

**DEED OF IRREVOCABLE UNDERTAKING**To: **Metals Exploration PLC (Offeror)**From: **Galloway Limited**

28 November 2024

**Offer for Condor Gold PLC (Company)**

I, the undersigned, understand that the Offeror is considering the Acquisition substantially on the terms and conditions set out or referred to in a draft of the announcement announcing the Acquisition, a copy of which is annexed hereto at Schedule 2 (**Announcement**), to be issued on or about 2<sup>nd</sup> December 2024 by the Offeror pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (**Takeover Code**), subject to such other terms and conditions as may be required by the Applicable Requirements (as defined below) and/or as may be agreed between the Offeror and the Company.

All references in this undertaking to the **Acquisition** shall:

1. mean the proposed acquisition by or on behalf of the Offeror of all the issued and to be issued shares in the Company, which acquisition is intended to be implemented by way of a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (**Scheme**), noting that the Offeror has reserved the right to implement the Acquisition by way of a takeover offer, as defined in Chapter 3 of Part 28 of the Companies Act 2006 (**Offer**); and
2. include any revision or variation in the terms of any acquisition as referred to in paragraph 1 above which may be made by or on behalf of the Offeror from time to time.

**Applicable Requirements** means the requirements of the Takeover Code, the Takeover Panel, any applicable law, the Court, the Companies Act 2006, the AIM Rules, the Disclosure Guidance and Transparency Rules, the rules and regulations of the London Stock Exchange and/or the Toronto Stock Exchange, any applicable Canadian Securities Law and/or the requirements of any other relevant regulatory authority (as applicable).

Capitalised terms not otherwise defined in this letter shall have the meaning given to them in the Announcement.

**1. Warranties and undertakings**

1.1 Subject to your announcing the Acquisition under Rule 2.7 of the Takeover Code by 5:00 p.m. on 4<sup>th</sup> December 2024, (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, represent and warrant to the Offeror that:

1.1.1 I am the beneficial owner of (or am otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of), and/or am the registered holder of, the number of ordinary shares of 0.1p each in the capital of the Company (**Ordinary Shares**) set out in column (1) of the table in Schedule 1 (**Shares**, which expression shall include any other shares in the Company issued to me or my nominee after the date hereof or transferred to me or my nominee after the date hereof);

1.1.2 I am also the holder of the number of options and awards (if any) over Shares as are set out in the second column of the table in Schedule 1 below (**Options**) and warrants set out in the second column of the table below (**Warrants**);

- 1.1.3 my close relatives and related trusts are the beneficial owners of (or are otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of), and/or are the registered holders of, the number of Ordinary Shares set out in Part 2 of Schedule 1 to this undertaking (**Connected Person Shares**, which expression shall include any other shares in the Company issued or transferred to my related trusts, close relatives or their respective nominees after the date hereof);
- 1.1.4 I (together with my close relatives and related trusts) am not interested in, or otherwise able to control the exercise of rights attaching to, any shares or other securities of the Company, and I (together with my close relatives and related trusts) do not have any rights to subscribe, purchase or otherwise acquire any shares or securities of the Company, in each case other than those of which details are set out in the table in Schedule 1;
- 1.1.5 I am able to transfer, or procure the transfer of, the Shares (and my close relatives and related trusts are able to transfer, or procure the transfer of, the Connected Person Shares) free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third-party rights and interests of any nature;
- 1.1.6 I shall not, and, if I am not the registered holder of some or all of the Shares, shall procure that any person who is the registered holder of the Shares, shall not, unless and until the obligations under this undertaking lapse in accordance with the terms of this undertaking:
- 1.1.6.1 except pursuant to the Acquisition and subject to paragraph 1.2 below, sell, transfer, dispose of, charge, pledge, encumber, grant any option over or otherwise permit the sale, transfer, disposal of, charging, pledging or other disposition or creation or grant of any other encumbrance or option or right of, or over, all or any of such Shares or interest in such Shares (including through the acquisition of a short derivative position referable to the Company's shares), or accept any other offer in respect of all or any of such Shares (in each case whether conditionally or unconditionally);
  - 1.1.6.2 accept any other offer or similar transaction in respect of any of the Shares, including any other offer or similar transaction made or proposed in competition with the Acquisition or which might frustrate, impede or delay the Acquisition or any part of it (whether it is conditional or unconditional and irrespective of the means by which it is to be implemented);
  - 1.1.6.3 in my capacity as a shareholder of the Company, without the prior written consent of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company for the purposes of voting on any resolution referred to under paragraphs 2.1.2 to 2.1.4 below;
  - 1.1.6.4 in my capacity as a shareholder of the Company, vote in favour of any resolution to give effect to any scheme of arrangement of the Company (other than to give effect to the Acquisition), or any other offer or similar transaction in

respect of any of the Shares, including any other offer, scheme or similar transaction made or proposed in competition with the Acquisition or which might frustrate, impede or delay the Acquisition or any part of it (whether it is conditional or unconditional and irrespective of the means by which it is to be implemented);

1.1.6.5 save for the Shares or the exercise of options under any of the Company's share option schemes, or the exercise of any Warrants, acquire any shares or other securities of the Company, or any interest (as defined in the Takeover Code) therein. If any such shares, securities or interest is acquired by me, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression **Shares** for the purposes of this undertaking and I shall notify the Offeror immediately of any such acquisition and of any other dealing, disposal or change in the number of Shares; or

1.1.6.6 except pursuant to the Acquisition, enter into any letter of intent, agreement, undertaking or arrangement (whether conditional or unconditional) or permit any letter of intent, agreement, undertaking or arrangement to be entered into or incur any obligation or permit any obligation to arise:

1.1.6.6.1 in each case solely in my capacity as a holder of Shares, to accept, in respect of the Shares, any offer, or approve, any offer made or proposed to be implemented by way of a contractual offer, scheme of arrangement or otherwise in respect of securities in the Company by any person other than the Offeror, which would reasonably be expected to frustrate, impede or delay the implementation of the Scheme (including any other offer, scheme or similar transaction made or proposed in competition with the Acquisition);

1.1.6.6.2 in relation to, or operating by reference to, shares or other securities of the Company or any interest therein;

1.1.6.6.3 to do all or any of the acts referred to in paragraphs 1.1.6.1 to 1.1.6.5 (inclusive) above; or

1.1.6.6.4 which would or might reasonably be expected to preclude me from complying with my obligations as set out in this undertaking,

and references in this paragraph 1.1.6 to any agreement, arrangement or obligation shall include any such agreement, undertaking, arrangement or obligation whether or not subject to any conditions or which is to take effect upon or following the Acquisition becoming effective or lapsing or upon or following this undertaking ceasing to be binding or upon or following any other event;

- 1.1.7 I shall procure that my close relatives and related trusts holding Connected Person Shares comply with the undertakings contained in paragraph 1.1.6 as if references therein to me were to them, and references to Shares were to Connected Person Shares;
  - 1.1.8 I shall vote, and shall procure that my close relatives and related trusts holding Connected Person Shares vote, against any resolution to approve any transaction or other corporate action which is proposed in competition with, or which might reasonably be expected to otherwise frustrate, impede or delay, the Acquisition;
  - 1.1.9 I have full power and authority and the right (free from any legal or other restrictions), and will at all relevant times continue to have all relevant power and authority and the right, to enter into and perform my obligations under this undertaking in accordance with their terms; and
  - 1.1.10 I will accept any proposal made by the Offeror to holders of options and warrants granted over and awards issued in respect of Ordinary Shares in compliance with Rule 15 of the Takeover Code in respect of all such options, warrants and awards held by me or on my behalf, only to the extent such proposal would not result in me incurring a financial loss arising directly from the exercise of such options, warrants or awards, not later than seven days after the Offeror posts such proposals, or, if later, within seven days of any further grant or issue. For the avoidance of doubt, to the extent such proposal would result in a financial loss arising directly from the exercise of such option, warrant or award, I will not be obliged to accept such proposal.
- 1.2 Paragraph 1.1.6 shall not restrict me from selling or disposing of such number of Shares (or any interest in such Shares):
- 1.2.1 to cover my liability for tax and employee national insurance or other social security contributions arising as a result of or otherwise in respect of the grant, vesting or exercise of any options or awards in respect of shares of the Company;
  - 1.2.2 to a close relative or related trust, provided that I remain able to procure compliance by that close relative or related trust with the terms of this undertaking in all respects; or
  - 1.2.3 as part of my bona fide tax planning, provided always that prior to any such disposal (i) the intended transferee or beneficiary enters into and delivers to the Offeror an undertaking in favour of the Offeror in terms no less favourable to the Offeror than those set out herein, and (ii) I notify the Offeror no less than three business days before such disposal of those terms.

## 2. Scheme

Subject to your announcing the Acquisition under Rule 2.7 of the Takeover Code by 5:00 p.m. on 4<sup>th</sup> December 2024, (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Scheme, to the Offeror that:

- 2.1 I have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any general meeting (including any separate class meeting) of the Company

(including any adjournment thereof) (**General Meeting**) or at any meeting (including any separate class meeting) of holders of shares in the Company convened by a Court (including any adjournment thereof) (**Court Meeting**) which:

- 2.1.1 is necessary to implement the Acquisition (which shall include any resolution to approve the Scheme);
- 2.1.2 would or might reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition;
- 2.1.3 would or might reasonably be expected to impede, delay or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party);
- 2.1.4 would or might reasonably be expected to otherwise impact on the success of the Acquisition; or
- 2.1.5 without prejudice to the generality of the foregoing, relates to the proposed adjournment of the General Meeting or the Court Meeting or relates to the proposed amendment of the terms of the resolutions to be proposed at the Court Meeting or the General Meeting, in each case, where the same would or might reasonably be expected to impact on the success of the Acquisition,

in each case, only in accordance with the Offeror's instructions;

- 2.2 I shall exercise, or, where applicable, procure the exercise of, all rights attaching to the Shares to requisition or join in the requisitioning of any general meeting of the Company for the purposes of voting on any resolution referred to under paragraph 2.1 above, or to require the Company to give notice of any such meeting, only in accordance with the Offeror's instructions;
- 2.3 for the purpose of voting on any resolution referred to under paragraph 2.1 above, I shall, if required by the Offeror in reasonable time before the cut off time for the filing of proxy instructions in connection with the relevant vote, execute any form of proxy or make such other voting instrument or appointment required by the Offeror appointing any person nominated by the Offeror to attend and vote at the relevant meetings;
- 2.4 without prejudice to paragraph 2.3, and in the absence of any such requirement by the Offeror, I shall after the posting of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (**Scheme Document**) (and without prejudice to any right I have to attend and vote in person at the Court Meeting and the General Meeting to implement the Acquisition), return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the resolutions to implement the Acquisition) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any action which may be required by the Company or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the resolutions to implement the Acquisition), as soon as possible and in any event within 14 days after the posting of the Scheme Document;
- 2.5 I shall not, and shall procure that any registered shareholder of Shares from time to time shall not, amend, revoke or withdraw the terms of any proxy executed or returned in accordance with paragraphs 2.3 and 2.4, either in writing or by

attendance at any Court Meeting or General Meeting or otherwise, and if I attend the Court Meeting and/or the General Meeting in person, I shall vote in favour of the resolutions to implement the Acquisition; and

- 2.6 I shall procure that my close relatives and related trusts comply with the above undertakings in this paragraph 2 as if references therein to me were to them and references to Shares were to Connected Person Shares.

### 3. Offer

Subject to your announcing the Acquisition under Rule 2.7 of the Takeover Code by 5:00 p.m. on 4<sup>th</sup> December 2024, (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of an Offer, to the Offeror that:

- 3.1 upon the Offer being made, I will have full power and authority to accept or, where applicable, procure the acceptance of the Offer in respect of the Shares and to transfer the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid;
- 3.2 I shall as soon as possible, and in any event within seven days after the posting of the formal document containing the Offer (**Offer Document**) (or, in respect of any shares allotted to me after the posting of the Offer Document, within seven days of such allotment or acquisition), duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Shares and, in respect of any Shares held in certificated form, shall forward the relevant share certificate(s) to the Offeror or its nominated representative (or a form of indemnity acceptable to the directors of the Company in respect of any lost certificate(s)) at the time of acceptance and, in respect of any Shares held in uncertificated form, shall take any action which may be required by the Offeror or its nominated representative to facilitate the valid acceptance of the Offer in respect of the Shares;
- 3.3 notwithstanding any of the terms of the Offer Document which confer rights of withdrawal on accepting shareholders, I shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised;
- 3.4 the Shares shall be acquired by the Offeror free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature; and
- 3.5 I shall procure that my close relatives and related trusts comply with the above undertakings in this paragraph 3 as if references therein to me to them and references to Shares were to Connected Person Shares.

### 4. Publicity

- 4.1 I acknowledge and consent to:
- 4.1.1 the Announcement of the Acquisition containing references to me and the registered holder(s) of any of the Shares in which I and my close relatives and related trusts have (or will have as the case may be) a beneficial interest and to this deed substantially in the terms set out in the Announcement;

- 4.1.2 the inclusion of references to me and the registered holder(s) of any of the Shares in which I and my close relatives and related trusts have (or will have as the case may be) a beneficial interest and particulars of this deed being set out in the Scheme Document, any Offer Document and any announcement or circular required to be issued by the Offeror in connection with the Acquisition (**Offeror Documents**) (if applicable);
  - 4.1.3 the despatch of the Scheme Document, Offer Document and/or the Offeror Documents (as applicable) containing particulars of this undertaking;
  - 4.1.4 this deed being published on a website as required by Rule 26.2 of the Takeover Code; and
  - 4.1.5 this deed being disclosed to the Financial Conduct Authority, the London Stock Exchange or the Panel (if requested).
- 4.2 I further acknowledge that I am obliged to make appropriate disclosure under Rule 2.10(c) of the Takeover Code promptly after becoming aware that I will not be able to comply with the terms of this deed or no longer intend to do so.
- 4.3 Prior to this undertaking being published as referred to in paragraph as referred to in paragraph 4.1.4 above, I agree not to disclose to any third party (other than my professional advisers) the existence or subject matter of this deed or of any of the arrangements or proposed arrangements to which it relates unless such disclosure is require by law, the Panel, the Financial Conduct Authority, the London Stock Exchange or pursuant to any other legal or regulatory requirement in which case I will only make such disclosure following consultation with the Offeror.

## 5. Miscellaneous

- 5.1 I shall procure the observance by such persons from whom I am to procure votes in favour of the resolutions to implement the Acquisition pursuant to paragraph 1.1.7, 1.1.8, 2 above or acceptance of the Offer pursuant to the terms of paragraph 3 above (as the case may be) of the terms hereof as if they were each specifically a party hereto.
- 5.2 If I fail to comply with my obligations pursuant to paragraph 1, 2 or 3, I irrevocably and by way of security for my obligations hereunder appoint each of the Offeror and any director of the Offeror to be my attorney to execute on my behalf proxy forms for any Court Meeting or General Meeting or forms of acceptance to be issued with the Offer Document in respect of the Shares (as applicable) and to sign, execute and deliver any documents and to do all acts and things as may be necessary for or incidental to the completion of the Acquisition, the acceptance of the Offer (as the case may be) and/or performance of my obligations under this undertaking.
- 5.3 This undertaking shall not oblige the Offeror to announce or proceed with the Acquisition but shall cease to have any effect:
  - 5.3.1 immediately if the Announcement is not released by 5.00 p.m. on 4<sup>th</sup> December 2024 (or any later date agreed between the Company and the Offeror);
  - 5.3.2 subject to paragraph 5.3.4, following the release of the Announcement, immediately if the Offeror announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by the Offeror in accordance with Rule 2.7 of the Takeover Code at the same time;

- 5.3.3 if the Scheme Document is not published with 28 days of the date of release of the Announcement (or within such longer period as the Panel may agree);
- 5.3.4 following the release of the Announcement, immediately if the Scheme (or Offer, as applicable) is withdrawn or lapses, provided that this paragraph 5.3.4 shall not apply:
  - 5.3.4.1 where the Scheme is withdrawn or lapses as a result of the Offeror exercising its right to implement the Acquisition by way of an Offer rather than a Scheme or vice versa; or
  - 5.3.4.2 if the lapse or withdrawal is followed within five business days by an announcement under Rule 2.7 of the Takeover Code by the Offeror (or a person acting in concert with it) of a firm intention to implement the Acquisition either by a new, revised or replacement scheme of arrangement pursuant to Part 26 of the Companies Act 2006 or takeover offer (within the meaning of section 974 of the Companies Act 2006); or
- 5.3.5 immediately if any competing offer for the entire issued and to be issued share capital of the Company becomes unconditional (if implemented by way of takeover offer) or becomes effective in accordance with its terms (if implemented by way of a scheme of arrangement).
- 5.4 If my obligations in this undertaking lapse, I shall have no claim against the Offeror, and the Offeror shall have no claim against me, other than in respect of any prior breach of any of the terms of this undertaking.
- 5.5 In this letter, the terms “close relative” and “related trust” shall have the meaning given in (or the definition applied by the Takeover Panel in accordance with) the Takeover Code.
- 5.6 Nothing in this undertaking shall constitute an obligation on me, in my capacity as a director of the Company, to take any action which is not permitted by Practice Statement No 29 issued by the Panel with respect to Rule 21.2 of the Takeover Code.
- 5.7 I agree that, if I fail to comply with any of the undertakings contained herein, damages may not be an adequate remedy and accordingly the Offeror shall be entitled to seek the remedies of specific performance, injunction or other equitable relief.
- 5.8 This undertaking shall be binding on my estate and personal representatives.
- 5.9 No term of this undertaking is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to it.
- 5.10 The invalidity, illegality or unenforceability of any provision of this undertaking shall not affect the continuation in force of the remainder of this undertaking.
- 5.11 References in this undertaking to an obligation on me to “procure” compliance by any person who is the registered holder of the Shares or Connected Person Shares shall be interpreted as an obligation to take all steps in my control (or in the control of my close relatives or related trusts, as the case may be) to ensure that the registered holder complies with the relevant instruction.
- 5.12 This undertaking contains the whole agreement between the Offeror and me relating to the subject matter of this undertaking at the date hereof, to the exclusion



of any terms implied by law which may be excluded by contract. I acknowledge that I have not been induced to sign this undertaking by any representation, warranty or undertaking not expressly incorporated into it.

5.13 This undertaking shall be governed by and construed in accordance with English law. Any matter, claim or dispute, whether contractual or non contractual, arising out of or in connection with this undertaking is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

**6. Execution as a deed**

This document has been executed as a deed but is not delivered until it has been dated.

Signed as a deed by .....  
a director of **GALLOWAY LIMITED**



in the presence of:

Witness' signature:

Witness' name:

Address:

Occupation:

**Schedule 1  
Part 1  
Shares**

<i>Number of Shares</i>	<i>Number of (a) Options and (b) Warrants + associated vesting dates (if applicable)</i>	<i>*Registered owner</i>	<i>*Beneficial owner</i>
50,512,597	892,857 warrants	Various nominee companies (shares)  Galloway Limited (warrants)	Galloway Limited

\* Where more than one, indicate number of Shares attributable to each.

**Part 2  
Connected Person Shares**

<i>Number of Shares</i>	<i>Number of (a) Options and (b) Warrants + associated vesting dates (if applicable)</i>	<i>* Registered owner</i>	<i>* Beneficial owner</i>
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\* Where more than one, indicate number of Shares attributable to each.

**Schedule 2  
Announcement**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR CIRCULAR OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO METALS EXPLORATION PLC SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.

