

Dated 25 November 2022

CONVERTIBLE LOAN NOTE INSTRUMENT

of

CONDOR GOLD PLC

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THIS DEED is dated 25 November 2022

## PARTY

**Condor Gold Plc** incorporated and registered in England and Wales with company number **05587987** whose registered office is at **7/8 Innovation Place, Douglas Drive, Godalming, Surrey, England, GU7 1JX** (the **Company**).

## Background

By exercising of the powers conferred on them by the Articles, the Directors of the Company have, by a resolution passed on 24 November 2022, created £1,017,000 unsecured fixed rate convertible loan notes and have agreed to constitute them in the following manner.

## Agreed terms

### 1 INTERPRETATION

1.1 The definitions and rules of interpretation in this clause 1 apply in this instrument.

**Adjustment Event:** any or all of the following, at any time, or by reference to any record date, while the Notes remain in issue:

- (a) any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves;
- (b) any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company; and
- (c) any sub-division or consolidation of Equity Securities by the Company (other than pursuant to the Share Capital Restructure).

**Articles:** the articles of association of the Company, as amended or superseded from time to time.

**Automatic Conversion Date:** has the meaning given to it in paragraph 2 of Part 1 of Schedule 3,

**Business Day:** a day (other than a Saturday, Sunday or public holiday) on which banks in the City of London are open for normal banking business.

**Certificate:** a certificate for Notes in the form (or substantially in the form) set out in Schedule 1

**Change of Control:** the acquisition of control of the Company (as defined in section 1124 of the Corporation Tax Act 2010) by any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers) with them.

**Conditions:** the conditions attaching to the Notes, as set out in Schedule 2 to Schedule 4

**Conversion Date:** in the case of a conversion under:

- (a) paragraph 1 of Part 1 of Schedule 3 within 10 Business Days of service of the Conversion Notice; or
- (b) paragraph 2 of Part 1 of Schedule 3, on the Automatic Conversion Date.

**Conversion Notice:** a notice in writing by the Noteholder to the Company to convert all of the outstanding Notes.

**Conversion Price:** the higher of (i) a price per Share of 15 pence; and (ii) a price per Share equal to the nominal value of the Shares at the Conversion Date.

**Deferred Shares:** the deferred shares of £0.199 proposed to be created by the Company pursuant to the Share Capital Restructure.

**Directors:** the board of directors for the time being of the Company.

**Equity Securities:** has the meaning given to "ordinary shares" in section 560(1) of the Companies Act 2006 and, for the avoidance of doubt, shall exclude the Deferred Shares.

**General Meeting:** means the extraordinary general meeting of shareholders of the Company to be convened to consider and if thought fit approve the Share Capital Restructure and the Shareholder Resolutions.

**Group:** in relation to a company, that company, any Subsidiary or any holding company from time to time of that company, and any Subsidiary from time to time of a holding company of that company. Each company in a Group is a **member of the Group**.

**Indebtedness:** includes the following:

- (a) monies borrowed or raised, and interest due and payable on such monies;
- (b) any liability under any, mortgage, debenture, bond, note, loan or stock or other debt security, encumbrance or instrument; and
- (c) any guarantee or other legally binding assurance against performance of contracts or against financial loss in respect of (a) to (c) (inclusive).

**Insolvency Event:** occurs if:

- (a) an order is made, resolution passed or legal proceedings issued (other than a proceeding which is vexatious or frivolous), or corporate action is taken, notice given or other step taken for the winding up or liquidation of any member of the Group (other than, in the case of a Subsidiary, pursuant to a solvent reorganisation);
- (b) a liquidator, receiver, manager, administrator, inspector, trustee or other similar person is appointed in respect of any member of the Group or some or all of its assets;

- (c) any distress, attachment, or execution is levied, issued, enforced or obtained on or against a material part of the Group's assets;
- (d) any security over all of the assets of the Group is enforced;
- (e) any event occurs that is in substance the same as those in (a) – (d) above.

**Investor Majority:** the holders of more than 50 per cent of the nominal amount of the Notes outstanding.

**Long-Stop Date:** means 31 January 2023.

**New Ordinary Share:** means new ordinary shares of the Company of £0.001 (one pence) each in issue after completion of the Share Capital Restructure.

