.

### ***Market Conditions***

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; terrorism or other hostilities and, since 2020, virus pandemics. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. The Company does not warrant the future performance of the Company or any return on an investment in the Company.

### ***Stress in the Global Economy***

Reduction in credit, combined with reduced economic activity and the fluctuations in the U.K. pound sterling, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

### ***Current Global Financial Condition***

Current global financial conditions have been subject to increased volatility as a result of the COVID-19 pandemic, the ongoing Russia/ Ukraine conflict, and the resulting inflationary pressures. As such, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash, and through companies that have payables to the Company. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Ordinary Shares could be adversely affected.

### ***Exchange Rate and Currency Risks***

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Company does not hedge this exposure. The Company manages its foreign exchange risk by constantly reviewing its exposure and ensuring that there are appropriate cash balances in order to meet its commitments.

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in US\$. The Company's costs are incurred in Nicaraguan Cordobas, U.S. dollars and U.K. pounds sterling.

### ***Commodity Prices***

The price of the Ordinary Shares, and the Company's profitability, financial results and exploration activities may in the future be significantly adversely affected by declines in the price of precious metals.

Precious metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company, including the U.S. dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of gold has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting the Company's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to gold equities, and therefore, the ability of the Company to raise capital. A sustained, significant decline in the price of gold could also cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's future properties, if any, will be dependent upon, among other things, the price of gold being adequate to make these properties economic. There can be no assurance that the market price of gold will remain at current levels, that such price will increase or that market prices will not fall.

### ***Reliance on Key Personnel***

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The impact of the COVID-19 pandemic on the availability of key employees remains uncertain as at the date of this Document.

### ***Dilution Risk***

The Company has outstanding options and warrants, as detailed in the most recent financial statements and management's discussion and analysis for the year ended 31 December 2021 and for the three and nine months ended 30 September 2022. Should these securities be exercised or converted (as applicable), the holders have the right to acquire additional Ordinary Shares, in accordance with the terms of such securities. During the life of these securities, the holders have the opportunity to profit from a rise in the market price of the Company's shares, possibly resulting in the dilution of existing securities.

The Company may also issue and sell additional securities of the Company to finance its operations or future acquisitions. With any additional sale or issuance of securities of the Company, holders will suffer dilution with respect to voting power and may experience dilution in the Company's earnings per share.

### ***Payment of Dividends***

The Company has never paid dividends and does not expect to do so in the foreseeable future. The Company has no history of earnings and as such the Company has not paid dividends on its Ordinary Shares since incorporation and does not expect to do so in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including operating results, financial condition and anticipated cash needs.

### ***United Kingdom Stamp Taxes on Transfer of Shares to CDS Clearing and Depository Services Inc.***

Persons wishing to transfer Ordinary Shares held outside CDS into CDS will be required to meet the UK stamp duty (or UK stamp duty reserve tax ("**SDRT**") if there is an agreement but no instrument) payable by CDS on the transfer and to provide evidence to the UK registrar that such stamp duty or SDRT has been paid in order for the transfer to be registered. Accordingly, until such time as sufficient Ordinary Shares have been transferred to CDS to allow shareholders resident in North America to transfer shares between each other within CDS, a person resident in North America who wishes to acquire a number of Ordinary Shares in excess of the Ordinary Shares available to acquire within CDS will have to acquire such further shares outside of CDS and should then transfer such shares to CDS. Such persons will be required to meet the UK stamp duty (or SDRT if there is an agreement but no instrument) payable by CDS (at 1.5 per cent. of the consideration payable for such shares) on the transfer and to provide evidence to the UK registrar that such stamp duty or SDRT has been paid in order for the transfer to be registered. If an existing holder of Ordinary Shares wishes to transfer his Ordinary Shares onto the Canadian register, he will be required to transfer the Ordinary Shares to CDS and pay UK stamp duty (or SDRT if there is an agreement but no instrument) at 1.5 per cent. of the open market value of the Ordinary Shares as at the date of transfer.

## **5 RISKS RELATING TO THE OPEN OFFER**

### ***Open Offer not Underwritten***

There is no guarantee that Open Offer Shares will be taken up by Shareholders in full or at all, and no part of the Open Offer has been underwritten. If the Company does not raise any funds under the Open Offer, it expects to have sufficient cash resources available to it until 31 January 2023; at such time it would require further funding to meet its ongoing liabilities. Furthermore, the Convertible Loan Notes issued to Galloway Limited are, unless converted, due for repayment on 25 November 2023 and therefore the Company would need to raise additional funding to make the repayment or otherwise be in default of the terms of the Convertible Loan Notes; which could have a material adverse impact on the Company.

### ***Open Offer Conditional on the passing of the Resolution***

If the Resolution is not passed, the Company will not be able to proceed with the Open Offer. The Resolution will be proposed as an ordinary resolution and, in order to be passed, will require the support of a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the EGM. The Open Offer is conditional, *inter alia*, on the passing of the Resolution.