NEITHER THIS ANNOUNCEMENT, NOR THE INFORMATION CONTAINED HEREIN, CONSTITUTES A SOLICITATION OF PROXIES WITHIN THE MEANING OF APPLICABLE CANADIAN SECURITIES LAWS. SHAREHOLDERS ARE NOT BEING ASKED AT THIS TIME TO EXECUTE A PROXY IN FAVOUR OF THE OFFER OR THE MATTERS DESCRIBED HEREIN.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO.596/2014 AS IT FORMS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

4 December 2024

**RECOMMENDED OFFER**

for

**CONDOR GOLD PLC**

by

**METALS EXPLORATION PLC**

**to be implemented by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

## Summary

- The boards of Metals Exploration plc (“**MTL**”) and Condor Gold plc (“**Condor Gold**”) are pleased to announce that they have agreed the terms and conditions of a recommended offer by MTL for the entire issued, and to be issued, ordinary share capital of Condor Gold (the “**Offer**”). It is intended that the Offer will be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act.
- Under the terms of the Offer, each Condor Gold Shareholder will be entitled to receive for each Condor Gold Share:

**4.0526 New MTL Shares and 9.9p in cash**

and

**1 Contingent Value Right**

- Under the terms of the Offer, each Condor Gold Shareholder shall be entitled to the fixed consideration of 4.0526 New MTL Shares and 9.9p in cash for each Condor Gold Share held (the “**Fixed Consideration**”).
- Based on the closing middle-market price per MTL Share on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period), the Fixed Consideration values Condor Gold's existing issued ordinary share capital at approximately £67.5 million, representing approximately 33.0p per Condor Gold Share.
- In addition, each Condor Gold Shareholder will be entitled to one Contingent Value Right for each Condor Gold Share held (the “**CVR Consideration**”), which entitles them to their pro rata share of:
  - US\$14.4 million (to be paid in pounds sterling using the CVR Exchange Rate) following the first gold pour after commissioning of the relevant processing facilities (as confirmed by the Independent CVR Representative) using ore from the La India mining operations, subject to the first gold pour occurring within the five-year period following the earlier of (i) the first date upon which a suitable drilling rig to carry out the agreed work commitments has been mobilised to the La India Project (as confirmed by the Independent CVR Representative); and (ii) six months following the Effective Date (the “**CVR Commencement Date**”), to be settled by way of the issue of loan notes (issued by MTL) with a maturity of six months and one day after their date of issue (the “**Loan Notes**”), within 15 Business Days of the first gold pour; and
  - up to an aggregate of US\$14.4 million on the basis of US\$18.00 per ounce (to be paid in pounds sterling using the CVR Exchange Rate) of additional contained gold JORC Mineral Resource discovered in excess of 3.158 million ounces (Moz) total resource at the Condor Group's La India, Rio Luna and Estrella projects (the “**Gold Projects**”) (subject to a cap of 800,000 ounces above the 3.158Moz hurdle), over the five-year period following the CVR Commencement Date. Payments due under the CVR, will be settled by way of the issue of either New MTL Shares or unsecured Loan Notes, or a combination thereof, at MTL's sole election, following the third and fifth anniversary of the CVR Commencement Date.
- Accordingly, the maximum potential CVR Consideration payable pursuant to the Offer, as detailed further below, amounts to US\$28.8 million (approximately £22.6 million at the Exchange Rate), representing 11.1p per Condor Gold Share (the “**Maximum CVR Consideration**”). Accordingly, the Fixed Consideration and the Maximum CVR Consideration (at the Exchange Rate), in aggregate, could amount to up to approximately £90.1 million, representing approximately 44.1p per Condor Gold Share (the “**Maximum Potential Consideration**”).
- **The CVRs are complex instruments and a number of factors will determine the amount, if any, that will ultimately be paid to Scheme Shareholders by way of the Contingent Value Rights. Whilst the MTL Board is confident in both the Combined Group's ability to commence production at La India and the exploration upside at the Gold Projects, the minimum payment under the Contingent Value Rights is uncertain and could be zero.**

**Further details in respect of the Contingent Value Rights are included in paragraph 3 of this announcement and will be contained in the Scheme Document.**

- Based on the closing middle-market price per MTL Share of 5.7 pence on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period), the Fixed Consideration represents a premium of approximately:
  - 16.8 per cent. to the closing middle-market price of 28.3 pence per Condor Gold Share on 3 December 2024 (being the last Business Day prior to the date of this announcement);

- 37.5 per cent. to the closing middle-market price of 24.0 pence per Condor Gold Share on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period);
  - 58.1 per cent. to the volume-weighted average price of 20.9 pence per Condor Gold Share for the 20-day period ended 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period); and
  - 55.8 per cent. to the volume-weighted average price of 21.2 pence per Condor Gold Share for the three-month period ended 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period).
- Upon Completion of the Offer, Condor Gold Shareholders will hold approximately 33.8 per cent. of the Enlarged Share Capital of the Combined Group (based on the existing issued ordinary share capital of MTL and the fully diluted in-the-money ordinary share capital of Condor Gold, in each case as at the last Business Day prior to the date of this announcement).
  - In order to allot the New MTL Shares, MTL will be required to seek the approval of the MTL Shareholders at the MTL General Meeting. The Offer is accordingly conditional on such approval being obtained. It is expected that the MTL Circular, which will contain notice of the MTL General Meeting will be published and sent to MTL Shareholders at or around the same time as the Scheme Document is posted to Condor Gold Shareholders. MTL has received irrevocable undertakings from its largest shareholders, MTL Luxembourg S.à.r.l and Drachs Investments No.3 Limited to vote in favour of all resolutions at the MTL General Meeting in respect of, in aggregate, 968,532,143 MTL Shares, representing approximately 56.0 per cent. of the voting rights of the MTL Shares in issue as at 3 December 2024, being the last Business Day prior to the date of this announcement. Further details, including any circumstances in which the irrevocable undertakings cease to be binding, are set out in Appendix 3 to this announcement.
  - As announced by MTL on 2 December 2024, MTL has received an irrevocable undertaking from Galloway Limited (“**Galloway**”) to vote (or procure the vote) in favour of, or accept (or procure the acceptance of) (as applicable), the proposed acquisition by or on behalf of MTL of all the issued and to be issued shares in Condor Gold, whether implemented by way of a scheme of arrangement or a contractual offer (whether on the terms of the Offer or including any revision or variation in the terms of any such acquisition which may be made by or on behalf of MTL from time to time). Galloway is beneficially owned by Mr Jim Mellon, Non-Executive Chair of Condor Gold. The Galloway irrevocable undertaking is in respect of Galloway's entire existing holding of 50,212,597 Condor Gold Shares (representing approximately 24.6 per cent. of Condor Gold's existing issued ordinary share capital). The undertaking from Galloway will remain binding in the event that a higher competing offer for Condor Gold is made. Further details regarding these irrevocable undertakings are set out in Appendix 3 to this announcement.
  - If, on or after the date of this announcement and prior to the Offer becoming Effective, any dividend and/or other distribution and/or other return of capital or value is announced, declared, made or paid or becomes payable in respect of the Condor Gold Shares, MTL reserves the right to reduce the consideration payable for each Condor Gold Share under the terms of the Offer by the amount per Condor Gold Share of such dividend or distribution, in which case any reference in this announcement to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced.
  - It is intended that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the 2006 Act. However, MTL reserves the right to elect to implement the Offer by way of a Takeover Offer (subject to the consent of the Panel and in accordance with the terms of the Cooperation Agreement).

## **Background to and reasons for the Offer**

- MTL is a gold exploration and production company with two projects located in the Philippines. MTL's primary asset is the Runruno mine, located 205km north of Manila in the province of Nueva Vizcaya, which is now at a mature stage and has limited remaining life of mine and no significant exploration or expansion opportunities. MTL's more recently acquired asset, the Abra Project, is an early exploration-stage copper and gold project located on the western belt of the highly endowed Central Cordillera region in Abra, Luzon and covering an area of 16,200 hectares. MTL has a strong balance sheet and, save for the MTL Acquisition Loan described in paragraph 12 of this announcement entered into specifically in connection with the Offer, has no debt. MTL is seeking to implement its growth strategy of building a diversified cash generative portfolio of projects through appropriate acquisition opportunities. With MTL's Runruno mine nearing the end of its mine-life and the Abra Project still being early stage, Condor Gold's assets present a compelling opportunity to simultaneously acquire a well-explored and substantial gold project with a relatively near-term path to production, diversify geographically, and strategically expend the free cash flow its Runruno mine is generating to increase the potential for enhanced returns to shareholders.
- MTL believes that Condor Gold's current gold resources and its potential development path to production in Nicaragua have significant potential, which MTL can realise utilising its cash surpluses and operational expertise. MTL's management team brings a proven track record, having orchestrated a turn-around of MTL's operational and capital difficulties from 2019 to its current cash generative position. For its latest quarter to 30 September 2024, MTL produced 22,533 oz of gold with recoveries of 89.0 per cent. On 25 November 2024, MTL announced that it expects FY2024 gold production of 82,500 oz with an AISC of US\$1,125 per oz.
- MTL's Chief Executive Officer has in excess of 15 years' work experience in Central/South America and is fluent in Spanish. His past experience in the region will assist in quickly assembling a Spanish speaking team of mining professionals to add to MTL's existing professional team.
- MTL intends to utilise its substantial existing cash reserves and future free cash flow from the Runruno mine to commence construction of Condor Gold's planned gold operation, thereby alleviating capital constraints and reducing the timetable to commercial production.
- Completion of the Offer would combine MTL's producing Runruno gold operation and the significant exploration upside at its Abra copper/gold project with Condor Gold's significant development ready La India gold project and its other gold projects, which is expected to create a larger, more mature, gold exploration and production company with significant free cash flow and increased capacity to bring Condor Gold's assets into production.

## **Recommendation by the Condor Gold Directors**

- The Condor Gold Directors, who have been so advised by Beaumont Cornish as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing independent financial advice for the purposes of Rule 3 of the Takeover Code, Beaumont Cornish has taken into account the commercial assessments of the Condor Gold Directors.
- Accordingly, the Condor Gold Directors believe that the Offer represents the best opportunity for Condor Gold Shareholders to gain exposure to additional scale and the opportunities offered by the Combined Group and that the terms of the Offer are in the best interests of Condor Gold Shareholders as a whole. The Condor Gold Directors therefore unanimously recommend that Condor Gold Shareholders vote in favour of the Scheme at the Court Meeting and the Condor Gold Resolution to be proposed at the Condor Gold General Meeting as the Condor Gold Directors who hold Condor Gold Shares (in a personal capacity or through a nominee or related family trust) have irrevocably undertaken to do in respect of their own beneficial holdings totalling 8,316,145 Condor Gold Shares (representing approximately 4.1 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last

Business Day prior to the date of this announcement). Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

### **Background to, and reasons for, the recommendation of the Offer by the Condor Gold Directors**

- On 22 November 2022, Condor Gold announced that it was seeking a potential buyer for its key asset, namely the La India Project. Since then, Condor Gold has explored various potential transactions with a variety of prospective counterparties whereby a number of non-disclosure agreements (“**NDAs**”) have been entered into, site visits hosted, and discussions held around indicative terms and different transaction structures.
- In November 2024, MTL submitted a draft non-binding indicative offer to Condor Gold to acquire the entire issued and to be issued share capital of Condor Gold. Following discussions, the terms of the proposed Offer were agreed, subject to due diligence, between the parties which included the agreement of the consideration.
- In considering the financial terms of the Offer and determining whether they reflect an appropriate valuation of Condor Gold and its future prospects, the Condor Gold Directors took into account a range of factors including: the premium to Condor Gold’s volume weighted average share price, the various alternative proposals received for acquiring the Company and/or its assets, greater access to capital to take the La India Project into production and thus reduction in funding risk and the overall enhanced capital markets profile of the business and hence liquidity in the enlarged group’s shares.
- In considering their recommendation of the Offer to Condor Gold Shareholders, the Condor Gold Directors have given due consideration to the intentions of MTL for the Condor Gold Group’s management, employees and all stakeholders of Condor Gold. In particular, the Condor Gold Directors note that MTL has confirmed that it will seek to continue with the growth plan of the Condor Gold Group’s business and the importance placed by MTL on the existing employees and other stakeholders of Condor Gold. The Condor Gold Directors have considered alternative strategic options for the future of the Condor Gold business and the likelihood of successfully executing such alternatives (including the low likelihood of successfully raising capital on its own for the construction of a new mine in Nicaragua in the current market environment and investor attitude towards Nicaragua generally on the AIM market). They have also noted the irrevocable undertaking to approve the Offer entered into by Condor Gold’s major shareholder, Galloway, which has hitherto been the lead investor on financing rounds and has recently provided a limited short-term working capital facility to Condor Gold. Having considered such alternative proposals as well as the extensive sale process undertaken to date, which has included outreach to a number of other gold producers, along with Condor Gold’s increasing reliance on its major shareholder for funding, the Condor Gold Directors believe that the Offer represents a positive outcome for shareholders, the vast majority of Condor Gold’s employees as well as the Condor Gold Group’s other stakeholders, particularly, potentially greater employment and investment in the community of La Cruz de la India, who will benefit from the opportunities provided by a combination of Condor Gold with MTL. The Condor Gold Directors consider MTL to be an appropriate custodian of Condor Gold as it embarks on its next stage of growth and development as part of the combined group.
- The Condor Gold Board, who have been advised by Beaumont Cornish (who are providing independent financial advice to the Condor Gold Board for the purposes of Rule 3 of the Takeover Code) as to the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable. In providing its financial advice to the Condor Gold Directors, Beaumont Cornish has taken into account the commercial assessments of the Condor Gold Directors.

### **Irrevocable undertakings**

- MTL has received irrevocable undertakings from Galloway and Promaco Consulting Services Limited (“**Promaco**”) to vote (or procure the vote) in favour of, or accept (or procure the acceptance of) (as applicable), the proposed acquisition by or on behalf of MTL of all the issued and to be issued ordinary shares in Condor Gold, whether implemented by way of a scheme of



arrangement or a contractual offer (whether on the terms of the Offer or including any revision or variation in the terms of any such acquisition which may be made by or on behalf of MTL from time to time). Galloway is beneficially owned by Mr Jim Mellon, Non-Executive Chair of Condor Gold and Promaco is beneficially owned by Ian Stalker. The Galloway irrevocable undertaking is in respect of Galloway's entire existing holding of 50,212,597 Condor Gold Shares (representing approximately 24.6 per cent. of Condor Gold's existing issued ordinary share capital). The undertaking from Promaco is in respect of its entire existing holding of 309,524 Condor Gold Shares (representing approximately 0.2 per cent. of Condor Gold's existing issued ordinary share capital). The undertakings from Galloway and Promaco will remain binding in the event that a higher competing offer for Condor Gold is made.

- MTL has also received irrevocable undertakings from the Condor Gold Directors who hold Condor Gold Shares in a personal capacity or through a nominee or related family trust to: (i) vote (or, where applicable, procure the vote) in favour of the resolutions relating to the Scheme and the Offer at the Meetings (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Offer); and (ii) vote against any competing proposal, in respect of, in aggregate, 8,316,145 Condor Gold Shares (representing approximately 4.1 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last Business Day prior to the date of this announcement). These undertakings from the Condor Gold Directors will remain binding in the event that a higher competing offer for Condor Gold is made).

In total therefore, as at the date of this announcement, MTL has received irrevocable undertakings to: (i) vote (or, where applicable, procure voting) in favour of the resolutions relating to the Scheme and the Offer at the Meetings (or in the event that the Offer is implemented by a Takeover Offer, to accept or procure acceptance of such Offer); and (ii) vote against any competing proposal, in respect of, in aggregate, 58,838,266 Condor Gold Shares (representing approximately 28.8 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last Business Day prior to the date of this announcement).

- Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

### **Timetable and conditions**

- It is intended that the Offer will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although MTL reserves the right to effect the Offer by way of a Takeover Offer, subject to the consent of the Panel and in accordance with the terms of the Cooperation Agreement).
- The terms of the Offer will be put to Condor Gold Shareholders at the Court Meeting and the Condor Gold General Meeting. The Court Meeting and the Condor Gold General Meeting are required to enable Condor Gold Shareholders to consider and, if thought fit, vote in favour of the Scheme and the Condor Gold Resolution to implement the Scheme. In order to become Effective, the Scheme must be approved by a majority in number of Condor Gold Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Condor Gold Shareholders representing at least 75 per cent. of votes cast at the Condor Gold General Meeting.
- The Conditions to the Offer are set out in Appendix 1 to this announcement along with certain other terms; the full terms and conditions will be provided in the Scheme Document.
- The Scheme Document, containing further information about the Offer and notices of the Court Meeting and General Meeting, together with the associated Forms of Proxy, will be posted to Condor Gold Shareholders as soon as practicable and in any event within 28 days of this announcement (or such later time as Condor Gold, MTL and the Panel agree) and the Meetings are expected to be held as soon as reasonably practicable thereafter. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will

also be made available on Condor Gold's website at <https://www.condorgold.com/investors> and MTL's website at <https://metalsexploration.com/investors>.

- The Offer is currently expected to complete in Q1 2025, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of key events relating to the Offer will be set out in the Scheme Document.

**Jim Mellon, Chairman of Condor Gold, commented:**

*"The business combination with MTL offers Condor Gold Shareholders the opportunity of joining forces with an existing gold producer with significant exploration upside. In addition, shareholders will receive an immediate and significant cash payout. MTL and Condor Gold together would form a multi-asset and multi-jurisdiction gold platform with a management team possessing a strong track record of building and operating gold mines.*

*"Through this transaction, existing cash-flow from MTL's producing mine in the Philippines will support the build out of La India in Nicaragua. The transaction offers shareholders the ability to fully realise the potential of La India as it transitions into production and proves up what it hopes will be a major Gold District. Shareholders are offered an upfront consideration of 33.0p (70 per cent. in MTL Shares and 30 per cent. in cash), with additional contingent consideration of up to 11.1p by way of the CVR should MTL, as we hope, achieve a 'first gold pour' and establish additional gold resources.*

*We are proud of the accomplishments to date by the Condor Gold team and strongly recommend this Offer, which we believe is in the best interests of shareholders, Condor Gold's employees and local community partners. I will also be joining the board of the Combined Group."*

**Nick von Schirnding, Chairman of MTL, commented:**

*"Today's Offer represents a compelling strategic opportunity which provides an exciting future platform for growth, in line with our strategy of building a cash generative portfolio of projects. There is a clear development path to production at La India, that will provide cashflow at an opportune time, replacing that from Runruno as it approaches the end of its life of mine. The La India gold project is shovel ready, and we intend to use cash generated from Runruno to commence construction in accordance with the approvals that are already in place. Additionally, La India offers significant upside resource potential and we look forward to commencing the agreed exploration work programme.*

*MTL's CEO, Darren Bowden, is a fluent Spanish speaker, with vast experience in the region, having spent more than 15 years working in Centra/South America. We are therefore confident that we will be able to quickly assemble a team of experienced individuals to work alongside the existing management team to successfully bring the La India Project into production. Additionally, we intend to build and maintain excellent relationships with the local community in the project area, and at a wider regional and national scale, as has been a key focus at our existing Runruno operation in the Philippines."*

**This summary should be read in conjunction with the following announcement and the Appendices. The Conditions to, and certain further terms of, the Offer are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of the irrevocable undertakings received by MTL are set out in Appendix 3. Certain definitions and terms used in this announcement are set out in Appendix 4.**

The person responsible for arranging release of this announcement on behalf of Condor Gold is Mark Child and the person responsible for arranging release of this announcement on behalf of MTL is Darren Bowden.

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Squire Patton Boggs is acting as legal adviser as to English, US and Australian law to MTL.

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Blake, Cassels & Graydon LLP is acting as legal adviser as to Canadian law to Condor Gold.

**Further information**

*Strand Hanson Limited ("**Strand Hanson**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively to MTL and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than MTL for providing the protections offered to clients of Strand Hanson or for providing advice in connection with any matter referred to in this announcement. Neither Strand Hanson nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Strand Hanson in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Strand Hanson as to the contents of this announcement.*

*H&P Advisory Ltd ("**Hannam & Partners**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively to Condor Gold and no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than Condor Gold for providing the protections afforded to clients of Hannam & Partners nor for providing advice in connection with the subject matter of this announcement. Neither Hannam & Partners nor any of its affiliates (nor any of their respective directors, partners, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Hannam & Partners in connection*

with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Hannam & Partners as to the contents of this announcement.

Beaumont Cornish Limited ("**Beaumont Cornish**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Rule 3 Adviser exclusively to Condor Gold and no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than Condor Gold for providing the protections afforded to clients of Beaumont Cornish nor for providing advice in connection with the subject matter of this announcement. Neither Beaumont Cornish nor any of its affiliates (nor any of their respective directors, partners, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Beaumont Cornish in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Beaumont Cornish as to the contents of this announcement.

This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of the securities of Condor Gold in any jurisdiction in contravention of applicable law. The Offer will be implemented solely pursuant to the terms of the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document).

This announcement does not constitute a prospectus, prospectus equivalent document or exempted document nor does this announcement, or the information contained herein, constitute a solicitation of proxies within the meaning of applicable Canadian Securities Laws. Condor Gold Shareholders are not being asked at this time to execute a proxy in favour of the Offer or the matters described herein.

MTL reserves the right to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and in accordance with the terms of the Cooperation Agreement). In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Offer (including, without limitation: (i) the inclusion of an acceptance condition set at 90 per cent. of the Condor Gold Shares to which such Offer relates (or such other percentage as MTL may, subject to the rules of the Takeover Code and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, MTL under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Condor Gold Shares are otherwise acquired, it is the intention of MTL to apply the provisions of Chapter 3 of Part 28 of the 2006 Act to acquire compulsorily any outstanding Condor Gold Shares to which such Offer relates.

**If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

#### **Overseas Shareholders**

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with

English law, the Takeover Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England including, without limitation the United States and Canada.

The availability of the Offer to Condor Gold Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Condor Gold Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by MTL or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Offer are not being, and may not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) may not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

#### **Notice to Australian Condor Gold Shareholders**

The offer of New MTL Shares and CVRs for issue, sale or re-sale within Australia is prohibited unless a disclosure document has been lodged with the Australian Securities and Investments Commission (“ASIC”), or an exemption applies. The New MTL Shares and CVRs will be issued in reliance on exemptions in ASIC Legislative Instrument 2015/358 as the Offer will be made under a foreign compromise or arrangement that is made in accordance with laws in force in the United Kingdom, being an eligible foreign country.

This document is not a disclosure document for the purposes of Chapter 6D of the Australian Corporations Act 2001(Cth) (“**Corporations Act**”) and does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act. It has not been approved by any Australian regulatory authority, such as ASIC or the Australian Securities Exchange and has not been lodged with ASIC. You are advised to exercise caution in relation to the proposal set out in this announcement. You should obtain independent professional advice if you have any queries or concerns about any of the contents or subject matter of this announcement.

To the extent this announcement is received by a Condor Gold Shareholder in Australia, it is provided in reliance upon ASIC Corporations (Unsolicited Offers—Foreign Bids) Instrument 2015/1070.