**Notes:** the £1,000,000 secured convertible loan notes constituted by this instrument or, as the case may be, the principal amount from time to time issued and paid up and outstanding, and **principal amount** shall be construed accordingly.

**Noteholder(s):** the person(s) for the time being entered in the register as holders or joint holders of the Notes and **Noteholder** shall mean any of them.

**Old Ordinary Shares:** the ordinary shares of £0.20 each in the capital of the Company, which have the rights set out in the Articles.

**Open Offer:** means the open offer of new shares by the Company to its existing shareholders, and subsequent private placement of any unsubscribed shares, at a price of £0.15 (15 pence) per New Ordinary Share (subject to the passing of the Shareholder Resolutions at the General Meeting) with eligible shareholders offered the opportunity to subscribe for one New Ordinary Share for each six Old Ordinary Shares held by the shareholder on the record date.

**Permitted Indebtedness:** the Indebtedness of the Group outstanding as at the date of this instrument.

**Redemption Date:** the date falling 12 calendar months from the date of this instrument.

**Share Capital Restructure:** the proposed share capital restructure of the Company, being the sub-division of each Old Ordinary Share into one New Ordinary Share and one Deferred Share.

**Shareholder Resolutions:** the shareholder resolutions to be put to the Company's shareholders at the General Meeting relating to the Share Capital Restructure.

**Shares:** the shares in the capital of the Company.

**Subsidiary:** a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

- 1.2 Any phrase introduced by the terms **including, include** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.3 The schedules to this instrument form part of (and are incorporated into) this instrument.
- 1.4 A **person** includes a corporate or unincorporated body.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 A reference to a clause or a schedule is (unless expressly stated otherwise) a reference to a clause of, or schedule to, this instrument.
- 1.7 Clause and schedule headings do not affect the interpretation of this instrument.
- 1.8 A reference to one gender includes a reference to the other gender.
- 1.9 Any reference in this instrument to **this instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case in accordance with its terms.
- 1.10 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is a re-enactment or consolidation.
- 1.11 Except as otherwise provided, expressions defined in the Companies Act 2006 shall be read as if defined in that way in this instrument.

## 2 **NOMINAL AMOUNT**

The nominal amount of each Note is £1 and the aggregate principal amount of all the Notes is limited to £1,017,000.

## 3 **RANKING**

All the Notes shall rank *pari passu*, equally and rateably, without discrimination or preference among themselves and as unsecured obligations of the Company under this instrument.

## 4 **USE OF PROCEEDS**

The proceeds of all subscriptions for the Notes shall be used to fund the Company's working capital and capital expenditure requirements for the time being.

## 5 **LOAN NOTE CERTIFICATES**

- 5.1 Each Noteholder, or the joint holders of Notes, shall be entitled to receive (without charge) a Certificate executed as a deed by the Company for the amount of Notes held by him (or them) provided that joint holders of Notes

will only be entitled to receive one Certificate in respect of their joint holding and delivery of a Certificate to the first-named joint holder set out in the register shall be sufficient delivery to all.

5.2 Every Certificate shall have copies of Schedule 2 and Schedule 3 endorsed on or attached to it.

5.3 Where a Noteholder transfers part only of the Notes comprised in a Certificate, the old Certificate shall be cancelled and a new Certificate for the balance of such Notes shall be issued without charge.

## **6 TERMS AND CONDITIONS**

The Notes shall be issued subject to, and with the benefit of, the Conditions set out in Schedule 2 to Schedule 4 inclusive. Those conditions shall be binding on the Company, the Noteholder and all persons claiming through or under them.

## **7 NOTES REGISTER**

7.1 The Company shall keep, or cause to be kept, a register of the Notes at its registered office showing:

7.1.1 the names and addresses of the Noteholders;

7.1.2 the principal amount of the Notes held by each Noteholder and the principal monies paid up on it;

7.1.3 the first date or dates of issue of the Notes and the date on which the name of that Noteholder is entered in respect of the Notes standing in its name;

7.1.4 the serial number of each Certificate issued and the date of its issue; and

7.1.5 the date on which a person ceased to hold the Notes.

7.2 Any change of name or address of a Noteholder shall immediately be notified to the Company and, on receipt, the register shall be altered accordingly. Each Noteholder and any person authorised in writing by any of them may, at all reasonable times during office hours, inspect the register and to take copies of it or extracts from it. The Company may, however, close the register for such periods and at such times as the Company thinks fit, provided that the register is not closed for more than thirty (30) Business Days in any one year.