In the event that the Resolution is not passed, the Company will not be able to issue shares at less than the nominal value of the Existing Ordinary Shares of £0.20, and will therefore not be able to proceed with the Open Offer, with the result that the anticipated net proceeds of the Open Offer will not become available to fund anticipated expenditure through the sales process. The Company may be materially adversely affected as a result.

Additionally, in the event that it is unable to proceed with the Open Offer, given its anticipated working capital requirements in 2023 and in order to fund proposed upcoming expenditure, the Company may seek alternative equity and/or debt financing on whatever terms are available to it, which may result in greater dilution of the Existing Ordinary Shares and/or in the Company incurring significant indebtedness on a secured basis. Such equity or debt financing may not be made available on terms that are as favourable to the holders of the Existing Ordinary Shares as those envisaged in the Open Offer, or at all.

### ***Valuation of shares***

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the New Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

### ***Investment in AIM securities***

The Existing Ordinary Shares are traded on AIM, rather than the Main Market, and on the TSX. An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are admitted to the Official List and to trading on the Main Market. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

### ***Dilution of ownership of Ordinary Shares***

To the extent that Qualifying Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the New Ordinary Share capital of the Company will, following Admission of the Open Offer Shares, be reduced accordingly. Subject to certain exceptions, Shareholders with registered addresses in, or who are resident or located in, the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

### ***Share price volatility***

The market price for the Company's Ordinary Shares is likely to fluctuate in response to a variety of factors, many of which are outside the Company's control.

Potential investors should be aware that the value of securities and the income from them can go down as well as up.

The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

**Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

## PART III

### SOME QUESTIONS AND ANSWERS ON THE OPEN OFFER

*The questions and answers set out in this Part III are intended to be in general terms only and, as such, you should read Part IV of this Document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this Document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this Document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

**The contents of this Document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This Document is for your information only and nothing in this Document is intended to endorse or recommend a particular course of action.**

#### **1 WHAT IS AN OPEN OFFER?**

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 26,438,255 Open Offer Shares at a price of £0.15 per Open Offer Share. If you hold Existing Ordinary Shares on the Open Offer Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

**The Open Offer is being made on the basis of one Open Offer Share for every six Existing Ordinary Shares held by Qualifying Shareholders on the Open Offer Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.**

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.**

#### **2 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW IF I AM ABLE TO APPLY TO ACQUIRE OPEN OFFER SHARES UNDER THE OPEN OFFER?**

If you have received an Application Form and, subject to certain exceptions, are not a holder with a registered address and are not resident or located in the United States or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as

long as you have not sold all of your Existing Ordinary Shares on or before 8.00 a.m. on 5 December 2022 (the Ex-entitlement Date for the Open Offer).

### **3 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not resident or located in the United States or another Restricted Jurisdiction, you should have been sent an Application Form with this Document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Open Offer Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located in the United States or, subject to certain exceptions, one of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this Document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four business days for delivery if sent by first class post from within the United Kingdom. Please also see questions 4 and 10 for further help in completing the Application Form.

### **4 I AM A QUALIFYING SHAREHOLDER WITH A REGISTERED ADDRESS IN THE UK AND I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER AND WHAT SHOULD I DO WITH THE APPLICATION FORM?**

#### **If you want to take up all of your Basic Entitlement:**

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box C of your Application Form), payable to 'CIS PLC re: Condor Gold Plc Open Offer' in the reply paid envelope provided, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, to arrive by no later than 11.00 a.m. on 20 December 2022. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part IV of this Document and in the Application Form.

#### **If you want to take up some but not all of your Basic Entitlement:**

If you want to take up some but not all of your Basic Entitlement, you should write the number of Open Offer Shares you want to take up in Box D of your Application Form; for example, if you are entitled to take up 1,000 shares but you only want to take up 500 shares, then you should write '500' in Box D.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '500') by £0.15, which is the price of each Open Offer Shares (giving you an amount of £75 in this example). You should write this amount in Box G, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to 'CIS PLC re: Condor Gold Plc Open Offer' and crossed "A/C payee only", in the reply-paid envelope provided, by post, to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH to arrive by no later than 11.00 a.m. on 20 December 2022, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-

paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part IV of this Document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 9 January 2023.

**If you want to apply for more than your Basic Entitlement:**

Provided that you have agreed to take up your Basic Entitlement in full, you can apply for Excess Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box D which must be the number of Open Offer Shares shown in Box B. You should then write the number of Excess Open Offer Shares you wish to apply for under the Excess Application Facility in Box E and then complete Box F by adding together the numbers you have entered in Boxes D and E.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box F by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box G, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to CIS PLC re: Condor Gold Plc Open Offer' and crossed "A/C payee only", in the reply-paid envelope provided, by post, to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH to arrive by no later than 11.00 a.m. on 20 December 2022, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this Document and in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 9 January 2023.