## Notice to Canadian Condor Gold Shareholders

*The enforcement by Canadian Condor Gold Shareholders of civil liabilities under applicable Canadian Securities Laws may be affected adversely by the fact that Condor Gold and MTL are incorporated under the laws of a jurisdiction other than Canada, that some or all of Condor Gold's and MTL's officers and directors are and, in the case of MTL, will be residents of countries other than Canada, that some or all of the experts named in this announcement may be residents of countries other than Canada, and that all or a substantial portion of the assets of MTL, Condor Gold and such persons are and will be located outside Canada. As a result, it may be difficult or impossible for Canadian Condor Gold Shareholders to effect service of process within Canada upon MTL, Condor Gold or the officers or directors or MTL and/or Condor Gold or the experts named herein, or to realise against them, upon judgments of courts of Canada predicated upon liabilities under applicable Canadian Securities Laws. In addition, Canadian Condor Gold Shareholders should not assume that the courts of England and Wales: (a) would enforce judgments of courts of Canada obtained in actions against such persons predicated upon civil liabilities under applicable Canadian Securities Laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under applicable Canadian Securities Laws.*

*The distribution of the New MTL Shares and the CVRs pursuant to the Offer will constitute a distribution of securities that is exempt from the prospectus requirements of applicable Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Law. The New MTL Shares and the CVRs received pursuant to the Offer will not be legended and may be resold through registered dealers in all of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined under applicable Canadian Securities Laws, (ii) no unusual effort is made to prepare the market or to create a demand for MTL Shares or the CVRs, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider (as defined under applicable Canadian securities laws) or officer of MTL, as the case may be, the selling security holder has no reasonable grounds to believe that MTL is in default of applicable Canadian Securities Laws.*

*The Offer relates to the securities of a company organised under the laws of England and Wales with a listing on the AIM market of the London Stock Exchange and the TSX and is proposed to be implemented pursuant to a scheme of arrangement provided for under the 2006 Act. A transaction effected by means of a scheme of arrangement may differ from the procedures and requirements that would be applicable to a similar transaction under applicable Canadian corporate laws or Canadian Securities Laws, including the including the Canadian Take-Over Bid Rules. While MTL and Condor Gold will complete the Offer in accordance with applicable Canadian Securities Laws, the Offer is subject to the procedural and disclosure requirements, rules and practices applicable to schemes of arrangement involving a target company incorporated in England and Wales and listed on AIM and the TSX, which differ in certain areas from the requirements applicable to similar transactions under applicable Canadian corporate laws or applicable Canadian Securities Laws.*

*As a result of the Offer being effected by means of a scheme of arrangement provided for under the 2006 Act, the Offer does not constitute a "take-over bid" for the purposes of Canadian Take-Over Bid Rules. However, if, in the future, MTL elects, with the consent of the Panel, to implement the Offer by means of a Takeover Offer and determines to extend such Offer into Canada, such Offer will be made in compliance with all applicable Canadian Securities Laws and regulations, including, without limitation, and to the extent applicable, the Canadian Take-Over Bid Rules. In addition to any such Offer, MTL, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Condor Gold outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside of Canada and would comply with applicable law, including applicable Canadian Securities Laws. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the UK Financial Conduct Authority and will be available on the London Stock Exchange's website: [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*None of the securities, including the New MTL Shares, CVRs or Loan Notes to be issued in connection with the Offer, referred to in this announcement have been approved or disapproved by any Canadian securities regulatory authority nor has any Canadian regulatory authority passed upon or determined*

*the fairness or merits of such securities or the Offer or upon the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is an offence.*

*The receipt of consideration pursuant to the Offer by a Canadian shareholder of Condor Gold as consideration for the transfer of its Condor Gold Shares will be a taxable transaction for Canadian federal income tax purposes and under applicable Canadian provincial income tax laws, and may be a taxable transaction for foreign and other tax laws. Upon the delisting of the Condor Gold Shares from trading on the TSX, the Condor Gold Shares will cease to be qualified investments under the Income Tax Act (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts (each, a "Registered Plan"). Penalty taxes apply to a Registered Plan that holds property that is not a qualified investment. Each annuitant, subscriber or beneficiary of a Registered Plan that holds Condor Gold Shares should consider causing such Registered Plan to dispose of such shares prior the delisting of the Condor Gold Shares from trading on the TSX. Each shareholder of Condor Gold is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them.*

### **Notice to U.S. Condor Gold Shareholders**

*Condor Gold Shareholders in the United States should note that the Offer relates to the securities of a company organised under the laws of England and Wales and is proposed to be effected by means of a scheme of arrangement under the 2006 Act. This announcement, the Scheme Document and certain other documents relating to the Offer have been or will be prepared in accordance with English law, the AIM Rules, the Takeover Code and UK disclosure requirements, and the format and style applicable to a scheme of arrangement under the 2006 Act, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements and practices of the United States tender offer and proxy solicitation rules.*

*The New MTL Shares, the CVRs and the Loan Notes referred to in this announcement have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration requirements of the US Securities Act. The New MTL Shares, the CVRs and the Loan Notes are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof. Condor Gold Shareholders who are or will be "affiliates" (within the meaning of Rule 144 under the US Securities Act) of Condor Gold or MTL prior to, or of MTL after, the Effective Date will be subject to certain US transfer restrictions relating to the New MTL Shares, the CVRs and the Loan Notes received pursuant to the Scheme as will be further described in the Scheme Document.*

*None of the securities referred to in this announcement nor the information contained in this announcement has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon the fairness or merits of the proposal contained in this announcement or determined the adequacy or accuracy of the information contained herein. Any representation to the contrary is a criminal offence in the United States.*

*Condor Gold's and/or MTL's financial statements, and all financial information that is included in this announcement or that may be included in the Scheme Document, or any other documents relating to the Offer, have been prepared in accordance with UK adopted International Accounting Standards and may not be comparable to the financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles. US generally accepted principles differ in certain respects from UK adopted International Accounting Standards. None of the financial information in this announcement has been audited in accordance with the auditing standards generally accepted in the US or the auditing standards of the Public Company Accounting Oversight Board of the US.*

*It may be difficult for US holders of Condor Gold Shares to enforce their rights and any claims they may have arising under US federal securities laws in connection with the Offer, since Condor Gold is organised under the laws of a country other than the United States, and some or all of its officers and directors may be residents of countries other than the United States, and most of the assets of Condor Gold are located outside of the United States. US holders of Condor Gold Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgment.*

*If, in the future, with the consent of the Panel, MTL were to elect to implement the Offer by means of a Takeover Offer, such Offer will be made in accordance with the Takeover Code. Such a Takeover Offer may be made in the United States by MTL and no one else. Accordingly, the Offer may be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.*

*None of the securities referred to in this announcement have been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any such authorities passed judgment upon the fairness or the merits of the Offer or determined if the information in this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.*

*The receipt of the Fixed Consideration and the CVR Consideration pursuant to the Offer in the United States as consideration for the transfer of Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under any applicable United States state and local income tax laws. Each Scheme Shareholder in the United States is urged to consult its independent professional tax or legal adviser immediately regarding the US federal, state and local income and non-income tax consequences of the Offer applicable to it, as well as any consequences arising under the laws of any other taxing jurisdiction.*

## **Forward-Looking Statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by MTL and Condor Gold contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of MTL and Condor Gold about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on MTL and Condor Gold (including their future prospects, developments and strategies), the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of MTL, Condor Gold, the MTL Group or the Condor Gold Group's operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions and governmental regulation on MTL, Condor Gold or any member of the MTL Group's or Condor Gold Group's business.*

*Although MTL and Condor Gold believe that the expectations reflected in such forward-looking statements are reasonable, MTL and Condor Gold can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of*



factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Offer; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which MTL and Condor Gold operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which MTL and Condor Gold operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither MTL nor Condor Gold, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Condor Gold Group, there may be additional changes to the Condor Gold Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither MTL nor Condor Gold is under any obligation, and MTL and Condor Gold expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person

to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on websites**

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on MTL's website at <https://metalexploration.com/investors> and on Condor Gold's website at <https://www.condorgold.com/investors> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of these websites nor of any other website accessible from hyperlinks set out in this announcement is incorporated by reference or forms part of this announcement.

### **No profit forecasts, estimates or quantified benefits statements**

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Condor Gold or MTL for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Condor Gold or MTL.

### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, Condor Gold Shareholders, persons with information rights, participants in the Condor Gold Share Plan and Condor Gold Warrant Holders may request a hard copy of this announcement, free of charge, by contacting Condor Gold's registrars, Computershare Investor Services plc, during business hours on +44 (0) 370 70 702 000 or in writing to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. In accordance with Rule 30.3 of the Takeover Code, such persons may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain other information provided by Condor Gold Shareholders, persons with information rights and other relevant persons for the receipt of communications from Condor Gold may be provided to MTL during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

## **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## **General**

*If the Offer is effected by way of a Takeover Offer, and such a Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, MTL intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Condor Gold Shares in respect of which the Offer has not been accepted.*

*Investors should be aware that MTL may purchase Condor Gold Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.**

**THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR CIRCULAR OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE MTL SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.**

**NEITHER THIS ANNOUNCEMENT, NOR THE INFORMATION CONTAINED HEREIN, CONSTITUTES A SOLICITATION OF PROXIES WITHIN THE MEANING OF APPLICABLE CANADIAN SECURITIES LAWS. SHAREHOLDERS ARE NOT BEING ASKED AT THIS TIME TO EXECUTE A PROXY IN FAVOUR OF THE OFFER OR THE MATTERS DESCRIBED HEREIN.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO.596/2014 AS IT FORMS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.**

**FOR IMMEDIATE RELEASE**

**4 December 2024**

**RECOMMENDED OFFER**

**for**

**CONDOR GOLD PLC**

**by**

**METALS EXPLORATION PLC**

**to be implemented by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

## **1 INTRODUCTION**

The boards of directors of MTL and Condor Gold are pleased to announce that they have agreed the terms and conditions of a recommended offer to be made by MTL for the entire issued, and to be issued, ordinary share capital of Condor Gold.

It is intended that the Offer will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although MTL reserves the right to effect the Offer by way of a Takeover Offer, subject to the consent of the Panel and in accordance with the terms of the Cooperation Agreement). The Conditions to the Offer are set out in full in Appendix 1 to this announcement.

## 2 THE OFFER

Under the terms of the Offer, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document, each Condor Gold Shareholder will be entitled to receive, for each Condor Gold Share:

### 4.0526 New MTL Shares and 9.9p in cash

and

### 1 Contingent Value Right

Under the terms of the Offer, each Condor Gold Shareholder shall be entitled to the fixed consideration of 4.0526 New MTL Shares and 9.9p in cash for each Condor Gold Share held (the “**Fixed Consideration**”).

Based on the closing middle-market price per MTL Share on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period), the Fixed Consideration values Condor Gold's existing issued ordinary share capital at approximately £67.5 million, representing approximately 33.0p per Condor Gold Share.

In addition, each Condor Gold Shareholder will be entitled to one Contingent Value Right for each Condor Gold Share held (the “**CVR Consideration**”), which entitles them to their pro rata share of:

- US\$14.4 million (to be paid in pounds sterling using the CVR Exchange Rate) following the first gold pour after commissioning of the relevant processing facilities (as confirmed by the Independent CVR Representative) using ore from the La India mining operations, subject to the first gold pour occurring within the five-year period following the earlier of (i) the first date upon which a suitable drilling rig to carry out the agreed work commitments has been mobilised to the La India Project (as confirmed by the Independent CVR Representative); and (ii) six months following the Effective Date (the “**CVR Commencement Date**”), to be settled by way of the issue of loan notes (issued by MTL) with a maturity of six months and one day after their date of issue (the “**Loan Notes**”), within 15 Business Days of the first gold pour; and
- up to an aggregate of US\$14.4 million on the basis of US\$18.00 per ounce (to be paid in pounds sterling using the CVR Exchange Rate) of additional contained gold JORC Mineral Resource discovered in excess of 3.158 million ounces (Moz) total resource at the Condor Gold Group's La India, Rio Luna and Estrella projects (the “**Gold Projects**”) (subject to a cap of 800,000 ounces above 3.158Moz), over the five-year period following the CVR Commencement Date. Payments due under the CVR, will be settled by way of the issue of either New MTL Shares or Loan Notes, or a combination thereof, at MTL's sole election, following the third and fifth anniversary of the CVR Commencement Date.

Accordingly, the maximum potential CVR Consideration payable pursuant to the Offer, as detailed further below, amounts to US\$28.8 million (approximately £22.6 million at the Exchange Rate), representing 11.1p per Condor Gold Share (the “**Maximum CVR Consideration**”). Accordingly, the Fixed Consideration and the Maximum CVR Consideration (at the Exchange Rate), in aggregate, could amount to approximately £90.1 million, representing approximately 44.1p per Condor Gold Share (the “**Maximum Potential Consideration**”).

- **The CVRs are complex instruments and a number of factors will determine the amount, if any, that will ultimately be paid to Scheme Shareholders by way of the Contingent Value Rights. Whilst the MTL board is confident in both the Combined Group's ability to commence production at La India and the exploration upside at the Gold Projects, the minimum payment under the Contingent Value Rights is uncertain and could be zero.**

- **Further details in respect of the Contingent Value Rights are included in paragraph 3 of this announcement and will be contained in the Scheme Document.**
- Based on the closing middle-market price per MTL Share on 29 November 2024 (being the Business Day prior to the commencement of the Offer Period), the Fixed Consideration represents a premium of approximately:
  - 16.8 per cent. to the closing middle-market price of 28.3 pence per Condor Gold Share on 3 December 2024 (being the last Business Day prior to the date of this announcement);
  - 37.5 per cent. to the closing middle-market price of 24.0 pence per Condor Gold Share on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period);
  - 58.1 per cent. to the volume-weighted average price of 20.9 pence per Condor Gold Share for the 20-day period ended 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period); and
  - 55.8 per cent. to the volume-weighted average price of 21.2 pence per Condor Gold Share for the three-month period ended 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period).

Upon Completion of the Offer, Condor Gold Shareholders will hold approximately 33.8 per cent. of the Enlarged Share Capital of the Combined Group (based on the existing issued ordinary share capital of MTL and the fully diluted in-the-money ordinary share capital of Condor Gold, in each case as at the last Business Day prior to the date of this announcement).

In order to allot the New MTL Shares, MTL will be required to seek approval of the MTL Shareholders at the MTL General Meeting. The Offer is accordingly conditional on such approval being obtained. It is expected that the MTL Circular, which will contain notice of the MTL General Meeting will be published and sent to MTL Shareholders at or around the same time as the Scheme Document is posted to Condor Gold Shareholders. MTL has received irrevocable undertakings from its largest shareholders, MTL Luxembourg S.à.r.l and Drachs Investments No.3 Limited, to vote in favour of all resolutions at the MTL General Meeting in respect of, in aggregate, 968,532,143 MTL Shares, representing 56.0 per cent. of the voting rights of the MTL Shares in issue as at 3 December 2024, being the last Business Day prior to the date of this announcement. Further details, including any circumstances in which the irrevocable undertakings cease to be binding, are set out in Appendix 3 to this announcement.

The New MTL Shares to be issued to Condor Gold Shareholders pursuant to the Offer will be credited as fully paid and will rank *pari passu* in all respects with the MTL Shares in issue, including the right to receive all dividends and other distributions declared, made or paid on the MTL Shares by reference to a record date falling on or after the Effective Date. Fractions of New MTL Shares will not be issued to Condor Gold Shareholders. MTL will make an application to the London Stock Exchange for the admission to trading on AIM of the New MTL Shares to be issued in connection with the Offer.

The Condor Gold Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Effective Date.

If, on or after the date of this announcement and prior to the Offer becoming Effective, any dividend and/or other distribution and/or other return of capital or value is announced, declared, made or paid or becomes payable in respect of the Condor Gold Shares, MTL reserves the right to adjust the consideration so as to reflect a reduction in the consideration payable under the terms of the Offer for the Condor Gold Shares by up to the aggregate amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference

in this announcement to the consideration will be deemed to be a reference to the consideration as so adjusted. The cash element of the consideration would be reduced first. Any exercise by MTL of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Offer. In such circumstances, Condor Gold Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.

### 3 DETAILS OF THE CONTINGENT VALUE RIGHTS AND ASSOCIATED LOAN NOTES

#### ***Contingent Value Rights***

Pursuant to the terms of the Offer, Scheme Shareholders (and a UK-based nominee on behalf of any Restricted Overseas Persons) will receive one Contingent Value Right for each Scheme Share held on the Scheme Record Date.

The CVRs enable Scheme Shareholders (and a UK-based nominee on behalf of any Restricted Overseas Persons) to receive their respective pro rata share of the sterling equivalent (using the CVR Exchange Rate) of:

- US\$14.4 million following the first gold pour after commissioning of the relevant processing facilities using ore from the La India mining operations, provided that this occurs within five years from the CVR Commencement Date (as defined below), to be settled by way of the issue of Loan Notes issued by MTL within 15 Business Days of the first gold pour (the “**Production CVR Entitlements**”); and
- up to in aggregate US\$14.4 million on the basis of US\$18.00 per ounce of additional contained gold discovered at the Gold Projects, in excess of 3.158Moz total resource, subject to a maximum increase of 800,000 ounces (above 3.158Moz) (the “**Resource CVR Entitlements**”). The 3.158Moz hurdle is comprised of Condor Gold’s existing Base Case MRE (as set out in paragraph 9 of this announcement) as increased by a notional 800,000 ounces of contained gold.

Any amounts payable under the CVRs would be subject to any applicable deductions or withholdings in respect of UK tax at the relevant time. The exchange rate for any payment under the CVRs will be derived from the best available spot rate of exchange (in the interests of the CVR Holders) reasonably obtainable by MTL for the purchase of Sterling with US\$ in the London foreign exchange market at or about 11:00 a.m. (London time) on the relevant day (the “**CVR Exchange Rate**”).

An independent technical expert (with appropriate technical qualifications) will be appointed by the parties before publication of the Scheme Document in accordance with the terms of the CVR Deed Poll as a representative of CVR Holders (the “**Independent CVR Representative**”). Further details regarding the Independent CVR Representative will be set out in the Scheme Document. The Independent CVR Representative will act as the representative of the CVR Holders for the purposes of any disputes. There are also provisions in the CVR Deed Poll in respect of appointing any replacement Independent CVR Representative if required. Other than in respect of non-material errors, the CVR Deed Poll may not be amended or departed from without the approval of the CVR Holders by a resolution passed by the relevant threshold of holders.

#### ***The Resource CVR Entitlements***

The Resource CVR Entitlements would be settled following the third and fifth anniversary of the earlier of: (i) the first date upon which a suitable drilling rig to carry out the agreed work commitments has been mobilised to the La India Project (as confirmed by the Independent CVR Representative); and (ii) six months following the Effective Date (the “**CVR Commencement Date**”). Pursuant to the terms of the CVR Deed Poll, MTL will carry out a minimum of 40,000m of exploration drilling on the Gold Projects during the 5-year period from the CVR Commencement Date (of which, MTL intends to complete 24,000m in the initial three year period following the CVR Commencement Date) and will commission an updated MRE(s)

in order to quantify the applicable increase (if any) in the MRE for the Gold Projects over the relevant period(s) (the “**Agreed Work Programme**”). The Agreed Work Programme does not represent a “post-offer undertaking” for the purposes of Rule 19.5 of the Takeover Code.

The total amount payable pursuant to the Resource CVR Entitlements shall be capped at the sterling equivalent of US\$14.4 million (being the product of the maximum increase in JORC Mineral Resources for the Gold Projects (above the 3.158Moz total resource hurdle) of 800,000 ounces and US\$18.00 per ounce).

Each MRE will be reviewed by the Independent CVR Representative, to review and assess (and, if applicable, implement any dispute resolution procedure) the implementation of the Agreed Work Programme and calculation of the CVR payment(s). The updated MRE(s) will be made publicly available on MTL’s website.

MTL will be able to at its sole election to settle Resource CVR Entitlements by way of a combination of the issue of unsecured Loan Notes (that will be issued by MTL) and MTL Shares. Resource CVR Entitlements will be settled in the same proportions of Loan Notes and/or MTL Shares in respect of each CVR Holder. Where any Resource CVR Entitlements are to be settled by the issue of Loan Notes, the principal of such Loan Notes will be redeemable in cash on the redemption date (being six months and one day from the date of issue of the Loan Notes). Where any Resource CVR entitlements are settled in MTL Shares, such shares would be allotted and issued on the relevant payment date.

#### ***The Production CVR Entitlements***

The Production CVR Entitlements will be issued to CVR Holders within 15 Business Days of the first gold pour after commissioning of the relevant processing facilities occurring using ore from the La India mining operations, provided that this occurs within the five year period from the CVR Commencement Date and this milestone will be assessed and agreed with the Independent CVR Representative at such time. The Production CVR Entitlements will be settled via the issue of unsecured Loan Notes (that will be issued by MTL) with an aggregate principal value of the sterling equivalent (applying the CVR Exchange Rate) of US\$14.4 million and will be issued to CVR Holders proportionately to the number of CVRs held within 15 Business Days of the first gold pour (as confirmed by the Independent CVR Representative). The principal of such Loan Notes will be redeemable in cash on the redemption date (being six months and one day from the date of issue of the Loan Notes). There will be no payment of the Production CVR Entitlements if the first gold pour does not occur within the period of five years from the CVR Commencement Date.

The CVRs will be constituted by the CVR Deed Poll. The CVRs will not represent any equity or ownership interest in Condor Gold or MTL, and accordingly will not confer on the CVR Holder any right to attend, speak at or vote at any meeting of the shareholders of Condor Gold or MTL or right to any dividends or right to any return of capital by Condor Gold or MTL. If any projects are sold, then the MRE associated will be adjusted accordingly in respect of the Base Case MRE. The sale of the La India Project will require a vote of CVR Holders.

In the event that the MTL Shares are no longer (or will no longer be) listed, or admitted to trading, on a recognised investment exchange as at the relevant date upon which MTL Shares would otherwise be issued pursuant to the CVRs, all of the entitlements under the CVRs remaining to be settled on such date shall be settled by the issue of Loan Notes. In addition, in the event of certain specified insolvency events occurring in respect of MTL, any remaining entitlements under the CVRs will become immediately due and payable by MTL to the CVR Holders in accordance upon written demand signed by and from the Independent CVR Representative or the passing of a special resolution to that effect by the CVR Holders pursuant to the CVR Deed Poll.

The CVRs constitute unsecured direct, general and unconditional obligations of the Company which rank *pari passu* among themselves, and rank at least *pari passu* with all other existing and future unsecured obligations of the Company, except for those obligations as may be preferred by applicable law.



The CVRs will be transferable, however, no application will be made for the CVRs to be listed or dealt in on any stock exchange. The CVRs will be governed by English law and will be issued in certificated form. No interest is payable in respect of the CVRs.