## **8 NOTES NOT TO BE QUOTED**

No application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

## **9 ENFORCEMENT**

The Company covenants with the Noteholder to perform and observe the obligations in this instrument to the intent that this instrument shall enure for the benefit of the

Noteholders, which may sue for the performance and observance of the provisions of this instrument so far as their holdings are concerned.

**10 SET-OFF**

Each Noteholder shall be recognised by the Company as entitled to the Notes registered in his name free from any equity, defence, set-off or cross-claim on the part of the Company against the original, or any intermediate, Noteholder.

**11 THIRD PARTY RIGHTS**

This instrument is enforceable under the Contracts (Rights of Third Parties) Act 1999 by the Company and any Noteholder, but not by any other person.

**12 GOVERNING LAW AND JURISDICTION**

12.1 This instrument and the Notes (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England.

12.2 The courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this instrument (including non-contractual disputes or claims). Accordingly, any proceedings relating to, or in connection with, this instrument or the Notes (including non-contractual disputes or claims) may be brought in such courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.



**SCHEDULE 1**

**FORM OF CERTIFICATE**

CONDOR GOLD PLC incorporated in England and Wales with registered number 05587987  
**(Company)**.

CERTIFICATE NO. [NUMBER]                      AMOUNT OF NOTES £[AMOUNT]

unsecured convertible loan notes (**Notes**).

Issued pursuant to the memorandum and articles of association of the Company and created by a resolution of the directors passed on [DATE] 2022.

This is to certify that [NAME[S]] of [ADDRESS[ES]] is/are the registered holder(s) of the nominal amount stated above of the Notes constituted by a loan note instrument dated [DATE] (**Instrument**) and made by the Company. The Notes are issued subject to, and with the benefit of, the provisions contained in the Instrument and the conditions and other provisions endorsed on this certificate and/or attached to it (**Conditions**). Interest is payable only in certain circumstances in accordance with Schedule 2 of the Instrument.

Executed as a deed by the Company this [DATE].

**Notes:**

1. No transfer of any part of the Notes represented by this Certificate can be registered without production of this Certificate or an indemnity in respect of the same.
2. The Notes are transferable in integral multiples of £10,000 in accordance with Schedule 4 of the Instrument.
3. The Notes are governed by, and construed in accordance with, the laws of England.

Signed as a deed by CONDOR GOLD PLC

acting by [NAME OF DIRECTOR]

in the presence of [NAME OF WITNESS]

.....  
  
.....

## SCHEDULE 2

### INTEREST AND REDEMPTION

#### 1 **Interest**

- 1.1 Interest shall be payable on any outstanding Notes (so far as not converted under Schedule 3) at a rate of 17% per annum (**Interest Rate**).
- 1.2 Any interest due under paragraph 1.1 of this Schedule 2 shall accrue and, at the election of the Noteholder, shall be payable in cash on the Redemption Date, or converted to New Ordinary Shares at the Conversion Price.
- 1.3 Interest, if payable, shall accrue daily at the Interest Rate and shall be calculated on the basis of a three hundred and sixty five (365) day year and the actual number of days elapsed from the date of issue of the Notes to the Redemption Date.

#### 2 **Repayment of principal**

Unless converted in accordance with the terms of this Instrument the Notes and all interest outstanding shall be redeemed by the Company at the principal amount on the Redemption Date. All Notes repaid by the company shall be automatically and immediately cancelled and shall not be reissued.

#### 3 **Time of payment**

Whenever any payment of principal (or otherwise) becomes due on a day which is not a Business Day, payment shall be made on the next following Business Day.

#### 4 **Events resulting in immediate redemption**

The Notes then in issue shall be immediately redeemed at the principal amount, together with interest on the Notes outstanding at the Interest Rate, if:

- 4.1 the Company fails to complete the Share Capital Restructure by the Long-Stop Date; or
- 4.2 an Insolvency Event occurs in relation to any member of the Group.

