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**THIS ANNOUNCEMENT DOES NOT CONSTITUTE A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL ULTIMATELY BE MADE.**

2 December 2024

## **METALS EXPLORATION PLC**

### **Further Statement re: Possible Offer for Condor Gold plc and Irrevocable Undertaking**

Metals Exploration plc (AIM: MTL) ("**Metals Exploration**", "**MTL**" or the "**Company**") is pleased to confirm, further to its announcement earlier today, details of an irrevocable undertaking received and the proposed consideration in respect of its Possible Offer. Pursuant to the Possible Offer, each Condor shareholder would be entitled to fixed consideration comprising of 4.0526 new ordinary shares of £0.0001 each in the capital of the Company ("**MTL Share**") and 9.9p in cash for each Condor 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 this announcement), the Fixed Consideration values Condor's existing issued ordinary share capital at approximately £67.5 million, representing approximately 33.0p per Condor Share.

In addition, pursuant to the terms of the Possible Offer, each Condor Shareholder would be entitled to receive one Contingent Value Right (the "**CVR**") (the "**CVR Consideration**"), which would entitle them to their pro rata share of US\$18.00 per ounce (to be paid in pounds sterling at the prevailing exchange rate at the time of payment) of additional contained gold JORC Mineral Resource discovered in excess of Condor's base case Mineral Resource Estimate at the Condor Group's La India, Rio Luna and Estrella projects (the "**Gold Projects**") (subject to a cap of 1.6Moz), over the five-year period following the earlier of (i) the first date upon which a suitable drilling rig to carry out certain agreed work commitments has been mobilised to the La India Project (as agreed with an independent CVR representative); and (ii) six months following the proposed scheme of arrangement's effective date (or equivalent) (the "**CVR Commencement Date**"). Payments due under the CVR would be settled by way of the issue of either new MTL Shares or loan notes issued by MTL with a maturity of six months and one day after their date of issue (the "**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 Possible Offer, would amount to US\$28.8 million (approximately £22.6 million at the prevailing exchange rate), representing 11.1p per Condor Share (the "**Maximum CVR Consideration**"). Accordingly, the Fixed Consideration and the Maximum CVR Consideration (at the prevailing exchange rate), in aggregate, would amount to approximately £90.1 million, representing approximately 44.1p per Condor Share.

**The CVRs are complex instruments and a number of factors will determine the amount, if any, that would ultimately be paid to Condor shareholders by way of the Contingent Value Rights if the Possible Offer is made on the terms set out herein.**

There can be no certainty that any firm offer will ultimately be made. This announcement does not amount to a firm intention to make an offer under Rule 2.7 of the Code, nor does it impose any obligations on the Company to make an offer.

## Irrevocable Undertaking

Metals Exploration 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 the Company of all the issued and to be issued shares in Condor, whether implemented by way of a scheme of arrangement or a contractual offer (whether on the terms of the Possible Offer or including any revision or variation in the terms of any such acquisition which may be made by or on behalf of the Company from time to time) (the “**Acquisition**”), provided that the Company has announced the Acquisition under Rule 2.7 of the Code by 5:00 p.m. on 4 December 2024 (or such later time and/or date as the Company and Condor may agree) (the “**Irrevocable Undertaking**”). In addition, the Irrevocable Undertaking provides that Galloway shall 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 Possible Offer.

Galloway is beneficially owned by Mr Jim Mellon, Non-Executive Chair of Condor. The Irrevocable Undertaking is in respect of Galloway’s entire existing holding of 50,512,597 Condor Shares (representing approximately 24.7% of Condor’s existing issued ordinary share capital), together with any Condor Shares that would be issued upon the exercise of the 892,857 warrants over Condor Shares which are currently also held by Galloway (representing approximately a further 0.4% of Condor’s existing issued ordinary share capital). Further details regarding the irrevocable undertaking are set out in Appendix 1 to this announcement.

## Further information relating to the Code

In accordance with Rule 2.5(a) of the Code, the Company reserves the right to introduce other forms of consideration and/or to vary the mix or composition of consideration of any firm offer. In addition, the Company reserves the right to make an offer for Condor at a lower value or on less favourable terms than the Possible Offer: (i) with the agreement or recommendation of the Board of Condor; (ii) if a third party announces a firm intention to make an offer for Condor which, at that date, is of a value less than the value of the Possible Offer; or (iii) following the announcement by Condor of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If Condor declares, makes or pays any dividend or distribution or other return of value or payment to its shareholders, the Company reserves the right to make an equivalent reduction to the Possible Offer.

A further announcement(s) will be made in due course, as and when appropriate.

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those ascribed in the Company’s announcement earlier today.*

## For further information, please visit or contact:

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## **Important notices**

Strand Hanson Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and nominated adviser to the Company and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to such matters.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication, or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

## **Publication on a website**

In accordance with the rules of the Code, a copy of this announcement will be made available (subject to certain restrictions relating to persons in restricted jurisdictions) at [www.metalsexploration.com](http://www.metalsexploration.com) by no later than 12 noon today. The content of this website is not incorporated into and does not form part of this announcement.

## **Appendix 1 - Details of the Irrevocable Undertaking**

Metals Exploration has received the Irrevocable Undertaking from Galloway in respect of Galloway's entire existing holding of 50,512,597 Condor Shares, representing approximately 24.7 per cent. of Condor's existing issued ordinary share capital, to vote in favour of or accept a firm offer for Condor announced under Rule 2.7 of the Code by Metals Exploration. In addition, the Irrevocable Undertaking provides that Galloway shall 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 Possible Offer.

The Irrevocable Undertaking also applies to any holdings in Condor Shares otherwise acquired in the period from the date of the Irrevocable Undertaking, being 28 November 2024, until it lapses. Galloway also holds 892,857 warrants over Condor Shares, representing approximately a further 0.4 per cent of Condor's existing issued ordinary share capital.

Galloway is beneficially owned by Mr Jim Mellon, Non-Executive Chair of Condor.

The irrevocable undertaking shall lapse if: (a) Metals Exploration has not released a firm offer announcement under Rule 2.7 of the Code for Condor by 5.00 p.m. on 4 December 2024, (or such later date agreed between the Company and Condor) or (b) if, having made such an announcement, Metals Exploration announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement firm offer for Condor is announced by it under Rule 2.7 of the Code at the same time; (c) if a scheme document is not published within 28 days of any firm offer announcement by the Company (or such longer period as the Panel may agree); (d) the offer lapses or is withdrawn in accordance with its terms; or (e) if a competing offer becomes unconditional or, if proceeding by way of a scheme of arrangement, becomes effective in accordance with its terms.