

**THIS LETTER AND THE ACCOMPANYING FORM OF ELECTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the contents of this letter, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended from time to time), if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

**THIS LETTER SHOULD BE READ IN CONJUNCTION WITH THE SCHEME DOCUMENT AND THE ACCOMPANYING FORM OF ELECTION. CAPITALISED TERMS IN THIS LETTER HAVE THE SAME MEANINGS AS IN THE SCHEME DOCUMENT (AS DEFINED BELOW), UNLESS OTHERWISE STATED.**

<b>Metals Exploration plc</b> <i>(registered in England and Wales, number 05098945)</i>	<b>Condor Gold plc</b> <i>(registered in England and Wales, number 05587987)</i>
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**Private and Confidential**

**By Email**

11 December 2024

To: The holders of warrants ("**Warrant Holders**") granted under the Condor Gold plc Warrant Instrument dated 17 June 2022 and amended on 21 December 2022 (the "**Warrant Instrument**")

Dear Warrant Holder

**This letter (the "Letter") is important, requires your immediate attention and should be read carefully. This Letter is sent in accordance with Rule 15 of the City Code on Takeover and Mergers (the "Code") to explain the impact of the Acquisition (as defined below) on your warrants granted under the Warrant Instrument, to make appropriate proposals to you in respect of such warrants and summarises the courses of action that are available to you.**

#### **RECOMMENDED OFFER BY METALS EXPLORATION PLC FOR CONDOR GOLD PLC**

As you may be aware, on 4 December 2024 the board of directors of Condor Gold plc ("**Target**") announced that it was pleased to recommend, unanimously, the offer made by Metals Exploration plc ("**Bidco**") for the entire issued and to be issued ordinary share capital of the Target (the "**Acquisition**").

The recommended offer was made by means of a scheme document dated 11 December 2024 (the "**Scheme Document**") that was sent to all Target shareholders and is also available on the Target's websites, together with other documentation relating to the Acquisition, including this Letter, at [www.condorgold.com/content/condor-offer](http://www.condorgold.com/content/condor-offer) and <https://ca.condorgold.com/content/condor-offer> and Bidco's website at

[www.metalsexploration.com/investors/recommended-offer-for-condor-gold-plc/](http://www.metalsexploration.com/investors/recommended-offer-for-condor-gold-plc/). This Letter explains how the Acquisition will affect your warrants granted under the Warrant Instrument and the actions you can take, but must be read in conjunction with the Scheme Document containing full details of the Acquisition. This Letter describes legal processes and therefore is unavoidably 'technical' in nature.

The Acquisition will be implemented by way of a Court process, known as a scheme of arrangement (the "**Scheme**"). The Scheme is a procedure that requires both the approval of Target shareholders, which will be sought at the shareholder meeting expected to be held on 6 January 2025, and sanction (i.e. approval) of the Scheme by the Court, which is scheduled to take place on 13 January 2025 ("**Court Sanction**"). It is currently expected that the Scheme will then become effective on 15 January 2025 (which is known as the "**Effective Date**" of the Scheme) and from this time Target will be owned by Bidco. Target shareholders will be entitled to receive the offer price comprising 4.0526 new ordinary shares in Bidco and 9.9p in cash (representing 33.0p in aggregate) (the "**Fixed Consideration**") and 1 "Contingent Value Right", for each Target Share they own at the Scheme Record Time (the "**Offer Price**"). The "Contingent Value Right" is a complex instrument which is described in detail in the Scheme Document.

If you exercise any warrants held by you before the Effective Date (whether pursuant to the proposals set out in this Letter conditional on Court Sanction or unconditionally pursuant to the terms of the Warrant Instrument), the Scheme will include any shares you receive on exercise of those warrants. If you wish to exercise your warrants unconditionally pursuant to the terms of the Warrant Instrument, please contact the Target's Company Secretary by email at [REDACTED] in the usual way.

## 1 EFFECT OF THE ACQUISITION ON YOUR WARRANTS

The Acquisition will change the usual treatment of your warrants. The purpose of this Letter is to explain the effect that the Acquisition will have on the warrants that you currently hold under the Warrant Instrument (the "**Warrants**") and to set out the choices available to you in respect of such Warrants. Please note that your Warrants are already exercisable in full under the terms of the Warrant Instrument.