**If you do not want to take up your Open Offer Entitlement?**

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

**5 I HOLD MY EXISTING ORDINARY SHARES IN UNCERTIFICATED FORM IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?**

CREST members should follow the instructions set out in Part IV of this Document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

**6 I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE OPEN OFFER RECORD DATE AND HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 5 December 2022 but were not registered as the holders of those shares at the close of business on 1 December 2022; and
- Excluded Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Computershare Investor Services PLC on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 8:30 a.m. to 5.30 p.m. (UK time) Monday to Friday (except English and Welsh public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

**7 IF I BUY EXISTING ORDINARY SHARES AFTER THE OPEN OFFER RECORD DATE WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

If you buy or have bought Existing Ordinary Shares after the Open Offer Record Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

**8 WHAT IF I CHANGE MY MIND?**

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 4 of Part IV of this Document.

**9 WHAT IF THE NUMBER OF OPEN OFFER SHARES TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER? AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?**

Your entitlement to Open Offer Shares will be calculated at the Open Offer Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

**10 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY EXISTING ORDINARY SHARES?**

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before 8 a.m. on 5 December 2022, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after 6.00 p.m. on 1 December 2022, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**11 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?**

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares .

The funds should be made payable to 'CIS PLC re: Condor Gold Plc Open Offer'. In each case, the cheque should be crossed "A/C Payee only".

Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

**12 WILL THE EXISTING ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be reduced.

**13 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?**

You should send your completed Application Form and monies by post in the enclosed reply-paid envelope (from within the United Kingdom) by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. You should allow at least four business days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**14 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?**

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 20 December 2022. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**15 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. IF I TAKE UP MY ENTITLEMENTS, WHEN WILL I RECEIVE THE CERTIFICATE REPRESENTING MY OPEN OFFER SHARES?**

It is expected that the Registrar will post all share certificates by 9 January 2023.

**16 WHAT SHOULD I DO IF I THINK MY HOLDING OF EXISTING ORDINARY SHARES (AS SHOWN IN BOX A ON PAGE 1 OF THE APPLICATION FORM) IS INCORRECT?**

If you bought or sold Existing Ordinary Shares shortly before the Open Offer Record Date, your transaction may not have been entered on the register of members before the Open Offer Record Date for the Open Offer. If you bought Existing Ordinary Shares before 8.00 a.m. on 5 December 2022 but were not registered as the holder of those shares on the Open Offer Record Date (i.e. close of business on 1 December 2022), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 5 December 2022.

**17 WILL THE FUNDRAISING AFFECT DIVIDENDS (IF ANY) ON THE EXISTING ORDINARY SHARES?**

The New Shares will, when issued and fully paid, rank equally in all respects with New Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**18 WILL I BE TAXED IF I TAKE UP MY OPEN OFFER ENTITLEMENTS?**

Shareholders who are in any doubt as to their tax position are strongly recommended to consult their own professional advisers.

## PART IV

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1 INTRODUCTION

- 1.1 As explained in Part I of this Document, the Company is proposing to issue up to 26,438,255 Open Offer Shares pursuant to the Open Offer.
- 1.2 Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at the Issue Price, which is the same price at which the Convertible Loan Notes may be converted into Ordinary Shares.
- 1.3 The Issue Price of £0.15 represents a discount of 22 per cent. to the closing price of Ordinary Shares on AIM on 2 December 2022. This Document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

#### 2 THE OPEN OFFER

- 2.1 Subject to the terms and conditions set out below and in the Application Form, the Company invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

##### **One Open Offer Share for every Six Existing Ordinary Shares**

held by them and registered in their names at close of business on the Open Offer Record Date, and so in proportion to any other number of Existing Ordinary Shares then held.

- 2.2 A Qualifying Shareholder who holds Existing Ordinary Shares in certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating entitlements under the Open Offer.
- 2.3 Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares.
- 2.4 Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Basic Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown in Box B on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements credited to their stock account in CREST. The action to be taken in relation to the Open Offer depends on whether you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer or whether you have had your Open Offer Entitlement credited to your stock account in CREST.
- 2.5 Qualifying Shareholders are also invited to apply for additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available under the Open Offer. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for Excess Entitlements at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.
- 2.6 If you have received an Application Form with this Document, please refer to paragraph 4.5 of this Part IV.
- 2.7 If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.6 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.
- 2.8 The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements (in respect of Qualifying CREST Shareholders) may be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware

that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

- 2.9 The Existing Ordinary Shares are admitted to trading on AIM and an application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The TSX has conditionally approved the listing of the New Ordinary Shares on the TSX. It is expected that Admission of the Open Offer Shares will become effective on 23 December 2022 and that dealings in the Open Offer Shares will commence at 8.00 a.m. on that date.
- 2.10 The Existing Ordinary Shares are already enabled for settlement in CREST and the New Ordinary Shares will be enabled for settlement in CREST. No further application for admission to CREST is required for the Open Offer Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST as Ordinary Shares.
- 2.11 Application will be made for the Open Offer Entitlements to be enabled for settlement in CREST. The conditions to such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 6 December 2022. The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and the New Ordinary Shares and will rank equally for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Further details of the rights attaching to the Existing Ordinary Shares and the New Ordinary Shares are set out in the Articles which are available on the Company's website ([www.condorgold.com](http://www.condorgold.com)).
- 2.12 The Open Offer is not being made in Canada or to Canadian shareholders and is not available for acceptance by any shareholder in Canada.