#### 5 **Action following redemption**

- 5.1 The Company shall give written notice to the Noteholder immediately on the Company becoming aware of the occurrence of an event specified in paragraph 4 of this Schedule 2, giving reasonable details of that event.
- 5.2 If, on redemption of a Note, a Noteholder fails to deliver the Certificate for it, or an indemnity in accordance with these Conditions or to accept payment of moneys due to him, the Company shall pay the moneys due to him into a bank account which payment shall discharge the Company from all further obligations in respect of the Note.
- 5.3 The Company shall cancel any Notes repaid, redeemed or purchased and shall not reissue them.

**6 Right to withhold**

The Company may deduct from any principal amount or interest payable in accordance with the Conditions any tax or other amounts which the Company may be required by law to deduct.

## SCHEDULE 3

### CONVERSION

#### PART 1 – CONVERSION

- 1 Subject to paragraph 3 of Part 1 of this Schedule 3, the Noteholder shall have the right to serve a Conversion Notice on the Company any time after the issue date of the Note to convert all of the Notes outstanding and held by him into fully paid New Ordinary Shares at the Conversion Price.
- 2 Subject to paragraph 3 of Part 1 of this Schedule 3 and subject to (i) the Open Offer receiving binding commitments from shareholders and/or third party investors for New Ordinary Shares equal in value to not less than £1,000,000 (excluding any commitment from Galloway Limited), and (ii) the Company's shareholders passing the Shareholder Resolutions at the General Meeting, all outstanding Notes shall automatically convert to New Ordinary Shares concurrent with the later of (i) the closing of the Open Offer and (ii) the passing of the Shareholder Resolutions at the General Meeting (**Automatic Conversion Date**). In the event of conversion under this paragraph 2 of Part 1 of Schedule 3, all interest accrued at the Automatic Conversion Date shall be converted to New Ordinary Shares on the same terms as the principal sum outstanding on such date.
- 3 Notwithstanding any other term of this Deed, a Noteholder shall not be permitted to convert any Notes held by it to the extent that as a result of such conversion, the Noteholder (together with persons "acting in concert" with it, as such term is applied for the purposes of the Takeover Code) own or control more than 29.9 per cent. (29.9%) of the issued Ordinary Shares of the Company or otherwise trigger a requirement for the Noteholder individually or in concert with others to make a general offer in respect of the Company pursuant to Rule 9 of the Takeover Code.

#### PART 2 – PROCEDURE ON CONVERSION

- 1 On the Conversion Date, the Directors shall convert the principal amount of the Notes into such number of new fully paid New Ordinary Shares at the Conversion Price, subject to any adjustment as set out in paragraph 9 of Part 2 of this Schedule 3 and in accordance with the following provisions of paragraph 2 to paragraph 8 of Part 2 of this Schedule 3.
- 2 Conversion of the Notes shall be effected by the Company redeeming the relevant Notes on the Conversion Date. Each Noteholder whose Notes are being converted shall be deemed to irrevocably authorise and instruct the Company to apply the redemption moneys payable to that Noteholder in subscribing for Shares on conversion of the Notes.
- 3 Shares arising on conversion of the Notes shall be issued and allotted by the Company on the Conversion Date and the certificates for such Shares shall be despatched to the persons entitled to them at their own risk. Each Share arising on conversion shall be issued and allotted at such premium to reflect the difference between the nominal amount of the Share and the principal amount of Notes converted into one Share on the Conversion Date.
- 4 The Shares arising on conversion of the Notes shall be credited as fully paid and rank pari passu with Shares of the same class in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared after the

Conversion Date. If at the time of issue of the Shares arising on conversion of the Notes the Old Ordinary Shares or the New Ordinary Shares (as relevant at the time) are listed and traded through AIM or on any recognised investment exchange, the Company will upon, or as soon as practicable after the issue of such Shares, apply to AIM or such recognised investment exchange (as the case may be) for permission to deal in such Old Ordinary Shares or New Ordinary Shares.