If the laws or regulations of any jurisdiction make it illegal or impractical for Restricted Overseas Persons to hold or be issued CVRs or would require any qualification of the CVRs, such holders may not be entitled to hold the CVRs or receive the amounts which may be payable thereon directly. In such circumstances, MTL intends, under the terms of the Scheme, to issue the relevant CVRs to a UK-based nominee to hold as bare trustee for such Restricted Overseas Persons. On settlement, the nominee on behalf of the Restricted Overseas Persons will receive either MTL Shares or Loan Notes, in the same proportions as any other CVR Holder. Subject to applicable laws and requirements of the nominee, the Restricted Overseas Person may then give directions to the nominee in respect of any such MTL Shares. Any such Loan Notes would be held by the nominee until maturity, following which the amount paid under the Loan Note would be paid by the nominee to the relevant Restricted Overseas Person.

Full details of the CVR Deed Poll will be contained in the Scheme Document.

**The CVRs are complex instruments and a number of factors will determine the amount, if any, that will ultimately be paid to Scheme Shareholders by way of the Contingent Value Rights. Whilst the MTL Board is confident in both the Combined Group's ability to commence production at La India and the exploration upside at the Gold Projects, the minimum payment under the Contingent Value Rights is uncertain and could be zero. Further details in respect of the Contingent Value Rights will be contained in the Scheme Document.**

With regards to the future payment due on first gold pour from developing a mine and processing plant, MTL has formed its own mine development plans which have not been independently assessed by a technical expert and therefore the feasibility of such plans cannot be assured. Mine development carries inherent risks, including funding risks and cost overruns and equipment supply issues, permitting and environmental issues, technical and metallurgical issues and general project management and implementation issues. Accordingly, the potential receipt of this element of the CVR should be considered in light of those risks and discounted accordingly in a Condor Gold Shareholder's assessment of the Offer.

Furthermore, the Condor Gold Board's view, based on their substantial knowledge of the area is that it is possible that further mineral resources could be defined particularly noting the historical exploration work undertaken by Condor Gold. However, Shareholders should be aware that, until there is sufficient resource expansion drilling to define additional mineral resources, any valuation attributed to the mineral resource based CVR should be discounted noting the considerable risks attached, including mineral exploration and resources definition due to the unknown nature of the geology, permitting and other legal requirements, technical drilling risks and establishing drilling results which can then form the basis of a resources bearing in mind economic viability, commodity prices at the time, cut-off and other pertinent factors such as metallurgical and environmental factors. Even if commercially extractable gold grades can be discovered there is no guarantee that these can form the basis of a defined resource or at the required quantities.

Further, whilst the CVRs provide reasonable protections for CVR Holders during the term of the CVR Deed Poll, there is no guarantee that these protections cover all eventualities (including but not limited to the risk of a future insolvency of MTL) and thus provide complete protection of their rights.

The Panel has determined that an estimate of the value of the Contingent Value Rights in accordance with Rule 24.11 of the Takeover Code is not required to be included in the Scheme Document.

## **Loan Notes**

MTL may elect to satisfy the amounts due under the Resource CVR Entitlements by the issue of Loan Notes or MTL Shares, or a combination thereof. MTL will issue Loan Notes to settle any amounts due pursuant to the Production CVR Entitlements. Any Loan Notes will be issued directly by MTL in accordance with the terms of the CVRs. The term of the Loan Notes will be six months and one day from the date of issue of the Loan Notes. On the expiry of the term, MTL will redeem the outstanding Loan Notes for cash at par (less any tax required by law to be withheld or deducted therefrom). A holder of the Loan Notes may not opt to redeem any of their notes prior to the expiry of the term.

The Loan Notes will be governed by English law and will be issued, credited as fully paid, in integral multiples of £1 nominal value. The Loan Notes will not be transferable. The Loan Notes will not bear interest and no application will be made for them to be listed or dealt in on any stock exchange.

Full details of the Loan Notes will be set out in the Scheme Document.

## **4 BACKGROUND TO AND REASONS FOR THE OFFER**

MTL is a gold exploration and production company with two projects located in the Philippines. MTL's primary asset is the Runruno mine, located 205km north of Manila in the province of Nueva Vizcaya, which is now at a mature stage and has limited remaining life of mine and no significant exploration or expansion opportunities. MTL's more recently acquired asset, exploration tenement EXPA-000129 (the "**Abra Project**"), is an early exploration-stage copper and gold project located on the western belt of the highly endowed Central Cordillera region in Abra, Luzon and covering an area of 16,200 hectares. MTL has a strong balance sheet and, save for the MTL Acquisition Loan described in paragraph 12 of this announcement entered into specifically in connection with the Offer, has no debt. MTL is seeking to implement its growth strategy of building a diversified cash generative portfolio of projects through appropriate acquisition opportunities. With MTL's Runruno mine nearing the end of its mine-life and the Abra Project still being at an early stage, Condor Gold's assets present a compelling opportunity to simultaneously acquire a well-explored and substantial gold project with a relatively near-term path to production, diversify geographically, and strategically expend the free cash flow the Runruno mine is generating to increase the potential for enhanced returns to shareholders.

MTL believes that Condor Gold's current gold resources and its proposed development path to production in Nicaragua have significant potential, which MTL can realise utilising its cash surpluses and operational expertise. MTL's management team brings a proven track record, having orchestrated a turn-around of MTL's operational and capital difficulties from 2019 to its current cash generative position. For its latest quarter to 30 September 2024, MTL produced 22,533 oz of gold with recoveries of 89.0 per cent. On 25 November 2024, MTL announced that it expects FY2024 gold production of 82,500 oz with an AISC of US\$1,125 per oz.

MTL's Chief Executive Officer has in excess of 15 years' work experience in Central/South America and is fluent in Spanish. His past experience in the region will assist in quickly assembling a Spanish speaking team of mining professionals to add to MTL's existing professional team.

MTL intends to utilise its substantial existing cash reserves and future free cash flow from the Runruno mine to commence construction of Condor Gold's planned gold operation at La India, thereby alleviating the capital constraints and reducing the timetable to commercial production.

Completion of the Offer would combine MTL's producing Runruno gold operation and the significant exploration upside at the Abra copper/gold project with Condor Gold's significant development ready La India Project and other Gold Projects, which is expected to create a larger, more mature, gold exploration and production company with significant free cash flow and increased capacity to bring Condor Gold's assets into production.

## **5 RECOMMENDATION BY THE CONDOR GOLD DIRECTORS**

The Condor Gold Directors, who have been so advised by Beaumont Cornish as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing independent financial advice for the purposes of Rule 3 of the Takeover Code, Beaumont Cornish has taken into account the commercial assessments of the Condor Gold Directors.

Accordingly, the Condor Gold Directors recommend unanimously that Condor Gold Shareholders vote in favour of the Scheme at the Court Meeting and the Condor Gold Resolution to be proposed at the Condor Gold General Meeting as the Condor Gold Directors who hold Condor Gold Shares (in a personal capacity or through a nominee or related family trust) have irrevocably undertaken to do in respect of their own beneficial holdings totalling 8,316,145 Condor Gold Shares (representing approximately 4.1 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last Business Day prior to the date of this announcement). Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

## **6 BACKGROUND TO, AND REASONS FOR, THE CONDOR GOLD DIRECTORS' RECOMMENDATION**

On 22 November 2022, Condor Gold announced that it was seeking a potential buyer for its key assets, namely the La India Project. Since then, Condor Gold has explored various potential transactions with a variety of prospective counterparties whereby a number of NDAs have been entered into, site visits hosted and discussions held around indicative terms and different transaction structures.

In November 2024, MTL submitted a draft non-binding indicative offer to Condor Gold to acquire the entire issued and to be issued ordinary share capital of Condor Gold. Following discussions, the terms of the proposed Offer were agreed, subject to due diligence, between the parties which included the agreement of the consideration.

In considering the financial terms of the Offer and determining whether they reflect an appropriate valuation of Condor Gold and its future prospects, the Condor Gold Directors took into account a range of factors including: the premium to Condor Gold's volume weighted average share price, greater access to capital to take the La India Project into production and thus reduction in funding risk and the overall enhanced capital markets profile of the combined business and hence liquidity in its shares.

In considering the recommendation of the Offer to Condor Gold Shareholders, the Condor Gold Directors have given due consideration to the intentions of MTL for the Condor Gold Group's management, employees and all stakeholders of Condor Gold, as set out in paragraph 14 below. In particular, the Condor Gold Directors note that MTL has confirmed that it will seek to continue with the growth plan of the Condor Gold Group's business and the importance placed by MTL on the existing employees and other stakeholders of Condor Gold. The Condor Gold Directors have considered alternative strategic options for the future of the Condor Gold business and the likelihood of successfully executing such alternatives (including the low likelihood of successfully raising capital on its own for the construction of a new mine in Nicaragua in the current market environment and investor attitude towards Nicaragua generally on the AIM market). They have also noted the irrevocable undertaking to approve the Offer entered into by Condor Gold's major shareholder who has hitherto been the lead investor on financing rounds and has recently provided a limited short-term working capital facility to Condor Gold. Having considered such alternative proposals as well as the extensive sale process undertaken to date, which has included outreach to a number of other gold producers, along with Condor Gold's increasing reliance on its major shareholder for funding, the Condor Gold Directors believe that the Offer represents a positive outcome for shareholders, the majority of Condor Gold's employees as well as the Condor Gold Group's other stakeholders, particularly, potentially greater employment and investment in the community of La Cruz de la India, who will benefit from the opportunities provided by a combination of Condor Gold with MTL. The Condor Gold Directors consider MTL to be an appropriate custodian of Condor Gold as it embarks on its next stage of growth and development as part of the Combined Group.

The Condor Gold Board, who have been so advised by Beaumont Cornish (who are providing independent financial advice to the Condor Gold Board for the purposes of Rule 3 of the Takeover Code) as to the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable.

Consequently, the Condor Gold Directors believe that the Offer represents the best opportunity for Condor Gold Shareholders to gain exposure to additional scale and opportunities offered by the Combined Group to accelerate its growth strategy for the benefit of all stakeholders.

Accordingly, the Condor Gold Directors believe that the terms of the Offer are in the best interests of Condor Gold Shareholders as a whole and **unanimously recommend that Condor Gold Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the Condor Gold General Meeting** (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Offer).

## **7 MTL SHAREHOLDER APPROVAL TO ISSUE NEW MTL SHARES AND RECOMMENDATION BY THE MTL DIRECTORS**

The Offer involves the issue of New MTL Shares to Condor Gold Shareholders. Accordingly, MTL will be required to seek the approval of MTL Shareholders for the allotment and issue of New MTL Shares at the MTL General Meeting. The Offer will be conditional on, amongst other things, the MTL Resolution(s) being passed by the requisite majority of MTL Shareholders at the MTL General Meeting. The MTL Resolution(s) are required to confer authorities for the issue and allotment of the New MTL Shares to be issued pursuant to the Offer and for the disapplication of pre-emption rights in respect of the allotment of the New MTL Shares.

MTL will prepare the MTL Circular which will contain a notice convening the MTL General Meeting. It is expected that the MTL Circular will be published and posted to MTL Shareholders at or around the same time as the Scheme Document is posted to MTL Shareholders. The MTL Circular will be made available by MTL on its website at <https://metalsexploration.com/investors> once published.

The MTL Directors (excluding Andrew Chubb) consider the terms of the Offer to be in the best interests of MTL and MTL Shareholders taken as a whole and accordingly intend to recommend that MTL Shareholders vote in favour of the MTL Resolution(s). Andrew Chubb will not make the recommendation to MTL Shareholders due to his position as a Partner and Head of Mining at the investment bank, Hannam & Partners. Hannam & Partners have acted as financial adviser to Condor Gold in connection with the Offer. The MTL Directors (excluding Andrew Chubb), who hold or are beneficially interested in (or whose family members hold, or are beneficially interested in) MTL Shares, have irrevocably undertaken to vote (or procure that the registered holder votes) in favour of the MTL Resolution(s) in respect of such beneficial holdings of 21,457,355 MTL Shares representing, in aggregate, approximately 1.2 per cent. of MTL's voting share capital in issue as at 3 December 2024, being the last Business Day prior to the date of this announcement.

Furthermore, Condor Gold and MTL have received irrevocable undertakings from MTL Luxembourg S.à.r.l and Drachs Investments No.3 Limited to vote in favour of all resolutions at the MTL General Meeting in respect of, in aggregate, 968,532,143 MTL Shares, representing 56.0 per cent. of the voting rights of the MTL Shares in issue as at 3 December 2024, being the last Business Day prior to the date of this announcement.

Further details of these irrevocable undertakings (including the circumstances in which they may lapse) are set out in Appendix 3 to this announcement.

## 8 INFORMATION RELATING TO MTL

MTL is a gold exploration and production company with two projects located in the Philippines. MTL is the 100 per cent. owner of the Runruno Gold-Molybdenum project, located 205km north of Manila in the province of Nueva Vizcaya, which it developed from greenfield to production. The Runruno project is a surface mine operation using a proven BIOX® and carbon in leach process to recover gold.

In August 2024, MTL completed the acquisition of the highly prospective Abra copper/gold exploration project, located on the western belt of the highly endowed Central Cordillera region in Abra, Luzon and covering an area of 16,200 hectares. MTL's objective is to replicate the success at its Runruno flagship asset at the Abra Project, working closely with the national and regional government and the local community.

MTL is a public limited company registered in England and Wales. The MTL Shares are currently admitted to trading on AIM.

### *History*

MTL was founded in April 2004 and was admitted to trading on the AIM market of the London Stock Exchange on 22 October 2004. MTL first acquired a 70 per cent. stake in the Runruno deposit in 2005 and undertook extensive scientific and geological surveys before acquiring the remaining interest in 2007. In May 2010, MTL announced the results of the Runruno project Feasibility Study which confirmed the viability of the project and from 2011 MTL worked on acquiring the necessary permits and permissions, advancing the Runruno gold project to production in 2016. Since 2019, management's focus has been on delivering consistent production and positive cashflow at Runruno, delivering profits every year since.

In 2024, MTL announced record annual gold revenue for its FY2023 of US\$166.7 million from a record 85,744 ounces of gold sold. In June 2024, MTL completed the repayment of the MTL Group's senior and mezzanine facilities. MTL has no debt other than that incurred under the terms of the MTL Acquisition Loan which has been entered into in connection with the Offer.

### *Current Trading*

For the quarter ended 30 September 2024, MTL achieved gold sales of 21,943oz sold at an average realised gold price of US\$2,396 per oz; gold production of 22,533 oz recovered from 521Kt at a head grade of 1.51g/t, with a gold recovery of 89.0 per cent.

On 25 November 2024, MTL announced an operational update, including that its FY2024 gold production is expected to exceed the company's 2024 upper guidance target of 80,000oz, with forecast annual production of 82,500 oz. All-in sustaining cost ("AISC") for FY2024 is expected to be lower than the 2024 lower guidance target of US\$1,175 per oz, with a forecast AISC of US\$1,125 per oz.

## 9 INFORMATION RELATING TO CONDOR GOLD

Condor Gold was admitted to trading on AIM on 31 May 2006. It was also dual-listed on the TSX on 15 January 2018. Condor Gold is a gold exploration and development company operating solely in Nicaragua in Central America.

Condor Gold's principal asset is the La India Project, Nicaragua, which comprises a large, highly prospective land package of 588 square kilometers comprising of 12 contiguous and adjacent concessions. The La India Project hosts a high-grade Mineral Resource Estimate ("**MRE**") of 9,672 kt at 3.5 g/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 3,027 kt at 3.0 g/t gold for 293,000 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.<sup>1</sup>

In addition, the Rio Luna Project has approximately 80,000 oz of inferred mineral resources. Accordingly, the total existing MRE in respect of the Gold Projects is 2,358,000 oz gold (the “**Base Case MRE**”). The Base Case MRE plus 800,000 ounces will represent the hurdle for the purpose of calculating the Resource CVR Entitlements pursuant to the CVR Deed Poll, which is described in more detail in paragraph 3 of this announcement.

In August 2018, Condor Gold 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 (the “**La India Project**”). The EP is considered the master permit for mining operations in Nicaragua. Condor Gold has purchased a new 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. Following the permitting of the Mestiza and America open pits, together with the La India open pit Condor Gold has 1.1 Moz of gold open pit Mineral Resources permitted for extraction.

As at 3 December 2024, Condor Gold had a cash balance of approximately £154,750.

A current list of Condor Gold's projects is set out below:

	<b>Concession</b>	<b>Ownership</b>	<b>Expiry Date</b>	<b>Area (km<sup>2</sup>)</b>
La India Gold District	La India	100%	Jan-27	68.50
	Espinito Mendoza	100%	Nov-26	2.00
	Cacao	100%	Jan-32	11.90
	Santa Barbara	100%	Apr-34	16.20
	Real de la Cruz	100%	Jan-35	7.66
	Rodeo	100%	Jan-35	60.40
	La Mojarra	100%	Jun-29	27.00
	La Cuchilla	100%	Aug-35	86.39
	El Zacatoso	100%	Oct-39	1.00
	Tierra Blanca	100%	Jun-40	32.21
	Las Cruces	100%	Dec-43	142.30

<sup>1</sup> See the technical report dated 25 October 2022 and entitled "Condor Gold Technical Report on the La India Gold Project, Nicaragua, 2022", which is available on the company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca)

	Concession	Ownership	Expiry Date	Area (km <sup>2</sup> )
	Los Cerritos	100%	Jun-44	132.10
	<b>Subtotal</b>			<b>587.66</b>
Boaco	Rio Luna	100%	Jun-35	43.00
RAAN	Estrella	100%	Apr-35	18.00
<b>TOTAL</b>				<b>648.66</b>

Condor Gold reported operating cashflow of £(1,353,220) and EBITDA of £(1,701,922) for the 12-month period ending 31 December 2023. The Condor Gold Group directly employed 44 employees as at 31 December 2023. For the year ended 31 December 2023, Condor Gold reported a loss before tax of £(1,687,177) and as at 31 December 2023 it had net assets of £44,779,498.

Condor Gold's registered office is in the United Kingdom, and its principal asset is located in Nicaragua. The majority of Condor Gold's employees are based in Nicaragua.

## 10 IRREVOCABLE UNDERTAKINGS

MTL has received irrevocable undertakings from Galloway and Promaco to vote (or procure the vote) in favour of, or accept (or procure the acceptance of) (as applicable), the proposed acquisition by or on behalf of MTL of all the issued and to be issued ordinary shares in Condor Gold, whether implemented by way of a scheme of arrangement or a contractual offer (whether on the terms of the Offer or including any revision or variation in the terms of any such acquisition which may be made by or on behalf of MTL from time to time). Galloway is beneficially owned by Mr Jim Mellon, Non-Executive Chair of Condor Gold and Promaco is beneficially owned by Ian Stalker. The Galloway irrevocable undertaking is in respect of Galloway's entire existing holding of 50,212,597 Condor Gold Shares (representing approximately 24.6 per cent. of Condor Gold's existing issued ordinary share capital). The undertaking from Promaco is in respect of its entire existing holding of 309,524 Condor Gold Shares (representing approximately 0.2 per cent. of Condor Gold's existing issued ordinary share capital). The undertakings from Galloway and Promaco will remain binding in the event that a higher competing offer for Condor Gold is made.

MTL has also received irrevocable undertakings from the Condor Gold Directors who hold Condor Gold Shares in a personal capacity or through a nominee or related family trust to: (i) vote (or, where applicable, procure the vote) in favour of the resolutions relating to the Scheme and the Offer at the Meetings (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Offer); and (ii) vote against any competing proposal, in respect of, in aggregate, 8,316,145 Condor Gold Shares (representing approximately 4.1 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last Business Day prior to the date of this announcement). The undertakings from the Condor Gold Directors will remain binding in the event that a higher competing offer for Condor Gold is made).

In total therefore, as at the date of this announcement, MTL has received irrevocable undertakings to: (i) vote (or, where applicable, procure the vote) in favour of the resolutions relating to the Scheme and the Offer at the Meetings (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Offer); and (ii) vote against any competing proposal, in respect of, in aggregate, 58,838,266 Condor Gold

Shares (representing approximately 28.8 per cent. of the existing issued ordinary share capital of Condor Gold as at 3 December 2024, being the last Business Day prior to the date of this announcement)

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

Further, Condor Gold and MTL has received irrevocable undertakings from MTL Luxembourg S.à.r.l and Drachs Investments No.3 Limited, MTL's two largest shareholders, to vote in favour of all resolutions at the MTL General Meeting in respect of, in aggregate, 968,532,143 MTL Shares, representing 56.0 per cent. of the voting rights of the MTL Shares in issue as at 3 December 2024, being the last Business Day prior to the date of this announcement.

Further details of these irrevocable undertakings (including the circumstances in which they may lapse) are set out in Appendix 3 to this announcement.

## **11 OFFER-RELATED ARRANGEMENTS**

### ***Confidentiality Agreement***

Condor Gold and MTL entered into a mutual non-disclosure agreement on 23 November 2024 pursuant to which each party undertook, among other things, to: (i) keep information relating to the other party and the Offer confidential and not disclose it to third parties (other than to certain permitted disclosees) except as required by applicable law or regulation; and (ii) use the confidential information for the sole purpose of evaluating and considering the Offer. Additionally, the confidentiality agreement also contains customary non-solicit and standstill provisions (subject to customary carve-outs). The obligations of the parties under the confidentiality agreement shall cease 12 months after the date of the agreement.

### ***Cooperation Agreement***

MTL and Condor Gold entered into a cooperation agreement dated 4 December 2024, pursuant to which MTL and Condor Gold have agreed: (i) to co-operate, use reasonable endeavours and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made in relation to regulatory clearances and authorisations that are required in connection with the Offer; (ii) to cooperate, use reasonable endeavours and provide each other with reasonable information, assistance and access in relation to the notifications to, and obtention of consents from, certain regulatory authorities; and (iii) to change certain provisions if the Scheme should switch to a Takeover Offer. MTL has also agreed to provide Condor Gold with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document.