### **3 CONDITIONS OF THE OPEN OFFER**

- 3.1 The Open Offer is conditional on:
  - 3.1.1 the Resolution being passed by Shareholders at the EGM; and
  - 3.1.2 Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 23 December 2022 (or such later date and/or time as the Company may determine).
- 3.2 If these conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

### **4 PROCEDURE FOR APPLICATION AND PAYMENT**

- 4.1 If you are in any doubt as to the action you should take, or the contents of this Document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under FSMA in the UK or who otherwise specialises in advising on the acquisition of shares and other securities.
- 4.2 The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether at the relevant time they have an Application Form in respect of their entitlement under the Open Offer or they have Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.
- 4.3 If a Qualifying CREST Shareholder is a CREST sponsored member they should refer to their CREST sponsor if they wish to apply for all or some of their entitlement under the Open Offer, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

4.4 If for any reason it becomes necessary to adjust the expected timetable as set out in this Document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### 4.5 **If you have an Application Form in respect of your Open Offer Entitlement**

##### *General*

4.5.1 Subject as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Open Offer Record Date. It also shows the number of Open Offer Shares for which you may apply pursuant to your Basic Entitlement (on an initial *pro rata* basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your initial *pro rata* entitlement should you wish to do so. You may also apply for additional Open Offer Shares by completing Boxes E and F on the Application Form relating to your Excess Entitlement.

4.5.2 Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

4.5.3 If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 26,438,255, applications for Open Offer Shares will be scaled back at the sole and absolute discretion of the Board. The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

##### *Market claims*

4.5.4 Applications for the Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “*ex*” the entitlement to the Open Offer by the London Stock Exchange, being 5 December 2022. Application Forms may be split up to 3 p.m. on 16 December 2022.

4.5.5 The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 8.00 a.m. on 5 December 2022, being the date upon which the Existing Ordinary Shares were marked “*ex*” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the transferee pursuant to the rules of the London Stock Exchange. Qualifying non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

4.5.6 The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.6 below.

##### *Application procedures*

4.5.7 If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to arrive no later

than 11.00 a.m. on 20 December 2022. A reply-paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer.

- 4.5.8 If any Application Form is sent by first class post or using the reply-paid envelope within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four business days for delivery. The Receiving Agent, on the Company's behalf, may elect to accept Application Forms and remittances after 11.00 a.m. on 20 December 2022 in respect of those bearing a post mark of before that date and time. The Receiving Agent may also (on behalf of the Company) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.
- 4.5.9 The Receiving Agent, on behalf of the Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11 a.m. on 20 December 2022 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares applied for, and undertaking to lodge the relevant Application Form in due course but, in any event, within two business days.

#### *Payments*

- 4.5.10 All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "CIS PLC re: Condor Gold Plc Open Offer" and crossed "A/C Payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner. Eurocheques will not be accepted. Cheques should be drawn on the personal account to which you have sole or joint title to funds. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder (which should match the name detailed on page 1 of the Application Form) and have added the branch stamp.
- 4.5.11 Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or the Receiving Agent (on the Company's behalf) may elect in their sole and absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that the Open Offer does not become unconditional the Open Offer will lapse and application monies will be returned to relevant applicants (at the applicants' risk) without interest either by first class post as a cheque to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn as soon as practicable. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

#### *Effect of application*

- 4.5.12 All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- 4.5.12.1 agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 4.5.12.2 confirm that in making the application you are not relying on any information or representation other than that contained in this Document, and you accordingly agree that no person responsible solely or jointly for this Document or any part of it shall have any liability for any such information or representation not so contained; and
- 4.5.12.3 represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- 4.5.12.4 represent and warrant that you are not a citizen or resident of a Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- 4.5.12.5 acknowledge that the Open Offer Shares may not be sold, transferred or otherwise disposed of on the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission;
- 4.5.12.6 represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and
- 4.5.12.7 will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Restricted Jurisdiction, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into a Restricted Jurisdiction; (ii) you are not and were not located in a Restricted Jurisdiction at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside a Restricted Jurisdiction at the time he or she instructed you to submit the Application Form.
- 4.5.13 If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.
- 4.5.14 You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid
- 4.5.15 If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should take no action and not complete or return the Application Form.
- 4.5.16 If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to completion of the Application Form by Qualifying non-CREST Shareholders under the Open Offer should be addressed to Computershare Investor Services PLC on 0370 707 4040 or, if calling from outside

the United Kingdom, on +44 (0)370 707 4040. Lines are open from 8:30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