- 5 No Shares shall be issued pursuant to a conversion of Notes if, as a result, upon subscription, Shares would fall to be issued at a discount to nominal value and nothing in these Conditions shall oblige the Company to issue Shares at a discount to nominal value.
- 6 Any allotment and issue of Share pursuant to this Deed shall be conditional on the Company being reasonably satisfied that:
  - 6.1 the Company is not in a Closed Period; and
  - 6.2 such allotment is lawful pursuant to the Financial Services and Markets Act 2000 (as amended from time to time) and related regulations and the AIM Rules, the rules of the Toronto Stock Exchange and any other securities laws or regulations as may apply to the allottee in question from time to time.
- 7 The entitlement of each Noteholder to a fraction of a Share shall be rounded to the nearest whole number of Shares which result from the conversion of the Notes.
- 8 The Company undertakes that, while the Notes remain in issue, it shall (pending either the payment of any redemption moneys in respect of the Notes or the issue of the Shares on conversion, each in accordance with the provisions of this instrument):
  - 8.1 not alter the Articles in any way which would adversely affect the rights of the Noteholder without the prior sanction of a Special Resolution;
  - 8.2 notify the Noteholder in writing as soon as reasonably practicable after the relevant board or general meeting of shareholders (whichever is the earliest) has resolved to implement an Adjustment Event specifying the prospective date of the Adjustment Event and the proposed terms of it;
  - 8.3 maintain sufficient shareholder authority to satisfy in full, without the need for the passing of any further resolutions of its shareholders, the most onerous of the outstanding rights of conversion for the time being attaching to the Notes pursuant to paragraph 1 and paragraph 1 of Part 1 of this Schedule 3, without first having to offer the same to any existing shareholders of the Company or any other person;
- 9 Following an Adjustment Event, the professional advisors or auditors of the Company for the time being shall certify to the Company in writing the adjustments to the number and nominal value of the Shares to be converted which they consider to be necessary so that, after such adjustment and on conversion, the Noteholder shall be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the Shares on conversion of the

Notes). The Company shall then notify the Noteholder in writing of the necessary adjustment as determined by the professional advisors or auditors.

## SCHEDULE 4

### TRANSFER PROVISIONS AND OTHER MATTERS

- 1 The Company shall recognise the registered holder of any Notes as the absolute owner of them and shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Note may be subject. The Company shall not (except as provided by statute or as ordered by a court of competent jurisdiction) be bound to enter any notice of any trust (whether express, implied or constructive) on the register in respect of any of the Notes.
- 2 The Notes are transferable in accordance with this Schedule 4 in integral multiples of £10,000 by instrument in writing in the usual common form (or in such other form as the Directors may approve) and such instrument need not be under seal.
- 3 Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the register in respect of such Notes.
- 4 Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificate(s) for the Notes to be transferred and any other evidence that the Company may require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person on his behalf, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
- 5 No transfer of Notes shall be registered in respect of which a Conversion Notice has been given.
- 6 Payment of the principal amount and all accrued interest on the Notes may be made by bank transfer to an account nominated for the purpose to the Company in writing by the registered holder or, in the case of joint registered holders, to the one who is first-named on the register, or to such person or persons as the registered holder or all the joint registered holders may in writing direct and sent to the registered holder or in the case of joint registered holders to that one of the joint registered holders who is first-named on the register or to such address as the registered holder or joint registered holders may in writing direct. A bank transfer to the nominated account shall be good discharge to the Company.
- 7 If more than one person is entered in the register as joint holders of any Notes then, without prejudice to paragraph 6 of this Schedule 4, the receipt of any one of such holders for any moneys payable on or in respect of the Notes shall be as effective a discharge to the Company or other person making the payment as if the person signing such receipt were the sole registered holder of such Notes.
- 8 If any Certificate is worn out or defaced then, on production of it to the Directors, they may cancel it and may issue a fresh Certificate in lieu. If any Certificate is lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity as the Company may reasonably require. An entry recording the issue of the new Certificate and indemnity (if any) shall be made in the register. No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or effecting title to any Notes.

- 9 Any notice or other document required to be given under this instrument shall be in writing and may be given to or served on any Noteholder by sending it by first-class post in a prepaid envelope addressed to such Noteholder at his registered address, or by email to any address provided by the Noteholder to the Company in writing in connection with the subscription for the Notes. Any such notice sent or document served by first-class post shall be deemed to have been given or served 48 hours or 96 hours in the case of a notice or document sent to an address for a Noteholder not in the United Kingdom after the time when it is posted and in proving such notice or service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted. Any notice given by email shall be deemed to have been given or served 24 hours after transmission.
- 10 Any notice or other document delivered or sent by post to, or left at, the registered address, or email address, of any Noteholder in pursuance of these provisions shall, notwithstanding that such Noteholder is then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Notes registered in the name of such Noteholder as sole or first-named joint holder unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the Notes, and such service shall for all purposes be deemed sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Notes.
- 11 A copy of this instrument shall be kept at the Company's registered office. A Noteholder (and any person authorised by a Noteholder) may inspect that copy of the instrument at all reasonable times during office hours.