The Cooperation Agreement records the intention of MTL and Condor Gold to implement the Offer by way of the Scheme, subject to MTL's right to switch to a Takeover Offer in certain circumstances.

The Cooperation Agreement may be terminated with immediate effect in the following circumstances, among others:

- (i) if MTL and Condor Gold so agree in writing;
- (ii) if the Offer is, with the permission of the Panel, withdrawn or lapses in accordance with its terms on or prior to the Long Stop Date (other than in certain circumstances specified in the Cooperation Agreement);
- (iii) the Condor Gold Board (i) withdraws or adversely modifies the Condor Gold Board recommendation, (ii) recommends a competing proposal, or (iii) makes a statement in relation to its intention to do so;



- (iv) upon notice by either party to the other if: (i) a Condor Gold Board Adverse Recommendation Change occurs (as defined in the Cooperation Agreement (ii) a competing proposal is announced which the Condor Gold Board has recommended or has noted its intention to recommend; or (iii) Condor Gold announces that it or any member of the Wider Condor Gold Group has entered into one or more legally binding agreements to effect a competing proposal;
- (v) if Scheme Shareholders vote at the Court Meeting and such vote does not achieve the requisite majorities for the Scheme to be approved or Condor Gold Shareholders vote on the Condor Gold Resolution(s) at the Condor Gold General Meeting and any such vote does not achieve the requisite majority(ies) for the resolution(s) being voted on to be passed or the Court refuses to sanction the Scheme;
- (vi) if MTL Shareholders vote at the MTL General Meeting and such vote does not achieve the requisite majorities for the MTL Resolution(s) to pass;
- (vii) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Long Stop Date; or
- (viii) MTL invokes (and is permitted by the Panel to invoke) any Condition (which shall be amended to include an acceptance condition if the Offer is being implemented by means of a Takeover Offer instead) so as to cause the Offer to lapse or be withdrawn.

The Cooperation Agreement also contains provisions that will apply in respect of the Condor Gold Share Plan and as regards the Warrant Holders.

#### ***Interim Loan Agreement***

MTL (as lender) and Condor Gold (as borrower) entered into an unsecured working capital facility agreement dated 4 December 2024, pursuant to which MTL has agreed to advance up to US\$2.5 million to Condor Gold for the purpose of:

- 11.1.1 repaying or prepaying all principal and interest under the loan agreement between Galloway Limited (as lender) and Condor Gold (as borrower) dated 4 November 2024;
- 11.1.2 procuring director and officer run-off insurance for former directors of Condor Gold (to cover the period following the Effective Date);
- 11.1.3 general working capital in Nicaragua in line with an agreed budget for December 2024 and January 2025; and
- 11.1.4 meeting general corporate, transaction expenses and working capital requirements.

Interest accrues on the principal at a rate of 10 per cent. p.a. and is to be capitalised and added to the principal amount of the loan on the last day of each month and on the repayment date.

The loan, together with all accrued interest, is to be repaid on the earlier of: (i) the first anniversary of the date of the agreement; and (ii) a direct or indirect change of control of Condor Gold (with control being, amongst other things, the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, 50 per cent. or more of the maximum number of votes that might be cast at a general meeting of Condor Gold or to appoint or remove all, or the majority, of the directors of Condor Gold. Condor Gold has also entered into certain customary covenants (amongst others) not to create, or permit to subsist, any security on or over its assets and not to incur indebtedness, other than certain permitted indebtedness. The Interim Loan Agreement is subject to English law.

#### ***CVR Deed Poll***

On 4 December 2024, MTL entered into the CVR Deed Poll.

A summary of the terms of the CVR Deed Poll is contained in paragraph 3 above.

### ***Loan Note Instrument***

On 4 December 2024, MTL entered into the Loan Note Instrument.

A summary of the terms of the Loan Note Instrument is contained in paragraph 3 above.

## **12 FINANCING**

The cash consideration payable to Condor Gold Shareholders under the terms of the Offer will be financed through a combination of MTL's cash reserves and a £5.5 million loan from MTL's 18.37 per cent. shareholder, Drachs Investments No3 Limited (the "**MTL Acquisition Loan**"). Strand Hanson, as financial adviser to MTL, is satisfied that sufficient cash resources are available to MTL to enable it to satisfy in full the cash consideration payable to Condor Gold Shareholders pursuant to the terms of the Offer.

Strand Hanson has not been required to confirm, and has not confirmed, that resources are available to MTL to enable it to satisfy the repayment of any Loan Notes issued pursuant to the CVRs and Condor Gold Shareholders will be at risk if, for any reason, MTL is not in a position to meet its obligations under the CVRs.

## **13 DISCLOSURE OF INTERESTS IN CONDOR GOLD SECURITIES**

Except for the irrevocable undertakings referred to in paragraph 10 above and Appendix 3, as at 3 December 2024 (being the last Business Day prior to the date of this announcement) neither MTL, nor any of its directors, nor, so far as MTL is aware, any person treated as acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Offer (i) had any interest in or right to subscribe for or had borrowed or lent any Condor Gold Shares or securities convertible or exchangeable into Condor Gold Shares, or (ii) had any short positions in respect of relevant securities of Condor Gold (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant securities of Condor Gold (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

## **14 DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT AND LOCATIONS**

### ***Strategic plans for Condor Gold and the Combined Group***

MTL believes that Condor Gold's current gold resources and its proposed development path to production at its flagship La India Project in Nicaragua have significant potential. MTL's existing portfolio assets are expected to produce significant cash surpluses in the Philippines, and its management team brings a proven operational track record, as illustrated by the successful turnaround of the now mature Runruno mine.

MTL intends to utilise its existing cash reserves and future free cash flow from the Runruno mine to fund the commencement of construction of Condor Gold's planned gold operation at La India, thereby reducing and alleviating Condor Gold's capital constraints and expediting the timetable to commercial production. MTL has commenced formulation of an exploration and development plan for Condor Gold's asset base, which includes an extensive exploration and definition drilling programme to deepen the Combined Group's knowledge and understanding of, and significantly expand, La India's resources. MTL and Condor Gold have engaged in discussions with regard to the next steps for exploiting Condor Gold's assets and realising their full potential, and the Combined Group would intend to commence drilling in the near-term at La India north, La India south and Cacao.

MTL has completed a review of the historical preparatory work and studies completed by Condor Gold on La India and identified certain risks and weaknesses which it believes can be mitigated with alternative solutions previously identified by Condor Gold.

MTL intends to continue to operate its Runruno mine, seeking to maintain high recovery rates and positive free cash flow generation for the remainder of its life of mine. MTL has already committed significant cash resources to the requisite decommissioning activities for its Runruno project, such that cash resources and time expended upon mine closure will be materially reduced. At its Abra Project, MTL has completed pre-exploration activities for the tenement area, including geochemical soil analysis, mapping and airborne geophysics. The Manikbel prospect at the southern end of the Abra tenement is now drill-ready with all approvals in place and MTL's diamond drill rig has been mobilised. MTL is planning an initial drilling campaign of 6,000m with the aim of completing such drill programme before the end of Q2 2025. The objective of the drill programme, beyond the identification of mineralisation, is to compile an initial resource estimate by Q3 2025.

Completion of the Offer would combine MTL's producing Runruno gold operation and the significant potential exploration upside at its Abra Project with Condor Gold's significant development ready La India gold project to create a larger, more mature and geographically diverse, gold exploration and production group with significant free cash flow generation and increased capacity to bring Condor Gold's assets into production. The Combined Group would therefore comprise a multi-asset gold exploration, development and production company, generating significant and stable free cash flow, with a materially advanced exploration stage asset in Nicaragua, and further exploration upside potential in the Philippines.

As set out in paragraph 3 of this announcement, pursuant to the terms of the CVR Deed Poll, MTL intends to carry out the Agreed Work Programme over the five years following the CVR Commencement Date, including drilling a minimum of 40,000m (of which, MTL intends to complete 24,000m in the initial three year period following the CVR Commencement Date).

### ***Directors, management and employees***

MTL believes that Condor Gold's management team, who have been involved with the exploration of Condor Gold's asset base in Nicaragua, have significant knowledge of the resource base and project's potential, alongside well-established community and wider stakeholder relationships and a comprehensive understanding of in-country governmental and regulatory requirements, which MTL believes will be valuable to the Combined Group going forward. Accordingly, MTL does not intend to make any reduction in Condor Gold's headcount from an operational perspective. MTL also intends to retain Condor Gold's in-country management team, although no discussions have taken place with any members of the management team with regard to their intention or willingness to stay. Mark Child, Condor Gold's Chief Executive Officer, has expressed his desire to step down from the Effective Date, although he is keen to ensure a smooth transition, and accordingly is willing to consider a temporary consulting role subject to agreeing mutually acceptable terms. MTL confirms that, following Completion, the existing contractual and statutory employment rights of Condor Gold's employees will be fully safeguarded in accordance with applicable law.

MTL intends to dispense with the services of all of Condor Gold's non-executive directors, as is customary for a transaction of this nature. In addition, MTL intends to combine the support functions of Condor Gold and MTL, which is expected to assist the transition and integration of Condor Gold into the MTL Group. MTL expects that there may be a reduction in certain corporate functions or activities which are related to Condor Gold's current status as a publicly quoted company, which will not be required following Completion, which may therefore result in limited administrative head office redundancies. MTL does not therefore anticipate making any material changes in the context of Condor Gold's overall headcount, nor does it intend to make any material changes to the balance of skills and functions of the employees and management of Condor.

In addition, it is intended that shortly following the Effective Date, Jim Mellon will be appointed to the board of MTL as a non-executive director, subject to satisfactory completion of the usual

due diligence process required by the AIM Rules. He will be paid a director's fee in line with market rates and on similar terms to MTL's existing non-executive directors.

### ***Management incentive arrangements***

Following Completion, it is intended that the board of MTL will review the manner in which Condor Gold's management and employees as a whole are remunerated and incentivised, with a view to achieving an appropriate alignment of incentives for management and employee performance for the Combined Group going forward. MTL confirms that no discussions have been held with, or proposals made to, members of Condor Gold's management or employees with respect to any form of future incentivisation and no such discussions are expected to take place prior to Completion.

### ***Pension schemes***

Condor Gold has confirmed to MTL that the only pension scheme it currently makes available to its employees is a defined contribution scheme and that it does not have any current or historical obligations in respect of any defined benefit pension arrangements.

Following Completion, MTL does not intend to make any changes to the agreed employer contributions in respect of Condor Gold's existing defined contribution pension arrangements, the accrual of any particular benefits for existing members or the admission of new members to such pension arrangements, unless any such changes are more favourable to the relevant member(s).

### ***Headquarters, headquarter functions, locations, fixed assets and research and development***

Following Completion, MTL's head office and certain key functions will continue to be located in London, UK. Condor Gold has no physical office location in the UK. MTL does not intend to make any closures of the existing operational offices or sites of the Combined Group and intends to incorporate Condor Gold's existing operational teams into the broader MTL structure.

Condor Gold's company secretarial services, currently provided by GBH Law Limited, will be terminated upon Completion.

Condor Gold does not have any research and development functions and MTL does not intend to create any such functions.

MTL does not intend to make any material changes with respect to the deployment of Condor Gold's fixed asset base.

### ***Trading Facilities***

The Condor Gold Shares are currently admitted to trading on AIM and are dual listed on the TSX. As detailed further in paragraph 18 below, subject to the Scheme becoming Effective, applications will be made to the London Stock Exchange to cancel the admission of the Condor Gold Shares to trading on AIM to take effect shortly after the Effective Date and to the TSX to delist the Condor Gold Shares from trading on the TSX to take effect prior to the Effective Date.

As soon as practicable after the Effective Date, it is intended that Condor Gold will be re-registered as a private limited company under the relevant provisions of the 2006 Act.

As further described in paragraph 18 below, after the Effective Date it is expected that MTL will cause Condor Gold to make, subject to applicable Canadian Securities Laws, an application to cease to be a reporting issuer (or equivalent) under the securities laws of each province and territory of Canada in which it currently has such status (being the province of Ontario). In addition, as it is expected that MTL will become a reporting issuer in such province as a result of the Scheme becoming Effective, provided it meets the requisite criteria for so doing, MTL will make an application to cease to be a reporting issuer in such province.

None of the statements in this paragraph 14 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **15 DEFERRED SHARES**

In addition to its ordinary share capital, Condor Gold has 158,629,530 Deferred Shares in issue. The Deferred Shares are not listed on any exchange and have limited rights. The Deferred Shares have no right to participate in the profits of Condor Gold, but have the right to participate on a return of assets in a winding up of Condor Gold by a repayment of the capital paid up on such Deferred Share after the holders of Condor Gold Shares have been paid the nominal capital paid up or credited as paid up on the Condor Gold Shares and a sum of £10,000,000 has been paid in respect of each Condor Gold Share. Holders of Deferred Shares have no other rights to participate in the assets of Condor Gold.

The Deferred Shares do not confer on their holders any right to receive notice of, attend, speak or vote at general meetings of Condor Gold, including the Court Meeting and the General Meeting. Accordingly, the Deferred Shares do not constitute "equity share capital" for the purposes of the Takeover Code and the Deferred Shares will not form part of the Offer and the Scheme and no comparable offer under Rule 14 of the Takeover Code will be made for the Deferred Shares.

The Deferred Shares were created by an ordinary resolution of Condor Gold passed on 21 December 2022 with such resolution giving irrevocable authority to Condor Gold, and without requiring the consent of the holders of the Deferred Shares, to appoint any person to execute on behalf of the holder or holders of the Deferred Shares a transfer, and/or an agreement to transfer, all or any of the Deferred Shares without making any payment in respect of such transfer to such person as the Condor Gold Directors may determine. Condor Gold intends, prior to the Effective Date, to exercise the rights set out in the resolution to appoint one of the Condor Gold Directors to act on behalf of all holders of Deferred Shares to transfer and to execute a contract of sale and transfer all of the Deferred Shares to Condor Gold or MTL (at the direction of MTL) for nil consideration.

## **16 CONDOR GOLD SHARE PLAN AND CONDOR GOLD WARRANTHOLDERS**

Participants in the Condor Gold Share Plan and the Condor Gold Warrant Holders will be contacted regarding the effect of the Offer on their rights under the Condor Gold Share Plan and the Condor Gold Warrants and appropriate proposals will be made to such persons in due course.

## **17 SCHEME PROCESS AND CONDITIONS TO THE OFFER AND THE SCHEME**

### ***Scheme***

It is intended that the Offer will be implemented by way of a court sanctioned scheme of arrangement under Part 26 of the 2006 Act, full details of which will be set out in the Scheme Document to be published by Condor Gold in due course. However, MTL reserves the right, with the consent of the Panel and subject to the terms of the Cooperation Agreement, to implement the Offer by way of a Takeover Offer. The procedure involves, among other things, an application by Condor Gold to the Court to sanction the Scheme, in consideration for which Scheme Shareholders who are on the register of members at the Scheme Record Time will receive the consideration due under the Scheme. The purpose of the Scheme is to provide for MTL to become the holder of the entire issued ordinary share capital of Condor Gold.

### ***Conditions to the Offer and the Scheme***

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of Condor Gold Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Condor Gold Shareholders;
- the Condor Gold Resolution necessary to implement the Scheme and the Offer is passed by the requisite majority of Condor Gold Shareholders at the Condor Gold General Meeting;
- following the Court Meeting and General Meeting and satisfaction and/or waiver (where applicable) of the other Conditions, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by MTL and Condor Gold);
- following such sanction, an office copy of the Court Order is delivered to the Registrar of Companies;
- the passing at the MTL General Meeting (or at any adjournment thereof) of the MTL Resolution(s) to authorise the allotment and issue of the New MTL Shares to Condor Gold Shareholders (and any other Condor Gold Shareholders whose Condor Gold Shares are issued after the Scheme becomes Effective);
- the London Stock Exchange having acknowledged to MTL or its agent (and such acknowledgement not having been withdrawn) that the New MTL Shares will be admitted to trading on AIM; and
- the other Conditions not otherwise identified above (but set out in Appendix 1 of this announcement) either being satisfied or, with the exception of certain Conditions which are not capable of waiver, waived.

The attention of Condor Gold Shareholders is drawn to the fact that the Offer is also conditional on other Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document.

If the Scheme does not become Effective on or before the Long Stop Date (or such later date as Condor Gold and MTL may, with the consent of the Takeover Panel and, if required, the Court, agree) it will lapse and the Offer will not proceed (unless the Panel otherwise consents).

#### ***Approval by Court Meeting and General Meeting***

To become Effective, the Scheme requires, amongst other things, the: (a) approval of a majority in number of the Scheme Shareholders who vote, representing not less than 75 per cent. in value of the Scheme Shares voted, either in person or by proxy, at the Court Meeting; and (b) approval by the requisite majority of the Condor Gold Resolution at the General Meeting (to be held directly after the Court Meeting) necessary in order to implement the Scheme.

#### ***Application to the Court to sanction the Scheme***

Once the necessary approvals from Condor Gold Shareholders and MTL Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court at the Sanction Hearing before it can become Effective. The Scheme will become Effective in accordance with its terms on delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction of the Conditions, the Scheme is expected to become Effective during the first quarter of 2025.

Upon the Scheme becoming Effective: (i) it will be binding on all Condor Gold Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Condor Gold General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Condor Gold Shares will cease to be valid and entitlements to Condor Gold Shares held within the CREST system will be cancelled.

Any Condor Gold Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Condor Gold Resolution to be proposed at the Condor Gold General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Condor Gold Shares issued after the Scheme Record Time (including in satisfaction of any options or warrants exercised under the Condor Gold Share Plan or under the Condor Gold Warrants, and other than to MTL and/or their nominees) to be automatically transferred to MTL on the same terms as the Offer (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than MTL and their nominees) holding shares in the capital of Condor Gold after the Effective Date.

***Full details of the Scheme to be set out in the Scheme Document***

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the Condor Gold General Meeting and the Sanction Hearing, together with notices of the Court Meeting and the Condor Gold General Meeting, will be set out in the Scheme Document.

The Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and in any event within 28 days of this announcement (or such later date as MTL and Condor Gold may, with the consent of the Panel, agree and, if required, the Court may approve).

**18 DELISTING, CANCELLATION OF TRADING AND RE-REGISTRATION**

Prior to the Offer becoming Effective, Condor Gold will make applications to the London Stock Exchange for the cancellation of the admission to trading of Condor Gold Shares on AIM to take effect shortly after the Effective Date and to the TSX to delist the Condor Gold Shares trading on the TSX to take effect prior to the Effective Date.

The last day of dealings in the Condor Gold Shares on AIM is expected to be the Business Day immediately prior to the earlier of delisting from the relevant exchange or the Effective Date and no transfers will be registered after 6:00 p.m. (London time) on that date. The last day of dealings in the Condor Gold Shares on the TSX will be announced by Condor Gold in a future press release. It is expected that the Condor Gold Shares will be delisted from the TSX on or before the Business Day immediately prior to the Effective Date.

On the Effective Date, all of the Condor Gold Shares will become owned by MTL and any share certificates in respect of those Condor Gold Shares will cease to be valid and of value and should be destroyed. In addition, entitlements to Condor Gold Shares held within the CREST system will be cancelled.

MTL intends to re-register Condor Gold as a private company after the Effective Date.

After the Effective Date, it is expected that MTL will cause Condor Gold to make, subject to applicable Canadian Securities Laws, an application to cease to be a reporting issuer (or equivalent) under the securities laws of each province and territory of Canada in which it currently has such status (being the province of Ontario). In addition, as it is expected that MTL will become a reporting issuer in such province as a result of the Scheme becoming Effective, provided it meets the requisite criteria for so doing, MTL will make an application to cease to be a reporting issuer in such province.

**19 ADMISSION OF NEW MTL SHARES TO TRADING ON AIM**

MTL will make an application for the admission to trading on AIM of the New MTL Shares to be issued in connection with the Offer. The New MTL Shares will not be traded on any stock exchange other than AIM, and have not been, and will not be, registered under the US Securities Act or under any laws of any state or other jurisdiction of the United States.

Further details on listing, dealing and settlement of New MTL Shares (including for Restricted Overseas Persons) will be included in the Scheme Document.

## 20 FRACTIONAL ENTITLEMENTS

Fractions of pence will not be paid to Scheme Shareholders and cash entitlements will be rounded down to the nearest penny.

Fractions of New MTL Shares will not be allotted or issued pursuant to the Offer and entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New MTL Shares. All fractional entitlements to New MTL Shares will be disregarded.

## 21 OVERSEAS SHAREHOLDERS

### *Restrictions relating to certain Overseas Shareholders*

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Offer or the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

The availability of New MTL Shares, CVRs and Loan Notes to be issued and allotted under the Offer, to persons who are not resident in, and the distribution of this announcement to persons who are not resident in, the United Kingdom may be affected by the laws of the relevant jurisdiction in which such persons are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Condor Gold Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the jurisdiction without delay.

If, in the case of any Scheme Shareholder, Condor Gold or MTL reasonably believe or is advised a Scheme Shareholder is a Restricted Overseas Person in respect of New MTL Shares, CVRs and/or Loan Notes, MTL may, at its discretion, determine that such Scheme Shareholder is a Restricted Overseas Person and the New MTL Shares, CVRs and/or Loan Notes (as applicable) which would otherwise have been attributable to such Restricted Overseas Person under the terms of the Offer (and, as applicable, the CVR Deed Poll and/or the Loan Note Instrument) will be held by the nominee appointed by MTL (the “**Nominee**”), in which event (subject to applicable law and compliance with the Nominee’s reasonable requirements):

- in respect of any New MTL Shares, the Nominee shall comply with the instructions of the Restricted Overseas Person in respect of any New MTL Shares which the Nominee holds for it as bare trustee (including, if so instructed, effecting the sale of those New MTL Shares so issued and remitting the net proceeds of such sale to the Restricted Overseas Person);
- in respect of any CVRs, the Nominee shall hold such CVRs as bare trustee on behalf of the Restricted Overseas Person until the earlier of, such CVR being duly transferred (other than to another Restricted Overseas Person) in accordance with the CVR Deed Poll;
- in respect of any Loan Notes, the Nominee shall hold such Loan Notes to maturity and remit the amount redeemed under such Loan Notes to the Restricted Overseas Person.