#### **4.6 If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer**

##### *General*

- 4.6.1 Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive credits to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlements will therefore also be rounded down. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility.
- 4.6.2 The CREST stock account to be credited will be the account under the participant ID and member account ID which holds the Existing Ordinary Shares held on the Open Offer Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlement has been allocated.
- 4.6.3 If for any reason the Open Offer Entitlements cannot be enabled for settlement in CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 6 p.m. on 6 December 2022 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited (or due to be credited) to his stock account in CREST. In these circumstances the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.
- 4.6.4 CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare Investor Services PLC on 0370 707 4040 (if calling from within the UK) or +44(0)370 707 4040 (if calling from outside the UK). Lines are open from 8:30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls may be recorded and monitored randomly for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

##### *Market claims*

- 4.6.5 Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.
- 4.6.6 For transactions identified by the CREST Claims Processing Unit as “*cum*”, the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

#### *USE instructions*

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“**USE**”) instruction to Euroclear which, on its settlement, will have the following effect:

- 4.6.7 the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- 4.6.8 the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.6.7 above.

#### *Content of USE instructions in respect of the Basic Entitlement*

- 4.6.9 The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
  - 4.6.9.1 the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
  - 4.6.9.2 the ISIN of the Basic Entitlement to Open Offer Shares. This is GB00PGCL012;
  - 4.6.9.3 the participant ID of the accepting CREST member;
  - 4.6.9.4 the member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
  - 4.6.9.5 the participant ID of the Receiving Agent. This is 3RA21;
  - 4.6.9.6 the member account ID of the Receiving Agent. This is CONDOROO;
  - 4.6.9.7 the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.6.9.1 above;
  - 4.6.9.8 the intended settlement date. This must be on or before 11 a.m. on 20 December 2022; and
  - 4.6.9.9 the corporate action number for the Open Offer. This will be available on viewing the relevant corporate action details in CREST.
- 4.6.10 In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11 a.m. on 20 December 2022.
- 4.6.11 In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field) and a priority of at least 80.
- 4.6.12 CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 20 December 2022 in order to be valid is 11 a.m. on that day.

#### *Content of USE instruction in respect of Excess Entitlements*

- 4.6.13 The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
  - 4.6.13.1 the number of Excess Entitlements for which application is being made;

- 4.6.13.2 the ISIN of the Excess Entitlements to Open Offer Shares. This is GB00BPGCL129;
  - 4.6.13.3 the CREST participant ID of the accepting CREST member;
  - 4.6.13.4 the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
  - 4.6.13.5 the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA21;
  - 4.6.13.6 the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is CONDOROO;
  - 4.6.13.7 the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Entitlements referred to in paragraph 4.6.13.1 above;
  - 4.6.13.8 the intended settlement date. This must be on or before 11 a.m. on 20 December 2022; and
  - 4.6.13.9 the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- 4.6.14 In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11 a.m. on 20 December 2022.
  - 4.6.15 In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the contact name and telephone number (in the free format shared note field) and a priority of at least 80.
  - 4.6.16 CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 20 December 2022 in order to be valid is 11 a.m. on that day.

*Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

- 4.6.17 A Qualifying non-CREST Shareholder's entitlement under the Open Offer as set out in an Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.
- 4.6.18 A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11 a.m. on 20 December 2022.
- 4.6.19 In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3 p.m. on 15 December 2022, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 14 December 2022, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11 a.m. on 20 December 2022.

*Validity of application*

4.6.20 A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11 a.m. on 20 December 2022 will constitute a valid application under the Open Offer.

*CREST procedures and timings*

4.6.21 CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11 a.m. on 20 December 2022. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*Incorrect or incomplete applications*

4.6.22 If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- 4.6.22.1 to reject the application in full and refund the payment to the CREST member in question;
- 4.6.22.2 in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
- 4.6.22.3 in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction(s) refunding any unutilised sum to the CREST member in question.

*Effect of a valid application*

4.6.23 A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- 4.6.23.1 pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, satisfy the obligation of the CREST member to pay to the Company the amount payable on application);
- 4.6.23.2 request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the Articles;
- 4.6.23.3 agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 4.6.23.4 represent and warrant that he or she is not and nor is he or she applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (Depository Receipts) or section 96 (Clearance Services) of the Finance Act 1986;

- 4.6.23.5 confirm that in making such application he or she is not relying on any information in relation to the Company other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part of it or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this Document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
- 4.6.23.6 represent and warrant that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

*The Company's discretion as to rejection and validity of applications*

4.6.24 The Company may in their sole and absolute discretion:

- 4.6.24.1 treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- 4.6.24.2 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- 4.6.24.3 treat a properly authenticated dematerialised instruction (in this subparagraph the “**first instruction**”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- 4.6.24.4 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

*Lapse of the Open Offer*

4.6.25 In the event that the Open Offer does not become unconditional by 8 a.m. on 23 December 2022 or such later time and date as the Company may determine, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

## 5 MONEY LAUNDERING REGULATIONS

### 5.1 Holders of Application Forms

- 5.1.1 It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its sole and absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.
- 5.1.2 The person lodging the Application Form with payment, and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of the Open Offer Shares as referred to in the Application Form (for the purposes of this paragraph 5.1 (the “**relevant shares**”)) shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.
- 5.1.3 If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its sole and absolute discretion determine), the Company may, in its sole and absolute discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its sole and absolute discretion determine).
- 5.1.4 If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than 7 days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its sole and absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its sole and absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts.