For the avoidance of doubt, this Letter serves as notification of the Acquisition in accordance with paragraph 8.2 of Schedule 3 of the Warrant Instrument.

If the Acquisition does not happen for any reason, your Warrants will continue as normal subject to the Warrant Instrument and applicable warrant certificates.

## 2 CHOICES IN RESPECT OF YOUR WARRANTS

For reasons explained further below, it is important that you take the appropriate course of action as soon as possible and by no later than 6.00 p.m. (UK time) on 12 January 2025. In particular, your Warrants will only be exercisable for a limited period of time under the Warrant Instrument and will lapse and become worthless if you take no action.

If you hold more than one Warrant, you may make a different choice in relation to each Warrant you hold. Before deciding what action you should take, you should carefully read this Letter. If you are in any doubt about your tax position, you should consult an appropriate independent professional tax adviser without delay.

You have the following choices in relation to your outstanding Warrants:

**CHOICE A: AGREE TO CANCEL YOUR WARRANTS IN CONSIDERATION OF BIDCO GRANTING YOU REPLACEMENT WARRANTS ON THE SAME TERMS.**

You can elect to cancel each of the Warrants granted to you under the Warrant Instrument in exchange for the grant of replacement Warrants in Bidco subject to the terms of a new Bidco warrant instrument to be entered into by Bidco (the "**Metals Warrant Instrument**") (the "**Metals Warrants**").

A replacement Metals Warrant will be granted over the number of shares in Bidco ("**Metals Share(s)**") equal to the number of shares in Target ("**Target Share(s)**") subject to the original Warrant multiplied by 5.7894, being the exchange ratio derived from the total value of the Fixed Consideration. The subscription price per Metals Share will be equal to the subscription price per Target Share under the original Warrant divided by 5.7894. The intent of this proposal is to preserve the economic value of your Warrants by issuing new warrants granted by Bidco with equivalent terms of the basis of the Fixed Consideration of the Acquisition.

Fractional entitlements to new Metals Warrants will be rounded down to the nearest integral number.

The Metals Warrants will be granted following Court Sanction. You will receive a certificate confirming your holding of Metals Warrants (where relevant) as soon as practicable following such date.

The Metals Warrants will continue on terms that are the same as the Warrant Instrument modified only as necessary to reflect that the Metals Warrants are over Metals Shares.

**CHOICE B: APPLY NOW TO EXERCISE YOUR WARRANTS CONDITIONAL ON COURT SANCTION.**

Alternatively, you can elect to exercise any Warrants granted to you under the Warrant Instrument conditional on Court Sanction (unless they lapse earlier in accordance with the Warrant Instrument). You should, however, consider your own personal circumstances, including your own tax position, in consultation with your financial and/or tax advisors, when deciding whether to exercise your Warrants.

Please note that, if you exercise any of your Warrants with a subscription price greater than the Offer Price per Target Share, you will not be "in the money" (i.e. you will not generate a profit). However, if you wish to exercise your Warrants conditional on Court Sanction, please email the Target's Company Secretary at [REDACTED], so that you can be provided with an exercise notice. The subscription price will need to be received in full by the Company before your Warrants can be exercised, and before Court Sanction.

In selecting **Choice B**, your Warrants will be exercised on Court Sanction and the Target Shares that you acquire will be automatically acquired by Bidco and you will receive the Offer Price per Target Share. The Scheme Document sets out in detail the settlement mechanics of the Offer. The new ordinary shares in Bidco which form part of the consideration will be issued in certificated form. You will also receive Contingent Value Rights in certificated registered form.

Fractional entitlements to new Bidco shares for each Target shareholder will be rounded down to the nearest integral number.

**CHOICE C: DO NOTHING.**

If you do nothing, your Warrants will lapse and cease to be of any value 30 days following the date of this Letter (or, if earlier, the date that they lapse under the Warrant Instrument).

**3 TAXATION CONSEQUENCES**

**If you are in any doubt as to your tax position in respect of the proposals set out in this letter, you should consult an appropriate professional adviser without delay.**

If you select Choice B and participate in the Scheme, please consider Part 8 (United Kingdom Taxation) of the Scheme Document.