**SCHEDULE 5**  
**MEETINGS OF THE NOTEHOLDERS**

- 1 The Company may at any time convene a meeting of Noteholders. In addition, the Company shall at the written request of the holders of not less than one-tenth in nominal amount of the outstanding Notes convene a meeting of the Noteholders. Any meeting shall be held at such place as the Company may designate.
- 2 At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) of every meeting shall be given to the Noteholders. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted, but it shall not be necessary (except in the case of a Special Resolution) to specify in the notice the terms of any resolution to be proposed. The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting. A meeting of the Noteholders shall, despite being called at shorter notice than specified above, be deemed to have been duly called if it is agreed in writing by all of the Noteholders.
- 3 At any meeting the quorum shall be two Noteholders holding, or representing by proxy, at least 25% in nominal amount of the outstanding Notes. No business (other than choosing a Chair) shall be transacted at any meeting unless the requisite quorum is present.
- 4 If a quorum is not present, within half an hour from the time appointed for the meeting, the meeting shall be dissolved if it was convened on the requisition of Noteholders. In any other case, it shall stand adjourned to such day and time (at least 14 days later, but not more than 28 days later) and to such place as may be appointed by the Chair. At such adjourned meeting, two Noteholders present in person (or by proxy) and entitled to vote shall constitute a quorum (whatever the nominal amount of the Notes held by them). At least 14 days' notice of any adjourned meeting of Noteholders shall be given (in the same manner mutatis mutandis as for an original meeting). That notice shall state that two Noteholders present in person (or by proxy) at the adjourned meeting (whatever the nominal amount of Notes held by them) shall form a quorum.
- 5 A person (who may but need not be a Noteholder) nominated by the Company shall be entitled to take the chair at every such meeting but, if no such person is nominated or if the person nominated is not be present at the meeting within five minutes after the time appointed for holding the meeting, the Noteholders present shall choose one of their number to be Chair. Any Director or officer of, any Secretary of, and the solicitors to, the Company and any other person authorised in that behalf by the Company may attend at any such meeting.
- 6 Each question submitted to a meeting of Noteholders shall, unless a poll is demanded, be decided by a show of hands.
- 7 At any meeting of Noteholders unless a poll is demanded by the Chair or by one or more Noteholders present in person or by proxy and holding or representing in the aggregate not less than [one-twentieth] in nominal amount of the outstanding Notes (before or on the declaration of the result of the show of hands), a declaration by the Chair that a resolution has been carried by the requisite majority, lost or not carried by the requisite majority shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 8 If a poll is duly demanded, it shall be taken in such manner and (subject as set out below) either at once or after an adjournment as the Chair directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the meeting from continuing for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.
- 9 If there is an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting shall [not] be entitled to a casting vote in addition to the vote(s) (if any) to which they may be entitled as a Noteholder or as a proxy.
- 10 The Chair may, with the consent of (and shall if so directed by) any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.
- 11 Any poll demanded at any meeting on the election of a Chair, or on any question of adjournment, shall be taken at the meeting without adjournment.
- 12 On a show of hands, each Noteholder who is an individual and is present in person or (being a corporation) is present by its duly authorised representative or by one of its officers as its proxy, shall have one vote. On a poll, each Noteholder present in person or by proxy, shall have one vote for every £10,000 nominal of Notes held by him or her and a person entitled to more than one vote need not (if they vote) use all their votes or cast all the votes they use in the same way.
- 13 In the case of joint registered Noteholders any one of them shall be entitled to vote in respect of such Notes either in person or by proxy and, in the latter case, as if the joint holder were solely entitled to such Notes. If more than one joint holder is present at any meeting either personally or by proxy that one joint holder so present whose name as between himself or herself and the other or others present stands first in the register as one of the joint holders shall alone be entitled to vote in person or by proxy.
- 14 Each instrument appointing a proxy must be in writing and duly executed by the appointor or the appointor's duly authorised attorney or, in the case of a corporation under its common seal or duly executed by a duly authorised attorney or officer. The Chair may (but shall not be bound to) require evidence of the authority of any attorney or officer. A proxy need not be a Noteholder.
- 15 An instrument of proxy shall be in the usual or common form or in any other form that the Directors may accept. The proxy shall be deemed to include the right to demand or join in demanding a poll. A proxy shall, unless stated otherwise, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
- 16 The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, shall be deposited at the place specified in (or in any document accompanying) the notice convening the meeting. If no such place is specified, the proxy shall be deposited at the registered office of the Company not less than [48 hours] before the time appointed for holding the meeting or adjourned meeting or for taking of the poll at which the person named in that instrument proposes to vote. In default, the instrument of proxy shall not be treated as valid. A vote given in