- 5.1.5 The verification of identity requirements will not usually apply:
- 5.1.5.1 if the applicant is an organisation required to comply with the Money Laundering Directive (the EU Council Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (no 2015/859/ EU));
  - 5.1.5.2 if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
  - 5.1.5.3 if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.
- 5.1.6 Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has inserted details of the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the draft or cheque and have added either their branch stamp or have provided a supporting letter confirming the source of funds. In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:
- 5.1.6.1 if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank inserting details of the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the cheque or draft and adding either their branch stamp or providing a supporting letter confirming the source of funds; or
  - 5.1.6.2 if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1.5.1 above or which is subject to anti-money laundering regulation in a country which is a member of the financial action task force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority. In order to confirm the acceptability of any written assurance referred to in this paragraph 5.1.6.2 or any other case, the applicant should contact the Receiving Agent.

## 5.2 **Open Offer Entitlements in CREST**

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its sole and absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares

represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6 OVERSEAS SHAREHOLDERS**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

- 6.1.1 The distribution of this Document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.
- 6.1.2 No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this Document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this Document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- 6.1.3 Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.
- 6.1.4 No person receiving a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- 6.1.5 It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any

governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

- 6.1.6 None of the Company nor any of its representatives is making any representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.
- 6.1.7 Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.
- 6.1.8 The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.
- 6.1.9 Notwithstanding any other provision of this Document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.
- 6.1.10 Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into the United States or any other Restricted Jurisdiction. The Open Offer Shares are not being offered to residents of Canada, and such Open Offer Shares issued to residents of countries other than Canada may not be sold, transferred or otherwise disposed on

the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission.

- 6.1.11 No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into any Restricted Jurisdiction. Receipt of this Document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2 United States

- 6.2.1 The Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.
- 6.2.2 Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, neither this Document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this Document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.
- 6.2.3 Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.
- 6.2.4 The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.
- 6.2.5 The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE Instruction sent by or on behalf of any CREST Member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 45 days after the commencement

of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

### **6.3 Canada and other Restricted Jurisdictions**

6.3.1 Due to restrictions under the securities laws of Canada and the other Restricted Jurisdictions, and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of Canada or any other Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into Canada or any other Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, Canada or any other Restricted Jurisdiction except pursuant to an applicable exemption.

6.3.2 No offer or invitation to apply for Open Offer Shares is being made by virtue of this Document or the Application Form into Canada or any other Restricted Jurisdiction.

### **6.4 Other overseas territories**

Save as provided in paragraphs 6.2 and 6.3 above, Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States and the other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

### **6.5 Representations and warranties relating to Overseas Shareholders**

#### **6.5.1 Qualifying Non-CREST Shareholders**

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person acknowledges that the Open Offer Shares may not be sold, transferred or otherwise disposed of on the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission; (iv) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (i) above at the time the instruction to accept was given; and (v) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5.1.

#### **6.5.2 Qualifying CREST Shareholders**

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in this Part IV represents and warrants to the Company and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it acknowledges that the Open Offer Shares may not be sold, transferred or otherwise disposed of on the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission; (iv) such person is not accepting on a nondiscretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (v) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

#### **6.5.3 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## **7 TAXATION**

If you are in any doubt about your tax position and in particular if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

## **8 ADMISSION, SETTLEMENT, DEALINGS AND PUBLICATION**

- 8.1 Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to AIM, and the TSX has conditionally approved the listing of the Open Offer Shares on the TSX, subject to the fulfilment of the conditions of the Open Offer. It is expected that Admission of the Open Offer Shares to trading on AIM will become effective and that dealings therein for normal settlement will commence at 8.00 am on 23 December 2022. In the case of Qualifying Shareholders wishing to hold Open Offer Shares in certificated form, definitive certificates in respect of the Open Offer Shares will be issued free of stamp duty and are expected to be despatched by post by 9 January 2023. No temporary documents of title will be issued and, pending such despatch, transfers will be certified against the share register. Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 20 December 2022 (the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described in this Document are satisfied, Open Offer

Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will credit the appropriate stock accounts of such persons with such persons' entitlement to Open Offer Shares with effect from Admission of the Open Offer Shares (expected to be 23 December 2022). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this Document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

- 8.2 All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to the Application Form. The completion and results of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known, expected to be on or about 21 December 2022.

## **9 GOVERNING LAW**

The terms and conditions of the Open Offer as set out in this Part IV and each Application Form shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document and/or an Application Form. By taking up their entitlements under the Open Offer in accordance with the instructions set out in this Document and (where applicable) an Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **10 OTHER INFORMATION**

Your attention is drawn to the letter from your Chairman which is set out in Part I of this Document which contains, *inter alia*, information on the reasons for the Open Offer and to the Risk Factors in Part II of this Document.