**4 ACTION TO BE TAKEN**

**(a) *If you wish to select Choice A***

You need to complete the enclosed Form of Election and return it via email to the Target's Company Secretary, email address: [REDACTED], or alternatively you may send the Form of Election, together with the original warrant certificate(s) to the Company Secretary at the Target's registered office address: 7/8 Innovation Place, Douglas Drive, Godalming, Surrey GU7 1JX **as soon as possible and in any event so as to be received by no later than 6.00 p.m. UK time on 12 January 2025 (the "Closing Date")**. The cancellation and replacement of your Warrants will not take effect until Court Sanction.

Please read the explanatory notes and the Terms and Conditions carefully before you complete the Form of Election. These notes tell you how to complete the Form of Election and to cancel and replace the Warrants with Metals Warrants.

If you are not able to enclose your original warrant certificate(s), you will still be permitted to cancel and replace your Warrants. By signing the enclosed Form of Election, however, you agree to deliver such warrant certificate(s) to Target for cancellation (if possible), if and when such warrant certificate(s) become available to you at some point in the future and you also agree to indemnify Target and/or Bidco against all claims, demands, liabilities and expenses, howsoever arising as a consequence of the cancellation and replacement of your Warrants being permitted without production of the relevant warrant certificate(s).

**(b) *If you wish to select Choice B***

You should **not** complete or return the enclosed Form of Election, but instead contact the Company Secretary at the Target (by email: [REDACTED]) without delay, who will supply you with a standard notice of exercise.

**(c) If you take no action**

If you take no action, you will not be able to exercise or cancel and replace your Warrants and your Warrants will lapse and become worthless 30 days following the date of this Letter (or, if earlier, the date that they lapse under the Warrant Instrument).

**5 PROPOSALS: RECOMMENDATION**

**The directors of Target recommend that Warrant Holders select Choice A in respect of their Warrants if your Warrant is 'underwater' (i.e. the relevant Warrant has a subscription price in excess of the Offer Price per Target Share), however if your Warrant is in-the-money (i.e. the relevant Warrant has a subscription price lower than the Offer Price), you may also consider instead pursuing Choice B. You should, however, consider your own personal circumstances, including your own tax position, in consultation with your financial and/or tax advisors, when deciding which choice to take in respect of your Warrants.** The directors of Target, who have been so advised by Beaumont Cornish Limited (“**Beaumont Cornish**”), as to the financial terms of the proposals, consider the terms of the proposals set out in this Letter to be fair and reasonable in the context of the Acquisition as a whole. In providing its advice to the directors of Target, Beaumont Cornish has taken into account the commercial assessments of the directors of Target. Beaumont Cornish is providing independent financial advice to the directors of Target for the purposes of the City Code on Takeover and Mergers.

**6 SPECIAL CONSIDERATIONS FOR PDMRS OR INSIDERS**

If the Target's Share Dealing Code applies to you, you must obtain permission to exercise your Warrants before you submit any instruction. You can seek permission to deal by following the process set out in the Target's Share Dealing Code. However, unless exceptional circumstances exist, it is unlikely that you will be granted permission to deal while you are an insider or, if you are a PDMR or a closely associated person of a PDMR, during a closed period.

**7 GENERAL**

If you have any queries in relation to this Letter or how to complete the Form of Election you should contact the Company Secretary of the Target (by email: [REDACTED]) without delay. Please note that the Company Secretary will not be able to advise you on the course of action that you should take in relation to your Warrants and cannot give you investment or tax advice.

Nothing in this Letter constitutes financial advice to any holder of shares or warrants in Target or Bidco.



If there is a conflict between the information in this Letter or the Warrant Instrument or any relevant legislation, the Warrant Instrument and legislation will prevail.

By making an election as set out in this Letter, you agree to the Terms and Conditions set out in the Schedule to this Letter.

**You are reminded that if you fail to take any action, your Warrants will lapse and cease to be of any value.**

Please also note that nothing in this Letter is intended nor should it be taken as any advice as to any course of action you should take. If you are in any doubt as to the action you should now take, you should seek your own financial advice from an appropriate independent professional adviser who (where relevant) is duly authorised and appropriately regulated under the Financial Services and Markets Act 2000 (as amended from time to time), or an appropriately authorised financial adviser if you are outside the UK.