The MTL directors may, in their absolute discretion, refuse to register the transfer of a CVR to a purported transferee if they reasonably believe or are advised that such transferee is a Restricted Overseas Person.

### *US Shareholders*

The New MTL Shares, the CVRs and any Loan Notes issued pursuant to the terms of the CVR Deed Poll have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or



sold in the United States absent registration or an exemption from registration under the US Securities Act.

The New MTL Shares and the CVRs are expected to be offered in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for this exemption, Condor Gold will advise the Court that its sanction of the Scheme will be relied upon by MTL as an approval of the Scheme following a hearing on its fairness to Condor Gold Shareholders at which hearing all such shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Condor Gold Shareholders.

Any Loan Notes issued to Condor Gold Shareholders in exchange for the CVRs issued pursuant to the Scheme will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(9) thereof.

The New MTL Shares and CVRs to be issued to Condor Gold Shareholders pursuant to the Scheme should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities in the Scheme (other than "affiliates" as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under US federal securities laws, a Condor Gold Shareholder who is an "affiliate" of either Condor Gold or MTL within 90 days prior to, or of MTL at any time following, the Effective Date will be subject to certain US transfer restrictions relating to the New MTL Shares and the CVRs received in connection with the Scheme. The New MTL Shares, CVRs or Loan Notes held by such affiliates may not be sold without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another exemption from the registration requirements of the US Securities Act, including transactions conducted pursuant to Regulation S under the US Securities Act. Whether a person is an "affiliate" of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers, directors and significant shareholders. A person who believes that he or she may be an affiliate of Condor Gold or MTL should consult his or her own legal advisers prior to any sale of any New MTL Shares or CVRs.

### ***Canadian Shareholders***

The Offer relates to the securities of a company organised under the laws of England and Wales with a listing on AIM and the TSX and is proposed to be implemented pursuant to a scheme of arrangement provided for under the 2006 Act. A transaction effected by means of a scheme of arrangement may differ from the procedures and requirements that would be applicable to a similar transaction under applicable Canadian corporate laws or applicable Canadian Securities Laws, including the rules applicable to take-over bids under Canadian Take-Over Bid Rules. While MTL and Condor Gold will complete the Offer in accordance with applicable Canadian Securities Laws, the Offer is subject to the procedural and disclosure requirements, rules and practices applicable to schemes of arrangement involving a target company incorporated in England and Wales and listed on AIM and the TSX, which differ in certain areas from the requirements applicable to similar transactions under applicable Canadian corporate laws or applicable Canadian Securities Laws.

As a result of the Offer being effected by means of a scheme of arrangement provided for under the 2006 Act, the Offer does not constitute a "take-over bid" for the purposes of Canadian Take-Over Bid Rules. However, if, in the future, MTL elects, with the consent of the Panel, to implement the Offer by means of a Takeover Offer and determines to extend such Offer into Canada, such Offer will be made in compliance with all applicable Canadian Securities Laws, including, without limitation, and to the extent applicable, the Canadian Take-Over Bid Rules. In addition to any such Offer, MTL, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Condor Gold outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside of Canada and would comply with applicable law, including applicable Canadian

Securities Laws. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the UK Financial Conduct Authority and will be available on the London Stock Exchange's website: [www.londonstockexchange.com](http://www.londonstockexchange.com).

Any New MTL Shares, CVRs or Loan Notes issued pursuant to the CVR Deed Poll have not been and will not be qualified for distribution under Canadian Securities Laws. Accordingly, such New MTL Shares, CVRs or Loan Notes may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from Canada absent a qualification for distribution or an exemption from the prospectus requirements and in compliance with Canadian Securities Laws. If the Offer is implemented by way of a scheme of arrangement, any New MTL Shares, CVRs or Loan Notes to be issued in connection with the Offer are expected to be issued in Canada in reliance upon the prospectus exemption provided by Section 2.11 of NI 45-106 and in compliance with applicable Canadian Securities Laws.

None of the securities, including New MTL Shares, CVRs or Loan Notes to be issued in connection with the Offer, referred to in this announcement have been approved or disapproved by any Canadian securities regulatory authority nor has any Canadian regulatory authority passed upon or determined the fairness or merits of such securities or the Offer or upon the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is an offence.

The receipt of consideration pursuant to the Offer by a Canadian shareholder of Condor Gold as consideration for the transfer of its Condor Gold Shares will be a taxable transaction for Canadian federal income tax purposes and under applicable Canadian provincial income tax laws, and may be a taxable transaction for foreign and other tax laws. Upon the delisting of the Condor Gold Shares from trading on the TSX, the Condor Gold Shares will cease to be qualified investments under the Income Tax Act (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts (each, a "Registered Plan"). Penalty taxes apply to a Registered Plan that holds property that is not a qualified investment. Each annuitant, subscriber or beneficiary of a Registered Plan that holds Condor Gold Shares should consider causing such Registered Plan to dispose of such shares prior the delisting of the Condor Gold Shares from trading on the TSX. Each shareholder of Condor Gold is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them.

Condor Gold is located in a country other than Canada, and some or all of its officers and directors may be residents of a country other than Canada. It may be difficult for Canadian Condor Gold Shareholders to enforce judgments obtained in Canada against any person that is incorporated, continued or otherwise organised under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

### ***General***

This announcement has been prepared for the purposes of complying with English law, the Takeover Code, the AIM Rules and the 2006 Act and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom (including, but not limited to, those of the United States, Canada and Australia).

## **22 DOCUMENTS**

Copies of the following documents will be available promptly on Condor Gold's website, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at <https://www.condorgold.com/investors>, and on MTL's website subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at <https://metalsexploration.com/investors>, and in any event by no later than noon on the Business Day following this announcement:

- this announcement;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the CVR Deed Poll;
- the Loan Note Instrument;
- the Interim Loan Agreement;
- the MTL Acquisition Loan;
- the irrevocable undertakings referred to in paragraph 10 above and as summarised in Appendix 3 to this announcement; and
- the consent letters from Strand Hanson (as sole financial adviser to MTL), Hannam & Partners (as financial adviser to Condor Gold) and Beaumont Cornish (as Nominated Adviser and Rule 3 Adviser to Condor Gold) to being named in this announcement.

Neither the content of the websites referred to in this announcement, nor any website accessible from hyperlinks set out in this announcement, is incorporated into or forms part of this announcement.

## **23 GENERAL**

MTL reserves the right to elect (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement) to implement the acquisition of the Condor Gold Shares by way of a Takeover Offer as an alternative to the Scheme. In such event, the Offer will be implemented on substantially the same terms, so far as is applicable, as those which would apply to the Scheme.

If the Offer is effected by way of a Takeover Offer, and such a Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, MTL intends to: (i) make a request to the London Stock Exchange to cancel the admission to trading of Condor Gold Shares on AIM; make an application to the TSX to delist the Condor Gold Shares prior to the Effective Date; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Condor Gold Shares in respect of which the Offer has not been accepted.

Investors should be aware that MTL may purchase Condor Gold Shares otherwise than under the Scheme or any Offer, including pursuant to privately negotiated purchases.

The Offer will be on the terms and subject to the conditions set out herein and in Appendix 1, and to be set out in the Scheme Document. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of irrevocable undertakings received by MTL are set out in Appendix 3. Certain definitions and terms used in this announcement are set out in Appendix 4. The formal Scheme Document will be sent to Condor Gold Shareholders within 28 days of this announcement (or on such later date as may be agreed with Condor Gold and the Panel).

Strand Hanson (as sole financial adviser to MTL), Hannam & Partners (as financial adviser to Condor Gold) and Beaumont Cornish (as Nominated Adviser and Rule 3 Adviser to Condor Gold) have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

**Enquiries:**

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Roland Cornish  
James Biddle

Squire Patton Boggs is acting as legal adviser as to English, US and Australian law to MTL.

Hill Dickinson LLP is acting as legal adviser as to English law to Condor Gold.

Blake, Cassels & Graydon LLP is acting as legal adviser as to Canadian law to Condor Gold.

**Further information**

*Strand Hanson Limited (“Strand Hanson”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to MTL and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than MTL for providing the protections offered to clients of Strand Hanson or for providing advice in connection with any matter referred to in this announcement. Neither Strand Hanson nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Strand Hanson in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Strand Hanson as to the contents of this announcement.*

*H&P Advisory Ltd (“Hannam & Partners”), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively to Condor Gold and no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than Condor Gold for providing the protections afforded to clients of Hannam & Partners nor for providing*

advice in connection with the subject matter of this announcement. Neither Hannam & Partners nor any of its affiliates (nor any of their respective directors, partners, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Hannam & Partners in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Hannam & Partners as to the contents of this announcement.

Beaumont Cornish Limited ("**Beaumont Cornish**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Rule 3 Adviser exclusively to Condor Gold and no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than Condor Gold for providing the protections afforded to clients of Beaumont Cornish nor for providing advice in connection with the subject matter of this announcement. Neither Beaumont Cornish nor any of its affiliates (nor any of their respective directors, partners, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Beaumont Cornish in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Beaumont Cornish as to the contents of this announcement.

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of the securities of Condor Gold in any jurisdiction in contravention of applicable law. The Offer will be implemented solely pursuant to the terms of the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document).*

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Condor Gold in any jurisdiction in contravention of applicable law. The Offer will be implemented solely pursuant to the terms of the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or exempted document nor does this announcement, or the information contained herein, constitute a solicitation of proxies within the meaning of applicable Canadian Securities Laws. Condor Gold Shareholders are not being asked at this time to execute a proxy in favour of the Offer or the matters described herein.*

*MTL reserves the right to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Offer (including, without limitation: (i) the inclusion of an acceptance condition set at 90 per cent. of the Condor Gold Shares to which such Offer relates (or such other percentage as MTL may, subject to the rules of the Takeover Code and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, MTL under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Condor Gold Shares are otherwise acquired, it is the intention of MTL to apply the provisions of Chapter 3 of Part 28 of the 2006 Act to acquire compulsorily any outstanding Condor Gold Shares to which such Offer relates.*

**If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your**

**stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England including, without limitation, the United States and Canada.*

*The availability of the Offer to Condor Gold Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Condor Gold Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by MTL or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be included in the Scheme Document.*

### **Notice to Australian Condor Gold Shareholders**

*The offer of New MTL Shares and CVRs for issue, sale or re-sale within Australia is prohibited unless a disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), or an exemption applies. The New MTL Shares and CVRs will be issued in reliance on exemptions in ASIC Legislative Instrument 2015/358 as the Offer will be made under a foreign*

*compromise or arrangement that is made in accordance with laws in force in the United Kingdom, being an eligible foreign country.*

*This document is not a disclosure document for the purposes of Chapter 6D of the Australian Corporations Act 2001(Cth) (“Corporations Act”) and does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act. It has not been approved by any Australian regulatory authority, such as ASIC or the Australian Securities Exchange and has not been lodged with ASIC. You are advised to exercise caution in relation to the proposal set out in this document. You should obtain independent professional advice if you have any queries or concerns about any of the contents or subject matter of this document.*

*To the extent this announcement is received by a Condor Gold Shareholder in Australia, it is provided in reliance upon ASIC Corporations (Unsolicited Offers—Foreign Bids) Instrument 2015/1070.*

### **Notice to Canadian Condor Gold Shareholders**

*The enforcement by Canadian Condor Gold Shareholders of civil liabilities under applicable Canadian Securities Laws may be affected adversely by the fact that Condor Gold and MTL are incorporated under the laws of a jurisdiction other than Canada, that some or all of Condor Gold’s and MTL’s officers and directors are and, in the case of MTL, will be residents of countries other than Canada, that some or all of the experts named in this announcement may be residents of countries other than Canada, and that all or a substantial portion of the assets of MTL, Condor Gold and such persons are and will be located outside Canada. As a result, it may be difficult or impossible for Canadian Condor Gold Shareholders to effect service of process within Canada upon MTL, Condor Gold or the officers or directors or MTL and/or Condor Gold or the experts named herein, or to realise against them, upon judgments of courts of Canada predicated upon liabilities under applicable Canadian Securities Laws. In addition, Canadian Condor Gold Shareholders should not assume that the courts of England and Wales: (a) would enforce judgments of courts of Canada obtained in actions against such persons predicated upon civil liabilities under applicable Canadian Securities Laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under applicable Canadian Securities Laws.*

*The distribution of the New MTL Shares and the CVRs pursuant to the Offer will constitute a distribution of securities that is exempt from the prospectus requirements of applicable Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Law. The New MTL Shares and the CVRs received pursuant to the Offer will not be legended and may be resold through registered dealers in all of the provinces and territories of Canada provided that (i) the trade is not a “control distribution” as defined under applicable Canadian Securities Laws, (ii) no unusual effort is made to prepare the market or to create a demand for MTL Shares or the CVRs, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider (as defined under applicable Canadian Securities Laws) or officer of MTL, as the case may be, the selling security holder has no reasonable grounds to believe that MTL is in default of applicable Canadian Securities Laws.*

*The Offer relates to the securities of a company organised under the laws of England and Wales with a listing on the AIM market of the London Stock Exchange and the TSX and is proposed to be implemented pursuant to a scheme of arrangement provided for under the 2006 Act. A transaction effected by means of a scheme of arrangement may differ from the procedures and requirements that would be applicable to a similar transaction under applicable Canadian corporate laws or applicable Canadian Securities Laws, including the rules applicable to take-over bids under Canadian Take-Over Bid Rules. While MTL and Condor Gold will complete the Offer in accordance with applicable Canadian Securities Laws, the Offer is subject to the procedural and disclosure requirements, rules and practices applicable to schemes of arrangement involving a target company incorporated in England and Wales and listed on AIM and the TSX, which differ in certain areas from the requirements applicable to similar transactions under applicable Canadian corporate laws or applicable Canadian Securities Laws.*

*As a result of the Offer being effected by means of a scheme of arrangement provided for under the 2006 Act, the Offer does not constitute a “take-over bid” for the purposes of Canadian Take-Over Bid Rules. However, if, in the future, MTL elects, with the consent of the Panel, to implement the Offer by means of a Takeover Offer and determines to extend such Offer into Canada, such Offer will be made*

*in compliance with all applicable Canadian Securities Laws, including, without limitation, and to the extent applicable, the Canadian Take-Over Bid Rules. In addition to any such Offer, MTL, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Condor Gold outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside of Canada and would comply with applicable law, including applicable Canadian Securities Laws. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the UK Financial Conduct Authority and will be available on the London Stock Exchange's website: [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*None of the securities, including New MTL Shares, CVRs or Loan Notes to be issued in connection with the Offer referred to in this announcement have been approved or disapproved by any Canadian securities regulatory authority nor has any Canadian regulatory authority passed upon or determined the fairness or merits of such securities or the Offer or upon the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is an offence.*

*The receipt of consideration pursuant to the Offer by a Canadian shareholder of Condor Gold as consideration for the transfer of its Condor Gold Shares will be a taxable transaction for Canadian federal income tax purposes and under applicable Canadian provincial income tax laws, and may be a taxable transaction for foreign and other tax laws. Upon the delisting of the Condor Gold Shares from trading on the TSX, the Condor Gold Shares will cease to be qualified investments under the Income Tax Act (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts (each, a "Registered Plan"). Penalty taxes apply to a Registered Plan that holds property that is not a qualified investment. Each annuitant, subscriber or beneficiary of a Registered Plan that holds Condor Gold Shares should consider causing such Registered Plan to dispose of such shares prior the delisting of the Condor Gold Shares from trading on the TSX. Each shareholder of Condor Gold is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them.*

#### **Notice to U.S. Condor Gold Shareholders**

*Condor Gold Shareholders in the United States should note that the Offer relates to the securities of a company organised under the laws of England and Wales and is proposed to be effected by means of a scheme of arrangement under the 2006 Act. This announcement, the Scheme Document and certain other documents relating to the Offer have been or will be prepared in accordance with English law, the AIM Rules, the Takeover Code and UK disclosure requirements, and the format and style applicable to a scheme of arrangement under the 2006 Act, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements and practices of the United States tender offer and proxy solicitation rules.*

*The securities referred to in this announcement have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration requirements of the US Securities Act. The New MTL Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof. Condor Gold Shareholders who are or will be "affiliates" (within the meaning of Rule 144 under the US Securities Act) of Condor Gold or MTL prior to, or of MTL after, the Effective Date will be subject to certain US transfer restrictions relating to the New MTL Shares received pursuant to the Scheme as will be further described in the Scheme Document.*

*None of the securities referred to in this announcement nor the information contained in this announcement has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon the fairness or merits of the proposal contained in this announcement or*



determined the adequacy or accuracy of the information contained herein. Any representation to the contrary is a criminal offence in the United States.

Condor Gold's financial statements, and all financial information that is included in this announcement or that may be included in the Scheme Document, or any other documents relating to the Offer, have been prepared in accordance with UK adopted International Accounting Standards and may not be comparable to the financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles. US generally accepted principles differ in certain respects from UK adopted International Accounting Standards. None of the financial information in this announcement has been audited in accordance with the auditing standards generally accepted in the US or the auditing standards of the Public Company Accounting Oversight Board of the US.

It may be difficult for US holders of Condor Gold Shares to enforce their rights and any claims they may have arising under US federal securities laws in connection with the Offer, since Condor Gold is organised under the laws of a country other than the United States, and some or all of its officers and directors may be residents of countries other than the United States, and most of the assets of Condor Gold are located outside of the United States. US holders of Condor Gold Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgment.

If, in the future, with the consent of the Panel, MTL were to elect to implement the Offer by means of a Takeover Offer, such Offer will be made in accordance with the Takeover Code. Such a Takeover Offer may be made in the United States by MTL and no one else. Accordingly, the Offer may be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

None of the securities referred to in this announcement have been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any such authorities passed judgment upon the fairness or the merits of the Offer or determined if the information in this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The receipt of the Fixed Consideration and the CVR Consideration pursuant to the Offer in the United States as consideration for the transfer of Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under any applicable United States state and local income tax laws. Each Scheme Shareholder in the United States is urged to consult its independent professional tax or legal adviser immediately regarding the US federal, state and local income and non-income tax consequences of the Offer applicable to it, as well as any consequences arising under the laws of any other taxing jurisdiction.

### **Forward-Looking Statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by MTL and Condor Gold contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of MTL and Condor Gold about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on MTL and Condor Gold (including their future prospects, developments and strategies), the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "cost-saving", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or

statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of MTL, Condor Gold, MTL Group or the Condor Gold Group’s operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions and governmental regulation on MTL, Condor Gold or any member of the MTL Group or Condor Gold Group’s business.

Although MTL and Condor Gold believe that the expectations reflected in such forward-looking statements are reasonable, MTL and Condor Gold can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Offer; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which MTL and Condor Gold operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which MTL and Condor Gold operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither MTL nor Condor Gold, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Condor Gold Group, there may be additional changes to the Condor Gold Group’s operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither MTL nor Condor Gold is under any obligation, and MTL and Condor Gold expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th

*Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure Condor Gold instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on websites**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on MTL's website at <https://metalexploration.com/investors> and on Condor Gold's website at <https://www.condorgold.com/investors> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of these websites nor of any website accessible from hyperlinks set out in this announcement is incorporated by reference or forms part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Condor Gold or MTL for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Condor Gold or MTL.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Condor Gold Shareholders, persons with information rights, participants in the Condor Gold Share Plan and Condor Gold Warrant Holders may request a hard copy of this announcement, free of charge, by contacting Condor Gold's registrars, Computershare Investor Services plc, during business hours on +44 (0) 370 70 702 000 or in writing to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. In accordance with Rule 30.3 of the Takeover Code, such persons*

may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain other information provided by Condor Gold Shareholders, persons with information rights and other relevant persons for the receipt of communications from Condor Gold may be provided to MTL during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

### **General**

If the Offer is effected by way of a Takeover Offer, and such a Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, MTL intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining Condor Gold Shares in respect of which the Offer has not been accepted.

Investors should be aware that MTL may purchase Condor Gold Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

**Appendix 1**  
**Conditions and Further Terms of the Offer**

**Part A**  
**Conditions to the Scheme and Offer**

The Offer will be subject to the terms and conditions set out in this Appendix and in the Scheme Document.

**Long Stop Date**

1. The Offer will be conditional on the Scheme becoming unconditional and becoming Effective, subject to the Takeover Code, by no later than 11.59 p.m. (London time) on the Long Stop Date.

**Conditions to the Scheme**

2. The Scheme will be conditional upon the following conditions:
  - 2.1 (i) its approval by a majority in number representing 75 per cent. or more in value of Scheme Shares held by Condor Gold Shareholders who are on the register of members of Condor Gold at the Voting Record Time (or the relevant class or classes thereof, if applicable), in each case present, entitled to vote and voting, either in person or by proxy, at the Court Meeting or at any separate class meeting which may be required by the Court (as applicable) or at any adjournment of any such meeting; and
  - (ii) the Court Meeting and any separate class meeting which may be required by the Court (or any adjournment of any such meeting) being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as MTL and Condor Gold may agree or (b) (in a competitive situation) as may be specified by MTL with the consent of the Panel, and in each case that (if so required) the Court may allow);
- 2.2 (i) the Condor Gold Resolution being duly passed by the requisite majority or majorities at the Condor Gold General Meeting or at any adjournment of such meeting; and
- (ii) the Condor Gold General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the Condor Gold General Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as MTL and Condor Gold may agree or (b) (in a competitive situation) as may be specified by MTL with the consent of the Panel, and in each case that (if so required) the Court may allow);
- 2.3 (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being agreed by MTL and Condor Gold); and
- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date, if any, (a) as MTL and Condor Gold may agree or (b) (in a competitive situation) as may be specified by MTL with the consent of the Panel, and in each case that (if so required) the Court may allow); and
- 2.4 the delivery of a copy of the Court Order to the Registrar of Companies.