## **11 DILUTION**

The share capital of the Company in issue at the date of this Document will be increased by approximately 14 per cent as a result of the Open Offer (assuming the Open Offer Shares are subscribed in full and assuming no options or warrants that are outstanding are exercised). Qualifying Shareholders who do not take up any of their Basic Entitlement will suffer a reduction of approximately 17 per cent in their proportionate ownership and voting interest in the ordinary share capital of the Company as represented by their holding of Ordinary Shares immediately following Admission of the Open Offer Shares.

# NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

## CONDOR GOLD PLC

*Registered in England and Wales with number 05587987*

Notice is hereby given that an extraordinary general meeting ("**Meeting**") of the shareholders of Condor Gold Plc ("**Company**") will be held at 11 a.m. (London time), on 21 December 2022 at 7/8 Innovation Place, Douglas Drive, Godalming, Surrey, GU7 1JX, United Kingdom to consider and, if thought fit, pass the following resolution as an Ordinary Resolution

### **Ordinary Resolution**

THAT, each of the 158,629,530 issued ordinary shares of £0.20 each in the capital of the Company ("**Existing Ordinary Shares**") be subdivided into one new ordinary share of £0.001 in the capital of the Company ("**New Ordinary Share**") and one deferred ordinary share of £0.199 in the capital of the Company ("**Deferred Share**") on the basis of one New Ordinary Share and one Deferred Share for each Existing Ordinary Share. The Deferred Shares shall have the rights and be subject to the restrictions which are attached to this resolution.

5 December 2022

**By order of the Board of Directors**

**Jim Mellon**  
Chairman

Registered Office: 7/8 Innovation Place, Douglas Drive, Godalming, Surrey, GU7 1JX United Kingdom

## DEFERRED SHARES

The Deferred Shares shall have the rights and be subject to the restrictions set out below:

- 1 The Deferred Shares shall confer no right to participate in the profits of the Company.
- 2 On a winding up or a return of capital, the assets of the Company available for distribution following the distribution of assets shall be applied in paying to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares only after paying to the holders of the New Ordinary Shares the nominal capital paid up or credited as paid up on the New Ordinary Shares held by them respectively, together with the sum of £10,000,000 on each New Ordinary Share.
- 3 The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.
- 4 The holders of the Deferred Shares shall not be entitled to receive notice of any annual general meeting or extraordinary general meeting of the Company or to attend, speak or vote at any such meeting.
- 5 The Deferred Shares shall not be listed on any stock exchange nor shall any share certificate be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with paragraph 8 (ii) below or with the written consent of the Board of Directors of the Company.
- 6 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Share and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.
- 7 The reduction by the Company of the capital paid up on the Deferred Shares and the cancellation of such shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to the confirmation of the court in accordance with Companies Act 2006 (**Act**)) without obtaining the consent of the holders of the Deferred Shares.
- 8 The Company has the irrevocable authority at any time to do all or any of the following without obtaining the sanction of the holder or holders of the Deferred Shares:
  - (i) to appoint any person to execute on behalf of the holder or holders of the Deferred Shares a transfer of all or any part thereof and/or an agreement to transfer the same (without making any payment therefor) to such person as the directors may determine (whether or not an officer of the Company) and who is willing to accept the same;
  - (ii) to purchase all or any of the Deferred Shares in accordance with the Act without obtaining the consent of the holders thereof and without making any payment to the holders thereof;
  - (iii) for the purposes of any such purchase under paragraph 8 (ii) above, to appoint any person to execute, as his or its attorney and agent, on behalf of a holder of Deferred Shares, a contract for the sale to the Company of any such Deferred Shares held by him or it; and
  - (iv) to cancel all or any of the same so purchased under paragraph 8 (ii) above in accordance with the Act.