Yours faithfully

<p><i>Director</i> </p> <p><b>For and on behalf of Bidco</b></p>	<p><i>Director</i> </p> <p><b>For and on behalf of Target</b></p>
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## NOTES

- (a) The Target Directors, whose names are listed in paragraph 2(a) of Part 7 of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion), other than that listed in note (b) below which the Bidco Directors accept responsibility. To the best of the knowledge and belief of the Target Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Bidco Directors, whose names are listed in paragraph 2(b) of Part 7 of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion) relating to the Acquisition and the proposals relating to Bidco and the Bidco Directors. To the best of the knowledge and belief of such persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) Beaumont Cornish Limited ("**Beaumont Cornish**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser to Target and for no one else in connection with the matters referred to in this Letter and will not be responsible to anyone other than Target for providing the protections afforded to clients of Beaumont Cornish, nor for providing advice in relation to the Acquisition of Target or any other matters described in this Letter. Neither Beaumont Cornish 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 Beaumont Cornish in connection with this Letter, any statement contained in this Letter, the Acquisition of Target or otherwise. No representation or warranty, express or implied, is made by Beaumont Cornish as to the contents of this Letter.

Beaumont Cornish has given and not withdrawn its written consent to the issue of this Letter, with the inclusion of the references to its name in the form and context in which it appears.

## **SCHEDULE - TERM AND CONDITIONS**

These terms and conditions are important: they apply both to this Letter and the Form of Election. You should read these terms and conditions carefully before submitting the Form of Election. You should keep a copy of these terms and conditions for future reference.

### **Submitting the Form of Election**

- 1 The Form of Election will be of no effect unless it is submitted in accordance with the instructions set out in the Form of Election by 6.00 p.m. UK time on 12 January 2025.

### **Exercising your Warrants using the Form of Election**

- 2 The enclosed Form of Election, including the notes and instructions on it, shall be deemed an integral part of electing to cancel and replace your Warrants with Metals Warrants if you select Choice A.
- 3 By submitting the enclosed Form of Election, you confirm that you have had the opportunity to review the Scheme Document (which is available on the Target website at [www.condorgold.com/content/condor-offer](http://www.condorgold.com/content/condor-offer) and <https://ca.condorgold.com/content/condor-offer>), this Letter and the Form of Election, and that you have read and irrevocably agree to their respective terms and conditions.
- 4 The choice you select in your Form of Election will take effect if the Acquisition is successful in accordance with the terms of this Letter and the terms of the Acquisition.
- 5 If the Acquisition does not happen for any reason, the Form of Election will have no effect.
- 6 Accidental omission to despatch this Letter to, or failure to receive the same by, any Warrant Holder shall not invalidate the election in any way.
- 7 The Letter and acceptances and elections in respect of it shall be governed by and construed in accordance with English Law.
- 8 All acceptances and elections in respect of the proposals set out in this Letter will be irrevocable and cannot be subsequently revoked.
- 9 Copies of the Warrant Instrument are available to you on request from Target's Company Secretary (by email: [REDACTED]).
- 10 Your Warrants are governed by the Warrant Instrument under which they were granted and the applicable legislation. If there is any inconsistency between the Warrant Instrument and applicable legislation and this Letter and the Form of Election, the Warrant Instrument and such legislation will prevail.

### **Investment decision and taxation**

- 11 The choice you make in respect of the proposals set out in this Letter is a personal decision, and if you are in any doubt as to the decision you should take, you are recommended to consult an independent financial adviser who is authorised under the Financial Services and Markets Act 2000. For legal reasons, neither Target nor Bidco



can give you investment or tax advice (nor any of their respective employees, officers or agents) can give any legal, financial or tax advice.

- 12 By submitting the Form of Election, you confirm that you have not relied on any investment, tax or other advice from Target nor Bidco nor any member of their respective groups of companies, or any employees, officers or agents thereof.

### **General**

- 13 Neither the Target, nor Bidco (nor any member of their respective groups of companies, nor any of their employees, officers or agents) can be held responsible for any failure in the delivery of the Form of Election or any other document or any consequential loss.
- 14 The Form of Election will be of no effect in respect of Warrants which have lapsed.
- 15 The information collected in the Form of Election will be used for data processing for which Target is responsible and will be transmitted to any person(s) who require such information for the purposes of carrying out your instructions, and such persons will include Target and Bidco.