3. In addition, subject to: (i) the terms of Part B of this Appendix 1; and (ii) the requirements of the Panel, MTL and Condor Gold have agreed that the Offer will be conditional on the following Conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme effective will not be taken unless such Conditions have been so satisfied or, where relevant, waived:

**Passing of the MTL Resolution(s) by MTL Shareholders and admission to trading of New MTL Shares**

- 3.1 the passing by the requisite majority of MTL Shareholders at the MTL General Meeting (or at any adjournment thereof) of the MTL Resolution to authorise the allotment and issue of the New MTL Shares to Condor Gold Shareholders (and any other Condor Gold Shareholders whose Condor Gold Shares are issued after the Effective Date);
- 3.2 the London Stock Exchange having acknowledged to MTL and/or Strand Hanson (and such acknowledgement not having withdrawn) that the New MTL Shares will be admitted to trading on AIM following an application made by MTL (or by Strand Hanson on its behalf) in that regard in accordance with Rule 5 of the AIM Rules;

**Official authorisations, regulatory clearances and third-party clearances**

- 3.3 the waiver (or non-exercise within any applicable time limits) by any Relevant Authority or any other body or person whatsoever in any jurisdiction (each a **Third Party**) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer) arising as a result of or in connection with the Offer including, without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, Condor Gold by MTL or any member of the Wider MTL Group;
- 3.4 all necessary notifications, filings or applications which are necessary or considered desirable by MTL having been made in connection with the Offer and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the Wider MTL Group of any shares or other securities in, or control of, Condor Gold and all Authorisations deemed reasonably necessary or appropriate by MTL for or in respect of the Offer including without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Condor Gold or any member of the Wider Condor Gold Group by any member of the Wider MTL Group having been obtained in terms and in a form reasonably satisfactory to MTL from all appropriate Third Parties or persons with whom any member of the Wider Condor Gold Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Condor Gold Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise wholly unconditional and there being no notice or intimation of any intention to modify, suspend, restrict, revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional;
- 3.5 each Relevant Authority, which regulates or licences any member of the Condor Gold Group or any other body corporate in which any member of the Condor Gold Group has an interest in shares, and whose prior approval, consent or non-objection to any change in control, or acquisition of (or increase in) control in respect of that or any other

member of the Condor Gold Group is required, or any Governmental Entity, whose prior approval, consent or non-objection of Relevant Authority is otherwise required, or from whom one or more material licences or permissions are required in order to complete Relevant Authority, having given its approval, non-objection or legitimate deemed consent or consent in writing thereto and, as the case may be, having granted such licences and permissions (in each case where required and on terms reasonably satisfactory to MTL), and in each case the impact of which would materially adversely affect the Wider Condor Gold Group or the Wider MTL Group, taken as a whole;

- 3.6 no Third Party having decided, threatened or given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or may reasonably be expected to:
- 3.6.1 require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider MTL Group or any member of the Wider Condor Gold Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own, control or manage any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider MTL Group or the Wider Condor Gold Group in either case taken as a whole or in the context of the Offer;
  - 3.6.2 require, prevent or materially delay the proposed divestiture by any member of the Wider MTL Group of any shares or other securities in any member of the Wider Condor Gold Group or any member of the Wider MTL Group;
  - 3.6.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider MTL Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Condor Gold Group or to exercise voting or management control over any such member, in each case to an extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
  - 3.6.4 otherwise adversely affect the business, assets, profits or prospects of any member of the Wider MTL Group or of any member of the Wider Condor Gold Group to an extent which is material in the context of the Wider MTL Group or the Wider Condor Gold Group in either case taken as a whole or in the context of the Offer;
  - 3.6.5 make the Offer or its implementation or the acquisition or proposed acquisition by MTL or any member of the Wider MTL Group of any shares or other securities in, or control of Condor Gold void, illegal, and/or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit or materially delay the same, or impose material additional conditions or obligations with respect thereto;
  - 3.6.6 require (save as envisaged in connection with the Offer or, if applicable, sections 974 to 991 (inclusive) of the 2006 Act) any member of the Wider MTL Group or the Wider Condor Gold Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider

Condor Gold Group or the Wider MTL Group owned by any third party, in each case to an extent which is material in the context of the Wider MTL Group or the Wider Condor Gold Group in either case taken as a whole or in the context of the Offer;

- 3.6.7 impose any limitation on the ability of any member of the Wider MTL Group to integrate, conduct or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any member of the Wider Condor Gold Group which is adverse to and material in the context of the Wider Condor Gold Group or the Wider MTL Group in each case taken as a whole or in the context of the Offer; or
- 3.6.8 result in any member of the Wider Condor Gold Group ceasing to be able to carry on business under any name under which it presently does so to an extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Condor Gold Shares having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- 3.7 except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Condor Gold Group is a party or by or to which any such member or any of its assets are or may be bound, entitled or subject, or any circumstance which, in each case as a consequence of the Offer or the proposed acquisition of any shares or other securities (or equivalent) in Condor Gold or because of a change in the control or management of Condor Gold or otherwise, could or might reasonably be expected to result in (in each case to an extent which is or would be material and adverse in the context of the Wider Condor Gold Group, taken as a whole, or in the context of the Offer):
  - 3.7.1 any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - 3.7.2 any such agreement, arrangement, lease, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - 3.7.3 any assets or interests of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
  - 3.7.4 the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or



- interest of any such member or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
- 3.7.5 the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- 3.7.6 the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- 3.7.7 any such member ceasing to be able to carry on business under any name under which it presently does so;
- 3.7.8 any liability of any such member to make any severance, termination, bonus or other payment to any of its directors or other officers;
- 3.7.9 the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Offer; or
- 3.7.10 any requirement on any such member to acquire, subscribe, pay up or repay any shares or other securities (or the equivalent),

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Condor Gold Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in paragraphs 3.7.1 to 3.7.10 of this Condition (in each case to an extent which is or would be material and adverse in the context of the Wider Condor Gold Group, taken as a whole, or in the context of the Offer);

#### **Certain events occurring since Last Accounts Date**

- 3.8 except as Disclosed, no member of the Wider Condor Gold Group having, since the Last Accounts Date:
- 3.8.1 save as between Condor Gold and wholly-owned subsidiaries of Condor Gold or for Condor Gold Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Condor Gold Share Plan in the ordinary course, issued or agreed to issue, authorised or proposed the issue of additional shares or securities of any class;
- 3.8.2 save as between Condor Gold and wholly-owned subsidiaries of Condor Gold or for the grant of options and awards and other rights under the Condor Gold Share Plan in the ordinary course, issued, or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares, securities or convertible securities;
- 3.8.3 other than to another member of the Wider Condor Gold Group, sold (or agreed to transfer or sell) any treasury shares;
- 3.8.4 other than to another member of the Condor Gold Group, before completion of the Offer, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise or made any bonus issue;

- 3.8.5 save for intra-Condor Gold Group transactions, authorised, implemented or announced any merger or demerger with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.6 other than in the ordinary course of business, disposed of or agreed to dispose of any property, or, other than in the ordinary course of business, granted or entered into any agreement to grant any lien, equitable interest, charge, encumbrance or other third party right over any such property;
- 3.8.7 save for intra-Condor Gold Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.8 issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-Condor Gold Group transactions or save in the ordinary course of business) incurred or increased any indebtedness or become subject to any liability (actual or contingent);
- 3.8.9 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in paragraph 3.8.1 or 3.8.2 above, made any other change to any part of its share capital, in each case, to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.10 other than pursuant to the Offer and except for intra-Condor Gold Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment, or acquisition or disposal of assets or shares or loan capital (or equivalent thereof) or other transaction or arrangement otherwise than in the ordinary course of business;
- 3.8.11 been unable or, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- 3.8.12 (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed in each case to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;

- 3.8.13 commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise;
- 3.8.14 waived, settled or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.15 entered into, varied or authorised, or proposed or announced its intention to enter into or vary any agreement, contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - 3.8.15.1 is of a long-term, onerous or unusual nature or magnitude (save in the ordinary course of business); or
  - 3.8.15.2 involves or could reasonably be expected to involve an obligation which is materially restrictive on the business of any member of the Wider Condor Gold Group other than of a nature and extent which is normal in the context of the business concerned,

and, in either case, which is or would reasonably be expected to be material and adverse in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.16 entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 3.8;
- 3.8.17 made any material alteration to its constitutional documents;
- 3.8.18 except in relation to changes made or agreed as a result of, or arising from, law or changes to law, made or agreed or consented to any change to:
  - 3.8.18.1 the contributions payable to any pension scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - 3.8.18.2 the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - 3.8.18.3 the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, which has an effect that is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.8.19 established any pension scheme, share option scheme, incentive scheme or other benefit for the Wider Condor Gold Group;
- 3.8.20 proposed, agreed to provide or modified the terms of any of the Condor Gold Share Plan or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Condor Gold Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Condor Gold Group, save as agreed by the Panel (if required) and

- by MTL, or entered into or changed the terms of any contract with any director or senior executive;
- 3.8.21 taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Condor Gold Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- 3.8.22 terminated or varied the terms of any agreement or arrangement between any member of the Wider Condor Gold Group and any other person in a manner which would or might have a material adverse effect on the financial position of Wider Condor Gold Group taken as a whole;
- 3.8.23 entered into, implemented or authorised the entry into, any joint venture, asset or profit-sharing arrangement, partnership or merger of business or corporate entities, which in any such case is material in the context of the Wider Condor Gold Group as a whole or in the context of the Offer;
- 3.8.24 save to the extent arising as a result of any change in applicable law, entered into or varied in a material way the terms of, or made any offer (which remains open for acceptance) to enter into, or vary to a material extent the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Condor Gold Group (save for salary increases in the ordinary course), other than as agreed by MTL and (if required) by the Panel;

**No adverse change, litigation or regulatory enquiry**

- 3.9 except as Disclosed, since the Last Accounts Date:
- 3.9.1 no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Condor Gold Group which, in any such case, is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.9.2 no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Condor Gold Group is or is reasonably likely to become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Condor Gold Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Condor Gold Group which in any such case has had or might reasonably be expected to have a material adverse effect on the Wider Condor Gold Group taken as a whole or in the context of the Offer;
- 3.9.3 no contingent or other liability of any member of the Wider Condor Gold Group having arisen or become apparent to MTL or increased which has had or might reasonably be expected to have a material adverse effect on the Wider Condor Gold Group, taken as a whole or in the context of the Offer;
- 3.9.4 no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider Condor Gold Group which in any case is material in the context of the Wider Condor Gold Group taken as a whole;

- 3.9.5 no member of the Wider Condor Gold Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer; and
- 3.9.6 no steps having been taken which are likely to result in the withdrawal, cancellation, termination or materially adverse modification of any licence or permit held by any member of the Wider Condor Gold Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or materially adverse modification of which has had, or would reasonably be expected to have, an adverse effect which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;

**No discovery of certain matters**

- 3.10 except as Disclosed, MTL not having discovered:
  - 3.10.1 that any financial, business or other information concerning the Wider Condor Gold Group as contained in the information publicly disclosed at any time since the Last Accounts Date prior to the date of this announcement by or on behalf of any member of the Wider Condor Gold Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading and which was not subsequently corrected before the date of this announcement by disclosure either publicly or otherwise to MTL or its professional advisers, in each case, to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;
  - 3.10.2 that any member of the Wider Condor Gold Group or partnership, company or other entity in which any member of the Wider Condor Gold Group has a significant economic interest and which is not a subsidiary undertaking of Condor Gold, is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of Condor Gold for the financial year ended 31 December 2023, in each case, to the extent which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer; or
  - 3.10.3 any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Condor Gold Group and which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer;

**Anti-corruption, economic sanctions, criminal property, intellectual property, money laundering and environmental**

- 3.11 except as Disclosed, MTL not having discovered that:
  - 3.11.1 (a) any past or present member, director, officer or employee of the Wider Condor Gold Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada) or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule or regulation concerning improper payments or kickbacks; or (b) any person that performs or has performed services for or on behalf of the Wider Condor Gold Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an

offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada) or any other applicable anti-corruption legislation or anti-bribery law, rule or regulation or any other applicable law, rule or regulation concerning improper payments or kickbacks;

- 3.11.2 any asset of any member of the Wider Condor Gold Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule or regulation concerning money laundering or proceeds of crime or any member of the Wider Condor Gold Group is found to have engaged in activities constituting money laundering under any applicable law, rule or regulation concerning money laundering;
- 3.11.3 any past or present member, director, officer or employee of the Condor Gold Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
  - 3.11.3.1 any government, entity or individual in respect of which U.S., UK, Canadian or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by U.S., UK, Canadian or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
  - 3.11.3.2 any government, entity or individual targeted by any of the economic sanctions of the United Nations, the U.S., Canada, the UK, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law;
- 3.11.4 any past or present member, director, officer or employee of the Wider Condor Gold Group, or any other person for whom any such person may be liable or responsible:
  - 3.11.4.1 has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations;
  - 3.11.4.2 has engaged in conduct which would violate any relevant anti-boycott law, rule or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State, the Export and Import Permits Act (Canada) or the Special Import Measures Act (Canada);
  - 3.11.4.3 has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or

- 3.11.4.4 is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any Relevant Authority or found to have violated any applicable law, rule or regulation concerning government contracting or public procurement; or
- 3.11.5 any member of the Wider Condor Gold Group is or has been engaged in any transaction with any government, entity or individual targeted by any of the economic sanctions of the United Nations, the U.S., the European Union or any other Relevant Authority, or which would cause MTL to be in breach of any law or regulation upon its acquisition of Condor Gold, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs in the UK or any other Relevant Authority;
- 3.11.6 no circumstance having arisen or event having occurred in relation to any intellectual property owned, used or licensed by the Wider Condor Gold Group or to any third parties, including: (A) any member of the Wider Condor Gold Group losing its title to any intellectual property or any intellectual property owned by the Wider Condor Gold Group being revoked, cancelled or declared invalid, (B) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Condor Gold Group being terminated or varied, or (C) any claim being filed suggesting that any member of the Wider Condor Gold Group infringed the intellectual property rights of a third party or any member of the Wider Condor Gold Group being found to have infringed the intellectual property rights of a third party, in each case which is material in the context of the Wider Condor Gold Group taken as a whole or in the context of the Offer; or
- 3.11.7 in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, any past or present member of the Wider Condor Gold Group, in a manner or to an extent which is material in the context of the Wider Condor Gold Group, (i) has committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) has incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) is likely to incur any material liability (whether actual or contingent), or is required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Condor Gold Group taken as a whole.

**Part B**  
***Further terms of the Offer***

1. Subject to the requirements of the Panel, MTL reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix 1, except Conditions 1, 2.1(i), 2.2(i), 2.3(i), 2.4, 3.1 and 3.2 which cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, MTL shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Condor Gold to extend the relevant deadline.

2. MTL shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of Appendix 1 above that are capable of waiver by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 4, MTL may only invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to MTL in the context of the Offer. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
4. Condition 1 (subject to Rule 12 of the Takeover Code), Conditions 2.1(i), 2.2(i), 2.3(i), 2.4, 3.1 and 3.2 in Part A of Appendix 1 above, and, if applicable, any acceptance condition if the Offer is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by MTL.
6. If the Panel requires MTL to make an offer or offers for Condor Gold Shares under the provisions of Rule 9 of the Takeover Code, MTL may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
7. MTL reserves the right to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme, subject to the Panel's consent and in accordance with the terms of the Cooperation Agreement. In such event, such Offer will be implemented on the same terms and conditions so far as is applicable, as those which would apply to the Scheme (subject to appropriate amendments) and an acceptance condition set at 90 per cent. of the Condor Gold Shares (or such other percentage as MTL and Condor Gold may agree and, where applicable with the consent of the Panel, being in any case more than 50 per cent. of the Condor Gold Shares).
8. The Offer will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the AIM Rules, the Takeover Code and Canadian Securities Laws and the applicable requirements of the Panel, the London Stock Exchange and the TSX.
9. Condor Gold Shares will be acquired by MTL fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Offer becomes Effective.
10. If, on or after the date of this announcement and before the Effective Date, any dividend, distribution and/or other return of capital or value is announced, declared, made or paid in respect of the Condor Gold Shares, MTL reserves the right to reduce the consideration payable under the terms of the Offer for the Condor Gold Shares by the aggregate amount of all or part of any such dividend, distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. The cash element of the Consideration would be reduced first. In such circumstances, Condor Gold Shareholders would be entitled to retain any such dividend, distribution and/or return of capital or value. Any exercise by MTL of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
11. The availability of the Offer to Condor Gold Shareholders not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the



United Kingdom should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Scheme Document in due course. The New MTL Shares, the CVRs and the Loan Notes to be issued pursuant to the CVR Deed Poll have not been and will not be registered or qualified for distribution under the US Securities Act, under any laws or with any securities regulatory authority of any State or other jurisdiction of the United States, under any of the relevant securities laws of any other Restricted Jurisdiction or under Canadian Securities Laws. Accordingly, the New MTL Shares, the CVRs and the Loan Notes to be issued pursuant to the CVR Deed Poll may not be offered, sold or delivered, directly or indirectly, into the United States, Canada or any other Restricted Jurisdiction, except pursuant to exemptions from applicable securities law requirements of any such jurisdiction, including, without limitation, the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof and the prospectus exemption provided by Section 2.11 or Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators and in compliance with Canadian Securities Laws.

12. In order to allot the New MTL Shares, MTL will be required to seek approval of the MTL Shareholders at the MTL General Meeting. The Offer is accordingly conditional on such approval being obtained. The New MTL Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing MTL Shares, save that they will not rank with existing MTL Shares for any dividends of MTL declared, made or paid on or prior to the Effective Date.
13. Fractions of pence will not be paid to Scheme Shareholders and cash entitlements will be rounded down to the nearest penny. Fractions of New MTL Shares will not be allotted or issued pursuant to the Offer and entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New MTL Shares. All fractional entitlements to New MTL Shares will be disregarded.
14. The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
15. The Scheme will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Scheme Document. The Offer will be subject to the applicable requirements of the 2006 Act, the Takeover Code, Canadian Securities Law, the Panel, the London Stock Exchange, the AIM Rules, the TSX and the Registrar of Companies.
16. This announcement does not constitute, or form part of, an offer, offer to acquire, or invitation to purchase Condor Gold Shares or any other securities.
17. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **Appendix 2**

### **Sources and Bases of Information**

In this announcement, unless otherwise stated or the context otherwise requires, the following sources and bases have been used.

1. The fully diluted in-the-money ordinary share capital of 217,267,778 Condor Gold Shares comprises:
  - a) 204,442,778 Condor Gold Shares in issue as at 3 December 2024 (being the last Business Day before the date of this announcement); and
  - b) 12,825,000 in-the-money options outstanding under the Condor Gold Share Plan as at 3 December 2024 (being the last Business Day before the date of this announcement).
2. The Fixed Consideration value of approximately £67.5 million for the entire issued share capital of Condor Gold is based on:
  - a) the price of 5.7p per MTL Share, being the middle-market closing price on 29 November 2024 (being the last Business Day prior to the commencement of the Offer Period); and
  - b) the consideration of 4.0526 New MTL Shares plus a cash sum of 9.9p for each Condor Gold Share.
3. The Maximum CVR Consideration value of US\$28.8 million (approximately £22.6 million) is based on the US\$18.00 consideration payable per ounce of additional gold JORC Mineral Resource discovered at the Gold Projects above the notional 800,000 ounce hurdle, multiplied by the resource cap of 800,000 ounces, and the US\$14.4 million payable (to be paid in pounds sterling using the CVR Exchange Rate) following the first gold pour after commissioning of the relevant processing facilities (as confirmed by the Independent CVR Representative) using ore from the La India mining operations.
4. The Maximum Potential Consideration of £90.1 million is equal to the sum of the Fixed Consideration and the Maximum CVR Consideration.
5. As at the close of business on the last Business Day prior to this announcement MTL had 2,121,729,717 MTL Shares in issue, of which 393,513,302 MTL Shares are held in treasury. Accordingly, MTL's total number of voting rights is 1,728,216,415.
6. Unless otherwise stated, information has been converted from British Pounds (GBP) to US Dollars (US\$) or from US Dollars (US\$) to British Pounds (GBP) (as appropriate) at an exchange rate of 0.7854 based on data provided by Bloomberg at 18:29 (GMT) on 29 November 2024, being the last Business Day prior to the date of the Offer Period.
7. Unless otherwise stated, the financial information of Condor Gold is extracted (without material adjustment) from either (i) the annual report and audited accounts of the Condor Gold Group for the 12 months ended 31 December 2023; or (ii) the unaudited interim results of Condor Gold Group for the six-month period ended 30 June 2024.
8. Unless otherwise stated, the financial information of MTL is extracted (without material adjustment) from: (i) the annual report and audited accounts of the Condor Gold Group for the 12 months ended 31 December 2023; (ii) the unaudited interim results of MTL for the six month period ended 30 June 2024; or (iii) the unaudited quarterly results of MTL for the three month period ended 30 September 2024. MTL's expected gold production and AISC for FY 2024 was extracted from its regulatory announcement of 25 November 2024.
9. Unless otherwise stated, all prices for Condor Gold Shares and MTL Shares have been derived from data provided by Bloomberg and represent Closing Prices on the relevant date(s).