## Notes to the Notice of Extraordinary General Meeting:

- 1 Shareholders may attend the Meeting in person physically or electronically. Shareholders who wish to attend the Meeting electronically must pre-register by writing to the Company at [condor2022@condorgold.com](mailto:condor2022@condorgold.com) giving their name, as it appears on the Company's register of members, by 6:30 p.m. on Monday 19 December 2022. Details of how to attend electronically will only be sent to those who pre-register.
- 2 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and paragraph 18(c) of the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the start of the Meeting or, if the Meeting is adjourned, Shareholders entered on the Company's register of members 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the Meeting. The record date for the determination of Shareholders within Canada entitled to receive notice of and to vote at the Meeting or any adjournments or postponements thereof is 1 December 2022 (the "**Canadian Record Date**"). Such Canadian shareholders whose names have been entered in the register of members at the close of business on the Canadian Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournments or postponements thereof.
- 3 Any Shareholders who become holders of record of ordinary shares of the Company after the relevant record date outside of Canada or within Canada (as applicable) and who wish to vote at the Meeting must make arrangements with the person(s) from whom they acquired the ordinary shares to direct how such shares are to be voted at the Meeting.
- 4 A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend and to speak and vote at the Meeting. A proxy need not be a shareholder of the Company and the appointment of a proxy does not preclude a Shareholder from attending and voting in person if he or she wishes to do so. A form of proxy may accompany this Notice of Meeting if a shareholder has elected to receive such materials, or is available in electronic form and can be accessed at the Company's website, at [www.condorgold.com](http://www.condorgold.com) and on the Company's corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com). To be valid, the instrument to appoint a proxy must be received by the Company Secretary in the UK, by email to [condor2022@condorgold.com](mailto:condor2022@condorgold.com) or by post to 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX or, in Canada, at the office of the Company's registrar and transfer agent by no later than 48 hours prior to the time set for the Meeting or any adjournments or postponements thereof. An appointment of a proxy which is not received in accordance with these requirements may be invalid.
- 5 Members of the Company may not appoint more than one proxy to exercise rights attached to any one share. Should you wish to appoint more than one proxy to exercise rights attached to different shares please contact the registrar (within Canada) or Company Secretary (outside of Canada) in good time before the Meeting in order that the proxy forms are received in accordance with the times set out below. Please see the form of proxy which has more information in relation to the manner in which a proxy may be appointed.
- 6 A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by (a) completing and signing a form of proxy bearing a later date and depositing it at the offices of the registrar and transfer agent (within Canada) or the Company Secretary (outside of Canada); or (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorised officer or attorney either at the offices of the registrar and transfer agent (within Canada) or the Company Secretary (outside of Canada) at any time up to and including the last business day preceding the day of the Meeting or any adjournments or postponements thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournments or postponements thereof; or (c) in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy. Beneficial Shareholders (as defined below) in Canada who wish to change their vote must, in sufficient time in

advance of the Meeting, arrange for their respective intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the applicable revocation procedures. See “*Voting by Non-Registered Shareholders In Canada*” on page 58 for further details.

- 7 Your vote is important to us. Regardless of whether you intend to attend the Meeting in person physically or electronically, if you are a registered holder of ordinary shares we encourage you to complete the accompanying form of proxy, specifying the manner in which the ordinary shares represented thereby are to be voted, and sign, date and return the same in accordance with the instructions set out in the form of proxy. This will ensure your vote can be counted, even if you are unable to attend the Meeting.
- 8 If you are a beneficial shareholder of ordinary shares in Canada and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions set out in this Notice of Meeting and provided to you by your broker or intermediary.
- 9 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- 10 In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy but the vote of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.
- 11 Under Section 319A of the Companies Act 2006 (United Kingdom), the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:
  - answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- 12 As at 6 p.m. (London time) on 2 December 2022, the Company’s issued share capital comprised 158,629,530 ordinary shares with a nominal value of £0.20 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6 p.m. (London time) on 2 December 2022, is 158,629,530. The website referred to in note 4 will include information on the number of shares and voting rights.
- 13 To the knowledge of the directors and executive officers of the Company, no person other than Jim Mellon, a director and chairman of the Company, beneficially owns or exercises control or direction over, directly or indirectly, 10 per cent or more of the outstanding ordinary shares as of the date of this Notice of Meeting. Jim Mellon beneficially owns or exercises control or direction over, directly or indirectly, 29,694,226 Ordinary Shares, representing 18.7 per cent of the outstanding ordinary shares, as of the date of this Notice of Meeting.

## VOTING BY NON-REGISTERED SHAREHOLDERS IN CANADA

The following information is of significant importance to Canadian shareholders who do not hold Ordinary Shares in their own name and whose holdings are held through the Company's Canadian share register. Most Canadian Shareholders are "beneficial shareholders" who are non-registered shareholders. You are a beneficial shareholder (a "**Beneficial Shareholder**") if you beneficially own Ordinary Shares that are held in the name of an intermediary such as a bank, a trust company, a securities broker, a trustee or other nominee, and therefore do not have the Ordinary Shares registered in your own name.

Beneficial Shareholders should note that the only proxies that can be recognised and acted upon at the Meeting are those deposited by registered shareholders of the Company ("**Registered Shareholders**") or as set out in the following disclosure. If Ordinary Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Ordinary Shares will not be registered in the shareholder's name on the records of the Company.

Such Ordinary Shares will more likely be registered under the names of intermediaries. In Canada, the vast majority of such Ordinary Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non Objecting Beneficial Owners).

The Company is taking advantage of the provisions of the Canadian Securities Administrators' National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from the Company's Canadian registrar and transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Ordinary Shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

The Company does not intend to pay for intermediaries to forward to OBOs, under NI 54-101, the proxy related materials and Form 54-101F7, and in the case of an OBO, the OBO will not receive these materials unless the OBOs intermediary assumes the cost of delivery.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Ordinary Shares are voted at the Meeting. The proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Ordinary Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Ordinary Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Ordinary Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or

facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Ordinary Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Ordinary Shares at the Meeting.