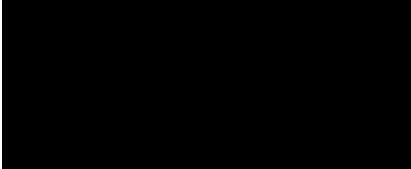
accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or of the authority under which the proxy is given, unless notification in writing of the revocation has been received at the registered office of the Company or at such other place (if any) specified for the deposit of instruments of proxy in the notice convening the meeting (or any document accompanying it) [48 hours] before the commencement of the meeting or adjourned meeting or the taking of the poll at which the vote is given.

- 17 Without prejudice to any of the powers conferred on the Company under any of the provisions of the Instrument, a meeting of the Noteholders shall, in addition to any other powers, have the following powers exercisable by Special Resolution:
- 17.1 power to sanction the exchange or sale of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, debenture stock or other obligations or security of the Company or any other company formed or to be formed (other than as set out in the Conditions);
  - 17.2 power to sanction any abrogation, modification or compromise of, or any arrangement in respect of, the Noteholders' rights against the Company, provided the same has been previously approved in writing by the Company, whether those rights shall arise under the Instrument, the Notes or otherwise;
  - 17.3 power to assent to any modification of the provisions contained in the Instrument and the Conditions and to authorise the Company to execute any supplemental instrument embodying any such modification. Any such modification shall be proposed by the Company; and
  - 17.4 power to:
    - 17.4.1 modify the date fixed for final redemption of the Notes;
    - 17.4.2 reduce or cancel the principal amount payable on the Notes;
    - 17.4.3 reduce the amount payable or modify the method of calculating the amount payable on the Notes; or
    - 17.4.4 modify the dates for payment in respect of any interest, on the Notes.
- 18 A Special Resolution passed at a meeting of the Noteholders shall be binding on all the Noteholders whether or not they are present at the meeting. Each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify passing it (so that the meeting may determine without appeal whether or not the circumstances justify passing it).
- 19 Special Resolution, when used in the Conditions, means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Conditions, and carried by a majority consisting of not less than 75 per cent of (subject to paragraph 13 of this Part 3 of Schedule 2), on a show of hands, the persons voting at such meeting or, if a poll is duly demanded, the votes given on such a poll.

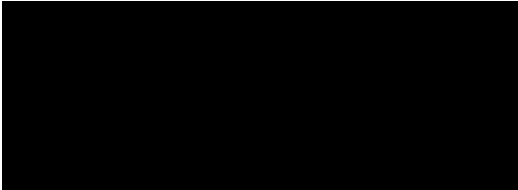
- 20 A resolution in writing signed by or on behalf of 75 per cent of the Noteholders (by value of Notes held) shall, for all purposes, be as valid and effectual as a Special Resolution passed at a meeting duly convened and held in accordance with the Conditions. Such resolution in writing may be contained in one document or in several documents in similar form, each signed by one or more Noteholders.
- 21 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any minutes, if purporting to be signed by the Chair of the meeting or by the Chair of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters stated in them. Until the contrary is proved, every meeting for which minutes have been made and signed shall be deemed to have been duly held and convened, and all resolutions passed at the meeting to have been duly passed.

Executed as a deed by

**CONDOR GOLD PLC**



Attorney

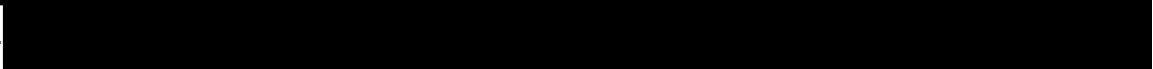


SIGNATURE OF WITNESS

NAME, ...



ADDRESS .



OCCUPATION...