10. The average prices (including VWAPs) have been derived from Bloomberg data and have been rounded to one decimal place.
11. Certain figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**Appendix 3**  
**Details of Irrevocable Undertakings**

1. **Condor Gold Directors**

The following Condor Gold Directors have given irrevocable undertakings to vote (or procure the vote, as applicable) in favour of the resolutions relating to the Offer at the Meetings or, in the event that the Offer is implemented by way of a Takeover Offer, to accept (or procure the acceptance of) such Offer in respect of their own beneficial holdings of Condor Gold Shares:

<b>Name</b>	<b>Number of Condor Gold Shares</b>	<b>% of existing issued ordinary share capital of Condor Gold</b>
Jim Mellon	3,189,883	1.6
Mark Child	4,862,460	2.4
Andrew Cheatle	196,432	0.1
Ian Stalker	67,370	0.03
<b>Total</b>	<b>8,316,145</b>	<b>4.1</b>

*The irrevocable undertakings and the numbers referred to above refer only to those Condor Gold Shares to which the relevant director is beneficially entitled or any share such director is otherwise able to control the exercise of in terms of the rights attaching to such share, including the ability to procure the transfer of such share. The numbers referred to in this table exclude any award that may be outstanding under the Condor Gold Share option schemes, however any such shares issued would be included in the scope of the undertakings.*

2. **Condor Gold Shareholders**

The following Condor Gold Shareholders have given irrevocable undertakings to vote (or procure the voting, as applicable) in favour of the resolutions relating to the Offer at the Meetings or, in the event that the Offer is implemented by way of a Takeover Offer, to accept (or procure the acceptance of) such Offer in respect of their own beneficial holdings of Condor Gold Shares:

<b>Name</b>	<b>Number of Condor Gold Shares</b>	<b>% of existing issued ordinary share capital of Condor Gold</b>
Galloway Limited	50,212,597	24.6
Promaco Consulting Services Limited	309,524	0.2
<b>Total</b>	<b>50,522,121</b>	<b>24.7</b>

*The numbers referred to in this table exclude any options/warrants that may be outstanding and which the shareholder is interested, however any such shares issued, on exercise of any such options/warrants, would be included in the scope of the undertakings.*

Galloway Limited is a company controlled by Jim Mellon. A director of Condor Gold, Denham Eke, is also the sole director of Galloway Limited. Promaco Consulting Services Limited is beneficially owned by Ian Stalker.

These irrevocable undertakings contain restrictions on accepting any other offer or similar transaction in respect of any of the Scheme Shares which might frustrate the Offer or vote in favour of any resolution to give effect to any scheme of arrangement of Condor Gold (other than to give effect to the Offer), or any other offer or similar transaction in respect of any of the Scheme Shares which might frustrate the Offer. In addition, the Condor Gold Directors and Condor Gold Shareholders listed above have undertaken to vote, and procure that their close relatives and related trusts vote, against any resolution to approve any transaction or other corporate action which is proposed in competition with, or which might reasonably be expected to otherwise frustrate, impede or delay, the Offer. Subject to the provisions outlined below regarding lapse, the irrevocable undertakings remain binding in the event a competing offer is made for Condor Gold.

The obligations of the Condor Gold Directors and Condor Gold Shareholders listed above under the irrevocable undertakings given by them shall lapse and cease to have effect on and from the earlier of the following occurrences:

- 2.1 where the Scheme (or Offer as applicable) is withdrawn or lapses in accordance with its terms (save for where the Scheme is withdrawn or lapses as a result of MTL exercising its right to implement the Offer by way of a Takeover Offer (or vice versa) or if the lapse or withdrawal is followed within five Business Days by an announcement under Rule 2.7 of the Takeover Code by MTL (or a person acting in concert with it) of a firm intention to implement the Offer either by a new, revised or replacement Scheme or Takeover Offer;
- 2.2 if the Scheme Document is not published within 28 days of the date of release of this announcement (or within such longer period as the Panel may agree);
- 2.3 if any competing offer for the entire issued and to be issued share capital of Condor Gold becomes unconditional (if implemented by way of a Takeover Offer) or becomes effective (if implemented by way of a scheme of arrangement); or
- 2.4 subject to 2.1 above, if MTL, with the consent of the Panel, announces that it does not intend to proceed with the Offer and no new, revised or replacement Scheme or Takeover Offer is announced by MTL in accordance with Rule 2.7 of the Takeover Code at the same time.

These irrevocable undertakings also extend to any Condor Gold Shares acquired by the Condor Gold Directors listed above, whether as a result of the exercise of options under the Condor Gold Share Plan, the Condor Gold Warrants or otherwise.

### 3. MTL Directors

The following MTL Directors have given irrevocable undertakings to vote (or procure the voting) in favour of the MTL Resolution(s) to be proposed at the MTL General Meeting in relation to the following MTL Shares, in which they or their family members and connected persons are beneficially interested, representing in aggregate approximately 1.2 per cent. of the existing issued voting share capital of MTL at the last Business Day prior to the date of this announcement:

<b>Name</b>	<b>Number of MTL Shares</b>	<b>% of MTL Voting Shares in issue</b>
Tim Livesey	6,600,000	0.4
David Cather	6,600,000	0.4

Darren Bowden	8,257,355	0.5
<b>Total</b>	<b>21,457,355</b>	<b>1.2</b>

4. **MTL Shareholders**

The following MTL Shareholders have given irrevocable undertakings to vote (or procure the voting) in favour of the MTL Resolution(s) to be proposed at the MTL General Meeting in relation to the following MTL Shares, in which they or their family members and connected persons are beneficially interested, representing in aggregate approximately 56.0 per cent. of the existing issued voting share capital of MTL at the last Business Day prior to the date of this announcement:

<b>Name</b>	<b>Number of MTL Shares</b>	<b>% of MTL Voting Shares in issue</b>
MTL (Luxembourg) S.à.r.l	651,000,000	37.7
Drachs Investments No.3 Limited	317,532,143	18.4
<b>Total</b>	<b>968,532,143</b>	<b>56.0</b>

## Appendix 4 Definitions

The following definitions apply throughout this document unless the context otherwise requires:

<b>“2006 Act”</b>	the Companies Act 2006, as amended from time to time.
<b>“2023 Condor Gold Annual Report”</b>	the annual report and audited accounts of the Condor Gold Group for the year ended 31 December 2023.
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange.
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time).
<b>“AISC”</b>	all-in-sustaining-cost.
<b>“Articles”</b>	the articles of association of Condor Gold from time to time.
<b>“associated undertaking”</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations.
<b>“Authorisations”</b>	authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions or approvals, in each case of a Third Party.
<b>“Blocking Law”</b>	(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union); or (ii) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.
<b>“Beaumont Cornish”</b>	Beaumont Cornish Limited.
<b>“Bloomberg”</b>	Bloomberg L.P., a financial software services, news and data company.
<b>“Business Day”</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business.
<b>“Canadian Securities Laws”</b>	in the context that refers to one or more persons, means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada, and all rules, regulations, instruments, notices, blanket orders and policies published and/or promulgated thereunder, as

	amended from time to time prior to the Effective Date, that apply to such person or persons or its business, undertaking, property or securities.
<b>“Canadian Take-Over Bid Rules”</b>	means National Instrument 62-104 – Take-Over Bids and Issuer Bids of the Canadian Securities Administrators.
<b>“certificated” or “certificated form”</b>	in relation to a share or other security, a share or other security title which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST).
<b>“CIM Standards”</b>	the CIM Definition Standards for Mineral Resources & Mineral Reserves prepared by the Standing Committee on Reserve Definitions of the Canadian Institute of Mining, Metallurgy and Petroleum.
<b>“Closing Price”</b>	means the middle-market closing price of the relevant shares as derived from the Daily Official List – AIM Appendix on any particular date.
<b>“Conditions”</b>	the conditions of the Offer, as set out in Appendix 1 to this announcement, and to be set out in the Scheme Document.
<b>“Combined Group”</b>	the MTL Group and the Condor Gold Group together, following Completion.
<b>“Completion”</b>	the day on which the Offer becomes Effective.
<b>“Condor Gold” or “Condor”</b>	Condor Gold plc.
<b>“Condor Gold Directors”, “Condor Gold Board” or “Board of Condor Gold”</b>	the directors of Condor Gold.
<b>“Condor Gold General Meeting”</b>	the general meeting of Condor Gold Shareholders to be convened to consider and if thought fit pass, inter alia, the Condor Gold Resolution in relation to the Scheme including any adjournments thereof.
<b>“Condor Gold Group”</b>	Condor Gold and its subsidiary undertakings and where the context permits, each of them.
<b>“Condor Gold Share(s)”</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.1p each in the capital of Condor Gold and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective.
<b>“Condor Gold Share Plan”</b>	the Condor Gold share option plan established by ordinary resolution of Condor Gold’s shareholders passed on 13 January 2006 (as amended), pursuant to which directors, officers, employees and consultants of the Condor Gold Group may acquire Condor Gold Shares.
<b>“Condor Gold Resolution”</b>	the special resolution to be proposed at the Condor Gold General Meeting to implement the Scheme and to authorise, amongst other things, the Condor



	Gold Directors to take all required action in relation to the Scheme to include (without limitation), the cancellation of the admission of the ordinary shares of 0.1 pence each in the capital of Condor Gold to trading on AIM, the company's re-registration as a private limited company and such other matters as may be necessary to implement the Scheme.
<b>"Condor Gold Shareholder(s)"</b>	holders of Condor Gold Shares.
<b>"Condor Gold Warrants"</b>	warrants to subscribe for Condor Gold Shares created by a warrant instrument executed by Condor Gold on 17 June 2022 (as amended).
<b>"Condor Gold Warrant Holders"</b>	the holders of Condor Gold warrants.
<b>"Contingent Value Rights" or "CVRs"</b>	the contingent value rights to be issued to holders of Scheme Shares.
<b>"Confidentiality Agreement"</b>	the confidentiality agreement dated 23 November 2024 between MTL and Condor Gold.
<b>"Cooperation Agreement"</b>	the cooperation agreement dated 4 December 2024 between MTL and Condor Gold.
<b>"Court"</b>	the High Court of Justice in England and Wales.
<b>"Court Meeting"</b>	the meeting of Condor Gold Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof.
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under Part 26 of the 2006 Act.
<b>"CREST"</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in CREST).
<b>"CVR Consideration"</b>	the contingent value right consideration payable pursuant to the Offer for each Condor Gold Share held.
<b>"CVR Exchange Rate"</b>	the best available spot rate of exchange (in the interests of the CVR Holders) reasonably obtainable by MTL for the purchase of Sterling with US\$ in the London foreign exchange market at or about 11:00 a.m. (London time) on the relevant day.
<b>"CVR Deed Poll"</b>	the deed poll dated on or about the date of this announcement entered into by MTL, under which the CVRs are to be constituted with effect from the Effective Date.
<b>"CVR Holder"</b>	a holder of a CVR.
<b>"Daily Official List"</b>	the daily official list of the London Stock Exchange.

<b>“Dealing Disclosure”</b>	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code.
<b>“Deferred Shares”</b>	the deferred shares of 19.9p each in the capital of Condor Gold.
<b>“Disclosed”</b>	the information: (a) disclosed by or on behalf of Condor Gold: (i) in the 2023 Condor Gold Annual Report; (ii) in this announcement; or (iii) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; or (b) fairly disclosed in writing (including via the virtual data room operated by or on behalf of Condor Gold in respect of the Offer) or orally in meetings and calls by Condor Gold management prior to the date of this announcement to MTL or MTL’s officers, employees and advisers (in their capacity as such).
<b>“Disclosure Guidance and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA.
<b>“Effective”</b>	in the context of the Offer: (i) if the Offer is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Offer is implemented by way of the Offer, the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code.
<b>“Effective Date”</b>	the date on which the Scheme becomes Effective.
<b>“Enlarged Share Capital”</b>	the share capital of MTL as enlarged by the issue of the New MTL Shares under the Fixed Consideration.
<b>“Euroclear”</b>	Euroclear UK & International Limited.
<b>“Exchange Rate”</b>	the USD:GBP exchange rate of 0.7854 based on data provided by Bloomberg at 18:29 (GMT) on 29 November 2024, being the last Business Day prior to the commencement of the Offer Period.
<b>“Excluded Shares”</b>	means any (i) Condor Gold Shares registered in the name of, or beneficially owned by MTL or the Wider MTL Group (if any) at the Scheme Record Time, and (ii) Condor Gold Shares held as treasury shares (as defined in section 724(5) of the 2006 Act) (if any) at the Scheme Record Time.
<b>“FCA”</b>	the Financial Conduct Authority or its successor from time to time.
<b>“FCA Handbook”</b>	the FCA’s Handbook of rules and guidance as amended from time to time.
<b>“first gold pour”</b>	the first production of gold (produced from ore from the La India Project) by the Condor Gold Group from relevant processing facilities in respect of the La India Project, following the commissioning of such

	processing facilities, subject to the first gold pour occurring within the five-year period following the earlier of (i) the first date upon which a suitable drilling rig to carry out the agreed work commitments has been mobilised to the La India Project (as confirmed by the Independent CVR Representative); and (ii) six months following the Effective Date.
<b>“Fixed Consideration”</b>	the fixed consideration payable under the Offer for each Condor Gold Share comprising 4.0526 New MTL Shares and 9.9p in cash.
<b>“Forms of Proxy”</b>	the form of proxy for use at the Court Meeting and the form of proxy for use at the Condor Gold General Meeting, which will accompany the Scheme Document.
<b>“Gold Projects”</b>	Condor Gold Group’s La India, Estrella and Rio Luna projects.
<b>“Hannam &amp; Partners”</b>	H&P Advisory Ltd (trading as Hannam & Partners).
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs.
<b>“Independent CVR Representative”</b>	the independent representative to be appointed under the terms of the CVR Deed Poll to act as the representative of CVR Holders;
<b>“Indicated Mineral Resources”</b>	has the meaning given to it in the CIM Standards.
<b>“Inferred Mineral Resources”</b>	has the meaning given to it in the CIM Standards.
<b>“Interim Loan Agreement”</b>	the up to US\$2.5 million unsecured working capital facility agreement between MTL (as lender) and Condor Gold (as borrower).
<b>“JORC Code”</b>	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia as amended, replaced or re-issued from time to time.
<b>“JORC Mineral Resources”</b>	has the meaning given to the term “Mineral Resources” in the JORC Code.
<b>“kt”</b>	thousand tonnes.
<b>“La India” or the “La India Project”</b>	Condor Gold’s La India project in the Department of Leon, Nicaragua, as further described in paragraph 9 ( <i>Information relating to Condor Gold</i> ) of this announcement.
<b>“Last Accounts Date”</b>	31 December 2023.

<b>“Loan Notes”</b>	any Loan Notes to be issued at the election of MTL pursuant to the CVR Deed Poll and on the terms and conditions of the Loan Note Instrument.
<b>“Loan Note Instrument”</b>	the deed poll entered into by MTL on or about the date of this announcement constituting the Loan Notes with effect from the Effective Date.
<b>“London Stock Exchange”</b>	London Stock Exchange plc or its successor.
<b>“Long Stop Date”</b>	31 March 2025 or such later date, if any, (a) as MTL and Condor Gold may agree or (b) (in a competitive situation) as may be specified by MTL with the consent of the Panel, and in each case that (if so required) the Court may allow.
<b>“Market Abuse Regulation”</b>	the Market Abuse Regulation (EU) no.596/2014 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018, as amended.
<b>“Maximum CVR Consideration”</b>	the maximum potential CVR Consideration payable pursuant to the offer of US\$28.8 million (approximately £22.6 million at the Exchange Rate), comprising the US\$18.00 consideration payable per ounce of additional gold JORC Mineral Resource discovered at the Gold Projects above the notional 800,000 ounce hurdle, multiplied by the resource cap of 800,000 ounces, being capped at US\$14.4 million; and the US\$14.4 million payable (to be paid in pounds sterling using the CVR Exchange Rate) following the first gold pour after commissioning of the relevant processing facilities.
<b>“Maximum Potential Consideration”</b>	the sum of the aggregate of Fixed Consideration and the Maximum CVR Consideration.
<b>“Meetings”</b>	the Court Meeting and the Condor Gold General Meeting.
<b>“Mineral Reserves”</b>	has the meaning given to it in the CIM Standards.
<b>“Mineral Resources”</b>	has the meaning given to it in the CIM Standards.
<b>“Moz”</b>	million ounces.
<b>“Mt”</b>	million tonnes.
<b>“MTL”</b>	Metals Exploration plc.
<b>“MTL Acquisition Loan”</b>	the £5.5 million loan provided to MTL by MTL’s 18.37% shareholder, Drachs Investments No3 Limited in connection with the Offer.
<b>“MTL Board”</b>	the directors of MTL.
<b>“MTL Circular”</b>	the circular to be published by MTL and to be sent to MTL Shareholders including the notice convening

	the MTL General Meeting to approve the issue of New MTL Shares in connection with the Offer.
<b>“MTL General Meeting”</b>	the general meeting of MTL to be convened to consider and, if thought fit, approve the MTL Resolution, including any adjournment thereof.
<b>“MTL Group”</b>	MTL and its subsidiary undertakings and where the context permits, each of them.
<b>“MTL Resolution(s)”</b>	the resolution(s) to be proposed to MTL Shareholders to approve the issue and allotment of the New MTL Shares in connection with the Offer.
<b>“MTL Shares”</b>	ordinary shares of £0.0001 each in the share capital of MTL.
<b>“New MTL Shares”</b>	the new MTL Shares proposed to be issued to the Scheme Shareholders pursuant to the Scheme (including, where the context requires, pursuant to the CVRs).
<b>“NI 43-101”</b>	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators.
<b>“NI 45-106”</b>	National Instrument 45-106 – <i>Prospectus Exemptions</i> of the Canadian Securities Administrators.
<b>“Offer”</b>	the proposed recommended offer by MTL for the entire issued, and to be issued, ordinary share capital of Condor Gold by means of the Scheme, or should MTL so elect (subject to the consent of the Panel), by means of a Takeover Offer.
<b>“Offer Document”</b>	if MTL elects to implement the Offer by way of a Takeover Offer to be prepared in accordance with the requirements of the Takeover Code, Canadian Securities Laws (including, without limitation, Canadian Take-Over Bid Rules, and the rules and regulations of the TSX) the document to be sent to (among others) Condor Gold Shareholders setting out, among other things, the full terms and conditions of the Offer;
<b>“Offer Period”</b>	the offer period (as defined by the Takeover Code) relating to Condor Gold which commenced on 1 December 2024.
<b>“Opening Position Disclosure”</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer.
<b>“Overseas Shareholders”</b>	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom.

<b>“Oz”</b>	ounces
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers.
<b>“Promaco”</b>	Promaco Consulting Services Limited, which is beneficially owned by Ian Stalker.
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales.
<b>“Regulatory Information Service”</b>	a regulatory information service as defined in the FCA Handbook.
<b>“Relevant Authority”</b>	any central bank, ministry, governmental, quasigovernmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction.
<b>“relevant securities”</b>	as the context requires, Condor Gold Shares, other Condor Gold share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing.
<b>“Regulations”</b>	means the Uncertificated Securities Regulations 2001.
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Condor Gold Shareholders in that jurisdiction or where it is illegal, impracticable or unduly onerous for MTL to issue New MTL Shares, CVRs or Loan Notes to such persons or for such persons to be able to exercise entitlements under, or hold, New MTL Shares, CVRs or Loan Notes.
<b>“Restricted Overseas Persons”</b>	Overseas Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions, or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions.
<b>“Sanction Hearing”</b>	the Court hearing to sanction the Scheme.
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the 2006 Act between Condor Gold and the holders of the Scheme Shares, with or subject to any modification, addition or condition approved or

	imposed by the Court and agreed by Condor Gold and MTL.
<b>“Scheme Document”</b>	the document to be sent to Condor Gold Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the Meetings.
<b>“Scheme Record Time”</b>	the time and date to be specified in the Scheme Document, expected to be 6:00 p.m. (London time) on the date on which the Scheme is sanctioned by the Court at the Sanction Hearing.
<b>“Scheme Shareholders”</b>	holders of Scheme Shares.
<b>“Scheme Shares”</b>	all Condor Gold Shares: (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, in each case remaining in issue at the Scheme Record Time, but excluding the Excluded Shares.
<b>“Squire Patton Boggs”</b>	Squire Patton Boggs (UK) LLP as to English law, Squire Patton Boggs (US) LLP as to US law and Squire Patton Boggs (AU) as to Australian law.
<b>“Strand Hanson”</b>	Strand Hanson Limited.
<b>“subsidiary”, “subsidiary undertaking” and “undertaking”</b>	shall be construed in accordance with the 2006 Act.
<b>“Takeover Code”</b>	the Takeover Code issued by the Panel on Takeovers and Mergers, as amended from time to time.
<b>“Takeover Offer”</b>	subject to the consent of the Panel, should the Offer be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the 2006 Act, the offer to be made by or on behalf of MTL to acquire the entire issued, and to be issued, share capital of Condor Gold, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer.
<b>“tpa”</b>	tonnes per annum.
<b>“TSX”</b>	Toronto Stock Exchange.
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>“US”, “U.S.” or “USA”</b>	the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia.

<b>“US Exchange Act”</b>	U.S. Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.
<b>“US Securities Act”</b>	U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.
<b>“Voting Record Time”</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined.
<b>“VWAP”</b>	volume weighted average price.
<b>“Wider MTL Group”</b>	MTL Group and associated undertakings and any other body corporate, partnership, joint venture or person in which MTL and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent.
<b>“Wider Condor Gold Group”</b>	Condor Gold and associated undertakings and any other body corporate, partnership, joint venture or person in which Condor Gold and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, MTL and all of its associated undertakings which are not members of the Condor Gold Group).

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

All references to “pounds”, “pounds Sterling”, “Sterling”, “GBP”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

All references to “dollars”, “USD” or “\$” are to the lawful currency of the United States of America.

All times referred to are London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.

Words in the singular shall include the plural and *vice versa*.